



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

SENATE

RURAL AND REGIONAL AFFAIRS AND TRANSPORT
LEGISLATION COMMITTEE

Consideration of Budget Estimates

WEDNESDAY, 29 MAY 2002

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SENATE
RURAL AND REGIONAL AFFAIRS AND TRANSPORT LEGISLATION
COMMITTEE
Wednesday, 29 May 2002

Members: Senator Crane (*Chair*), Senator Buckland (*Deputy Chair*), Senators Cherry, Colbeck, Ferris and O'Brien

Senators in attendance: Senators Buckland, Colbeck, Crane, Ferris, Hogg, McLucas and O'Brien

Committee met at 9.07 a.m.

TRANSPORT AND REGIONAL SERVICES PORTFOLIO

Consideration resumed from 28 May 2002.

In Attendance

Senator Ian Macdonald, Minister for Forestry and Conservation

Corporate Governance Group

Mr Ken Matthews, Secretary

Mr Peter Yuile, Deputy Secretary

Ms Lynelle Briggs, Deputy Secretary

Information Services and Executive Services

Ms Faye Powell, General Manager, Information Services Group

Economic Research and Policy Co-ordination

Mr Tony Slatyer, First Assistant Secretary, Economic Research and Portfolio Policy Division

Business Services

Dr Leo Dobes, Acting General Manager, Business Services Division

Mr Jeremy Chandler, Chief Finance Officer

Mr John Kilner, Assistant Secretary, People and Performance Branch

Mr Giulio Cerasani, Acting Assistant Secretary, Performance Improvement in Corporate Services

Transport Group

Australian Transport Safety Bureau

Mr Adrian Beresford Wylie, Acting Executive Director, Australian Transport Safety Bureau

Mr Robin Graham, Director, Safety Investigations

Mr Alan Stray, Deputy Director, Air Safety Investigations

Transport Infrastructure Policy Division

Dr Greg Feeney, First Assistant Secretary

Ms Sue Elderton, Strategic Transport Planning

Mr Gary Dolman, Logistics and Technology

Ms Judith Winternitz, High Speed Train Project

Mr John Elliott, Infrastructure Investment

Transport Regulation Division

Mr Bill Ellis, First Assistant Secretary

Mr Peter Robertson, Assistant Secretary, Vehicle Safety Standards Branch

Mr Robert Hogan, Assistant Secretary, Service Transport Regulation and Reform Branch

Ms Linda Addison, Assistant Secretary, Airport Planning and Regulation Branch

Australian Maritime Safety Authority

Mr Clive Davidson, Chief Executive Officer

Transport Programs Division

Ms Trudi Meakins, Acting First Assistant Secretary

Mr Andy Hrast, Acting Assistant Secretary, Roads Programs Branch

Ms Linda Holub, Assistant Secretary, Industry Programs Branch

Mr Kevin Rheese, Director, Black Spot Unit

Mr Wayne Trappett, Director, Strategic Investment and Technical Services, Roads Programs Branch

Aviation and Airports Policy Division (including CASA and Airservices Australia)

Aviation and Airports Policy Division

Mr Martin Dolan, First Assistant Secretary, Aviation and Airports Policy Division

Ms Merrilyn Chilvers, Assistant Secretary, Safety and Environment Policy Branch

Mr Andy Turner, Assistant Secretary, Aviation Security Policy Branch

Civil Aviation Safety Authority

Mr Mick Toller, Director, Aviation Safety

Mr Bruce Gemmell, Deputy Director

Mr Rob Elder, Executive Manager, Corporate Affairs

Mr Mike Williams, Executive Manager, Aviation Safety Compliance Division

Mr Bill McIntyre, Acting Assistant Director, Aviation Safety Standards Division

Mr Ray Comer, Executive Manager, Corporate Development

Ms Sue-Ellen Bickford, Executive Manager, Corporate Services

Mr Peter Ilyk, General Counsel

Mr Mike Smith, General Manager, Aviation Safety Promotion Division

Ms Karen Nagle, Risk Manager, Support

Airservices Australia

Mr Bernie Smith, Chief Executive Officer

Mr Andrew Fleming, General Manager, Air Traffic Management

Mr Hisham El-Ansary, Chief Financial Officer and General Manager, Corporate Services

Mr Daryl Cathro, General Manager, Airport Services

Mr Brian Prendergast, General Manager, Infrastructure Support Services

Mr Tom Grant, General Manager, Organisation Development and Corporate Secretary

Regional Development Group

Regional Policy Division

Mr John Doherty, First Assistant Secretary

Ms Joan Armitage, Assistant Secretary, Regional Policy Analysis Branch

Ms Jane Harriss, Director, Departmental Communications Unit

Mr Daniel Owen, Assistant Secretary, Regional Policy Development Branch

Regional Programs Division

Ms Robyn Beetham, First Assistant Secretary, Regional Programs Division

Ms Wendi Key, Assistant Secretary, Stronger Regions Branch

Mr Leo Kennedy, Acting Assistant Secretary, Regional Assistance Programs Branch

Mr Andrew Tongue, Assistant Secretary, Regional Access Branch

Ms Michelle Patterson, Assistant Secretary, Regional Assistance Programs Branch

Territories and Local Government Division

Mr Mike Mrdak, First Assistant Secretary

Mr Andrew Wilson, Assistant Secretary, Non Self-Governing Territories Branch

Ms Maureen Ellis, Acting Assistant Secretary, Self-Governing Territories, Local Government and Natural Disaster Management Branch

Ms Dianne Gayler, Assistant Secretary, COAG Natural Disaster Review

National Capital Authority

Ms Annabelle Pegrum, Chief Executive

Mr Lindsay Evans, Managing Director

Mr Ross Addison, Chief Finance Officer

CHAIR—I declare open this public meeting of the Senate Rural and Regional Affairs and Transport Legislation Committee. The committee will continue its consideration of the 2002-03 budget estimates for the Department of Transport and Regional Services. Answers to questions on notice and additional information should be received by the committee no later than Friday, 12 July 2002. Who would like to go first?

Senator O'BRIEN—Mr Chandler will begin by telling us about some figures from yesterday.

Mr Chandler—I have a response to the question from Senator O'Brien last night concerning the \$18.2 million difference between the expenses figure in Budget Paper No. 1 and the portfolio budget statement in 2001-02 and 2002-03. We reviewed the figures last night after our discussions. As I indicated, the explanation is, in essence, set out on page 63 of the portfolio budget statement. It comprises the departmental funding impact of the new measures, which are listed on the page that I have just tabled for the committee. They are: the extension of the Federal Road Safety Black Spot Program, national highway and roads of importance, strengthening air safety and the construction of a purpose-built immigration facility at Christmas Island. There is a reduction in funding for the Very High Speed Train scoping study and a carryover of the \$6.4 million in funds from 2001-02 to 2002-03 for the Stronger Regions Program.

Parameter adjustments total \$2.8 million and if one takes account of those figures, the difference is \$18.7 million, which is a \$0.5 million difference from the base figures. That is made up of a multiplicity of other minor adjustments. I had indicated last night, when we were talking about the items, that the reduction in independent revenue was a factor. In review, that is not the case. The impact of that is on the operating result for the department but it is not an impact on expenses as such.

Senator O'BRIEN—At the last hearings, you advised that the output pricing review report was being finalised by the Department of Finance and Administration and that it would be finalised in the budget process. Can you give the Senate an outline of the outcome of that report and how these outcomes are reflected in the budget?

Mr Chandler—A draft report was prepared in conjunction with the department of finance. The government deferred consideration of the outcome of that output pricing review to within 2002-03, so we have not, at this stage, reached a resolution in relation to the outcome of that review.

Senator O'BRIEN—On outsourcing, Ms Kava advised the last hearings on the timetable for market testing of some departmental functions and that the results of the office services property and accommodation tenders were expected by March-April. Did that happen?

Dr Dobes—The story to date is that a decision has been taken on two of those that were listed before. It was decided to retain legal services in-house after a very extensive and exhaustive process. Very recently it was decided to outsource the property accommodation and security services part that was being market tested. That process is currently in train in terms of negotiating with the preferred tenderer to come to an agreement. So it has not actually been outsourced, but we are still in that process.

Senator O'BRIEN—How many jobs are affected?

Dr Dobes—Essentially, four jobs are affected by the actual market testing process, but there are another two positions, which are still under review.

Senator O'BRIEN—The human resources and finance processes were expected to have known outcomes by the end of June. Is that still the timetable?

Dr Dobes—That is our expectation at the moment, but the process that we are following, on very clear instructions from the secretary, Mr Matthews, is a very rigorous process. So, obviously, if we encountered any difficulties, or needed to double-check anything or be absolutely certain about what we were doing, that timetable might slip. At the moment, we have a full expectation that will be finished within the next month.

Senator O'BRIEN—How many jobs are affected by the outcome of that process?

Dr Dobes—I do not have the actual figures to hand but I think it is about 50. Whether that is the actual number that would be effected on the day, would depend on staff movements and so on.

Senator O'BRIEN—Have any outsourcing or market testing processes been factored in or anticipated in the budget figures?

Dr Dobes—No, they have not, because we do not have an expectation of outsourcing or keeping in-house. We are really just doing this very objectively, and so we could not really put that in the budget.

Senator O'BRIEN—I want to ask about the impact of the Ansett collapse on the departmental travel arrangements. We received quite detailed information on notice. Is American Express still arranging the department's travel?

Dr Dobes—Yes, it is. It is a month by month contract so it is still there.

Senator O'BRIEN—Are those services, in any way, connected with a corporate American Express card?

Dr Dobes—If you mean in terms of whether we have a corporate American Express card—no, we do not.

[9.17 a.m.]

Senator O'BRIEN—In relation to economic research and policy coordination, I wanted to ask about the fuel tax inquiry. Mr Slatyer, your section prepared the department's submission to the fuel tax inquiry, as I understand it.

Mr Slatyer—Yes.

Senator O'BRIEN—You advised at the last estimates that the department's work to develop an energy grants credit scheme had been ongoing for some time and that it had been 'swept into the process of the fuel taxation inquiry.' Can you tell me what the department now understands is the status of that process?

Mr Slatyer—The government decided and announced in the budget context that—I am referring to the Treasury's media statement of 14 May—the Energy Credit Scheme would now be developed to be implemented by the 1 July 2003. It reiterated the purpose of that scheme, and the department will now be progressing the development of that scheme in line with that guidance.

Senator O'BRIEN—So the department will be responsible for developing the Energy Credit Scheme?

Mr Slatyer—That is the current situation, yes.

Senator O'BRIEN—Have you received any advice or direction from the minister about the implications of the budget announcements on the Energy Credit Scheme?

Mr Slatyer—No—though, the Treasurer's media statement gives us a clear way forward.

Senator O'BRIEN—Have there been meetings with Environment Australia, since the canning of the fuel tax inquiry outcome, to discuss what happens next?

Mr Slatyer—No.

Senator O'BRIEN—What has it cost the department to date to develop an energy credit scheme in preparation of your submission to the fuel tax inquiry?

Mr Slatyer—We have not calculated that. It has been a part of the duties of several officers in the policy group in my division. We are dealing with a range of policy issues at any time, and this has been one of them. We have not separated out and calculated the cost of the work we have done to date.

Senator O'BRIEN—The minister issued a media release on 10 May advising support for the ICAO decision to set up a nonprofit company to provide insurance with multilateral government backing. Can you provide the committee with an outline on this issue?

Mr Slatyer—That is not in my division.

Senator O'BRIEN—Which division is it?

Ms Briggs—If it is okay with committee, we could handle that under the aviation section; we will have people here for that then.

Senator O'BRIEN—Item 2.5, the Aviation and Airports Policy Division: is that the one we need to refer to?

Ms Briggs—Yes, 2.5 is correct.

Senator O'BRIEN—I do not have any more questions under program 1.

ACTING CHAIR—We will move on to program 2.

[9.22 a.m.]

Australian Transport Safety Bureau

Senator O'BRIEN—Mr Beresford-Wylie, could you tell me what the budget implications, if any, are for the staffing of ATSB?

Mr Beresford-Wylie—The staffing numbers for the ATSB for 2002-03 are expected to be 97 FTE. That is down from a figure for 2001-02 of 98, which was revised in light of the departmental restructure—a reduction of one FTE.

Senator O'BRIEN—What area will that come out of? Will it be spread across somehow?

Mr Beresford-Wylie—In fact, that is expected to be a retirement. There will be the same number of investigators next year that there were last year, and there will be a reduction of one person in our corporate support area.

Senator O'BRIEN—Are you fully aware of your operating budget for the coming year?

Mr Beresford-Wylie—We have some advice, yes.

Senator O'BRIEN—Is there anywhere I can look in the PBS to see your budget, or is that not a separate line item in the budget papers?

Mr Beresford-Wylie—It is contained within the department's broad operating expenses. It is identified, I think, as part of the output figures you find in the PBS.

Senator O'BRIEN—You would recall our interest in monitoring what happens to recommendations that arise from ATSB investigations to CASA. Airservices, manufacturers, et cetera. At the last estimates we were told you were upgrading the OASIS database so that the reports we were interested in could be generated with the push of a button. Is that upgrade still on schedule for 30 June?

Mr Beresford-Wylie—I might ask Mr Graham, the director of air safety investigations, to answer that question.

Mr Graham—The upgrade is on time. It is being tested at present. I am always careful when I comment on computer systems at this juncture, but it looks like it will be up and available towards the end of June. It is going to be on the web and available there, so people will be able to log on and get the status of the recommendations. When we get a response from somebody it usually has their name, address, and phone number on it. What we are having to do is to go through and make sure we do not put any data on the web that conflicts with the Privacy Act, and that might take until the middle of July. So we are basically on time.

Senator O'BRIEN—Okay. I am still seeking a copy of all ATSB recommendations in the last five years, the date of issue of each recommendation, who the action was recommended to and what has happened since. Can I have a commitment that this report will be generated as soon as the software upgrade is complete and it is able to be produced?

Mr Graham—My expectation is that when this comes up we will be able to give you most of that. It will be readily available on the web and updated. I am hesitating because you asked for some other data behind it. I will have to check on that. For the basic information you are requesting, the answer is yes, but I would have to take on notice just how much of the detail behind it in that question there would be.

Senator O'BRIEN—At the last estimates hearing, when we discussed Whyalla Airlines we were advised that a safety study of similar engines was still under way. How is that study going, and when is it likely to conclude?

Mr Graham—I might ask Mr Stray if he wishes to give you any detailed comment in a minute, but basically that study is under way. There are several engines, in the region of 10, that we are examining. We are looking at them in the context of the Whyalla investigation but also in the wider context of the entire fleet using those engines. It is a complex investigation. We are continuing it and it is going ahead, but I do not have a finalised date yet. We are working as properly as we can with the South Australian authorities and keeping them informed on progress. I will just ask Mr Stray if he has any further comment on that.

Mr Stray—The study is well under way. The research information and data that has been collected from the analysis of the failed components is being formulated into a report. We are hopeful that that will be completed within about eight weeks. At the moment there are still

exchanges of information going on with the FAA in the United States. There have been, over the last two years, 11 engine failures of a similar type. The key areas of analysis are the behaviour of combustion process under the various operating conditions and the behaviour of bearings, et cetera. So it has been very complex, but it is being drawn together now into a report.

Senator O'BRIEN—Thanks for that. What is the status of the recommendations from your Whyalla report? Have all the recommendations been responded to?

Mr Stray—In the recommendations relating to the restriction that applies to aircraft authorised to carry more than nine passengers—that is recommendation No. 20000248—that has been closed-accepted. CASA has amended the CAO, and that will take place 1 July; so we have accepted that. No. 249 relating to life jackets: the discussion paper that was issued by CASA closed on 1 March 2002. We have marked that as 'open' pending the next step and evidence of a result that we believe meets the intent of the recommendation. No. 250 relating to alerting operators of aircraft equipped with turbocharged engines to the potential risks: the response from CASA was acceptable, met the intent of the recommendation, and we have accepted that. No. 254 relating to review of certification requirements of piston engines with respect to operating conditions under which combustion chamber deposits may cause pre-ignition are formed: that remains open. We received a response from FAA on 8 May 2002 advising that recommendations have been forwarded to the appropriate office in FAA, and a response would normally be forthcoming within 90 days. So that remains open, pending that response.

No. 255 regarding the review of practice during assembly of applying anti-galling compounds: that is the same. We are waiting on a further response, so that remains open. We had one to Textron Lycoming engine manufacturer about the anti-galling compound use, and we have had no response from them at this stage. So that remains open. No. 257, relating to the review of operating and maintenance procedures for high-powered piston engines: we are working with the FAA, as is CASA, to get a result. CASA is reviewing maintenance procedures, and a letter was sent to operators of all Lycoming and Teledyne Continental engines which are greater than 250 horsepower. Because that letter has been sent out, we have got that on monitor, pending making sure that the desired intent is met.

No. 258, regarding educating the industry on procedures and techniques that may maximise the chance of survival in a ditching event: CASA is currently preparing a Civil Aviation advisory publication. They have informed us of that, so we have placed that on monitor status, pending the release of that document. That is the list as I see it.

Senator O'BRIEN—No. 249 is still open?

Mr Stray—No. 249 is open.

Senator O'BRIEN—The life jackets.

Mr Stray—Yes, that is the life jackets. A discussion paper was issued by CASA. That closed on 1 March 2002. I guess it is appropriate to talk to CASA about the next phase but, as I understand it, there will probably be a notice of proposed rule-making coming after that, so that will take time.

Senator O'BRIEN—At the last hearings, I asked CASA about its response on this recommendation. Mr Toller said:

Only the ATSB can publish the response and, therefore, that might be a request that you will have to make of Mr Bills.

I do not recall seeing that document. It may have been provided. If it was not provided, is there a problem with the ATSB making that available to the committee?

Mr Stray—Certainly not, Senator. That would constitute a public document. We publicise the responses. Any response from CASA is up to them whether or not they publish it.

Senator O'BRIEN—So it is not a matter for you; it is a matter for them?

Mr Stray—We do publish but, equally, it does not constitute an air safety record, so it is at their discretion whether or not they publish. I am not sure that I have those with me, but I can get them and table them through the morning.

Senator O'BRIEN—That would be great. Thanks very much.

Mr Stray—Do you want all the Whyalla ones?

Senator O'BRIEN—Yes. The South Australian coroner is still conducting an investigation, as I understand it. Do you have any indication about the timing of that?

Mr Graham—I think the timing is August. That was the last indication I had. Is that right, Alan?

Mr Stray—I believe so. Yes, early August.

Senator O'BRIEN—That is when the hearings will commence?

Mr Graham—Yes, that is our understanding.

Senator O'BRIEN—In relation to QFI Bangkok, recommendation 239 relates to the training of crews operating high capacity jet aircraft on wet or contaminated runways. That is QFI Bangkok?

Mr Stray—Correct.

Senator O'BRIEN—The recommendation was made on 18 April last year. What has happened?

Mr Stray—CASA responded to us. I believe their letter was dated 14 March. We received it 20 March this year. They acknowledged the intent of the recommendation and advised that the procedures and training for operations on wet or contaminated runways were comprehensively addressed in the proposed Civil Aviation Safety Regulation part 121A amendment that is scheduled for release to interested parties' consultation in April this year. Again, from our perspective, that is a monitor status. They have told us what they intend doing. We will keep that on monitor until we see the proposals.

Senator O'BRIEN—I think there are a number of other recommendations. Can you take the committee through them and let us know what has happened?

Mr Stray—Yes. They start with 20000234. ATSB has that on monitor status. Again, that was received on 20 March this year, and CASA acknowledged the intent of the recommendation and advised that cabin crew requirements identified in the recommendations are comprehensively addressed again in the part 121 proposed amendment. No. 235, again received on 20 March, CASA acknowledged the intent of the recommendation and advised that the authority has taken steps to address the issue of fatigue management.

Working through Professor Drew Dawson, head of sleep research in Adelaide University, CASA is currently developing a trial fatigue system. As an outcome of the trial they anticipate that identified fatigue management principles would be restricted to situations where a limited number of pilots were retained and CASA undertakes to advise the ATSB of the outcome of

the fatigue management system. So again we have placed that on monitor, pending the results from that.

With recommendation 238, CASA again acknowledges the intent of the recommendation. We are advised that the authority has taken significant steps to ensure that CASA audit teams have expertise in all relevant areas. It goes through quite a bit of detail there. They are developing a course and they consider the introduction of multidisciplinary audit teams in conjunction with the development of a safety systems approach and targeted training satisfies the requirements of the recommendation. ATSB believes it meets the intent of the recommendation and has closely accepted it. No. 239 we have covered before, but just to recap, that is part of the 121A amendment proposed and that is on monitor. I do have those responses if you want them tendered.

Senator O'BRIEN—Yes, please. Thanks very much. Can I go through the issue of the Beech King Air that was lost in those terrible circumstances? It has been the subject of a coronial inquiry. I know in the media that some criticism of the ATSB has flowed from that process. Can you advise the committee what the allegations against the ATSB were?

Mr Graham—Senator, the coronial is still in progress so I am rather careful what I do say about it. But Mr Bills responded to those allegations and several other issues in a letter to the Perth coroner of 26 March. Rather than speak directly about a coronial inquest that is still in progress, I will just take you through a few general points he makes. We were disappointed in some of the comments but, if I could just read out a paragraph from Mr Bills' letter, this encapsulates some of the issues—

It is therefore particularly disappointing that the opening statement of your counsel assisting criticised the ATSB for having 'no interest in preparing a robust case that would be relevant to bring to an adversarial public forum'. The question of 'interest' is not relevant because the Bureau operates under Commonwealth legislation that is based on Annex 13 of the Chicago Convention, and the object of the *Air Navigation Act* Part 2A, (s 19CA) includes **not** providing the means to ascribe the type of blame or liability that is tested in an adversarial forum.

We are very conscious that ICAO and our act do not allow us to ascribe blame and we will continue to not do that. If we start ascribing blame we have basically lost the plot. We will lose our access to a lot of confidential information and we will lose the confidence of the industry. So that is why we are very protective of that. I think that is a core issue. It is an issue we are working through with the coroners society and preparing a memorandum of understanding to the new transport safety investigation bill.

There were other issues of timeliness and Mr Bills also addresses those in his letter. Some causes for that were workloads from other high profile investigations such as Qantas 1 and Whyalla and getting pathology information from Queensland. There was a delay in that. So those are some of the issues there. With the coronial still going, I do not want to go into any further detail, but those are general issues in the whole of our relationship.

CHAIR—Mr Graham, you quoted from a letter. Are there any other matters in that letter that you would sooner not have on the table? In other words, I am asking if you can you table that letter. I am not trying to force you or not force you, but if there are other matters—

Mr Graham—Sorry, could I let Mr Matthews—

CHAIR—do not table it. If you can table it, I think it would help the process.

Mr Matthews—Would it be possible to give us a few minutes to work through it. I was familiar with this letter at the time it was dispatched. It is a lengthy letter. I would just like to

run my eye over it again, perhaps have a word with the minister and come back to you in a few minutes.

CHAIR—Certainly. We have always been very cautious with coronial inquiries and other inquiries going on, as you know. There have been some debates in the Senate. I would not want you to compromise anything. Certainly take your time and we will deal with it.

Senator O'BRIEN—Can you tell the committee when you would expect to make a report on the recent accident at Bankstown Airport?

Mr Graham—We could ask Mr Stray to comment on that.

Mr Stray—We have either just released or are about to release a preliminary report which deals with the facts as known and verified at the moment. The next step in that will be preparation for the final. If it goes beyond four months from now we will be issuing an interim factual report, which will be an update on the facts. To date the site work has been completed. There are still interviews to be conducted with some witnesses. From the analysis of all the information that we have got, it is a difficult one in the sense that the aircraft did not have recorders nor were they required to have them. Because of the traffic densities and the complexity of that, the radar is screened below a certain height. We have only got the radar data down to a certain height. We are piecing all of that together coupled with eyewitness reports from both the air and on the ground and taking angles and measurements. We do of course know what the damage signatures were. How that came about is yet to be analysed. It could be some considerable time down the track. It is very hard to put a time on it but it could be at least nine months away yet. But we will be providing updates roughly every four months. We will provide interim factual reports to provide the facts as known and verified at that time.

Senator O'BRIEN—There were some responses. I wanted to ask about R19990195 and 96 about cleaning helicopter components and painting of engine cooling authority. Neither has been responded to by CASA.

Mr Stray—We received a response. I do not have the response date on that. We have closed and accepted the response. CASA responded to us that they accepted the recommendation advice.

Senator O'BRIEN—Which one is this? Is it 195 or—

Mr Stray—That is both—95 and 96. They accept the recommendation and advise that they have taken certain action. I can table that if you wish.

Senator O'BRIEN—Thanks.

Mr Stray—They have actually prepared an airworthiness bulletin to alert industry.

Senator O'BRIEN—When was their response?

Mr Stray—For some reason I do not have a response date on this document. I can get that for you very easily.

Senator O'BRIEN—My inquiries say they were not responded to in March this year.

Mr Stray—I honestly could not answer that. In doing a preparation for the hearing I got a listing. That came through with a positive listing. I can get the date for you. It is quite easy.

Senator O'BRIEN—Recommendations 130 to 133 and 186—that is, R20000130, et cetera—are the recommendations flowing from the fuel contamination problem. They were issued in March last year. CASA's response is that there will be no response until the portfolio

response to the report of the Senate Rural and Regional Affairs and Transport into the matters relating to aviation fuel has been finalised. Is this a safety issue, or not?

Mr Stray—Senator, I would have to look at each of those recommendations in turn, but I am aware that that is the position of CASA. They have been having discussions with the department and we have been involved in some of those discussions.

Senator O'BRIEN—I am still trying to understand the relevance of the excuse, but I will raise that with CASA later. There was a helicopter crash in Tasmania yesterday. I think the helicopter went down around 5 p.m. Do you have someone on the ground out there this morning?

Mr Graham—We were informed. There is a team on stand-by to go down. I think their departure time was 11 a.m. to go down to Tasmania this morning.

Senator O'BRIEN—When were you informed?

Mr Graham—I could pass that to Mr Stray. He got the call.

Mr Stray—The ATSB duty officer was informed at around 4.30 a.m. this morning and I was notified at 5 a.m. Between 4.30 and 5 a.m. steps were being taken to ascertain the facts of the occurrence and the decision was made to prepare a team for a launch.

Senator O'BRIEN—Would it have been ideal to have had someone there early today?

Mr Stray—Yes, Senator. Even if we had been notified last night we would not have been able to launch until probably first thing this morning. Ideally if there is a need to launch, although we are not a rescue organisation, it would be good for the preservation of evidence and maximising efficiency to get us there as soon as possible.

Senator O'BRIEN—AusSAR notifies you, does it?

Mr Stray—Yes. I guess 'protocol' is the right term. Once they receive the word they call our duty officer. We have two 1800 numbers. Then, as a fallback, my mobile number is also listed with AusSAR so that if for some reason one or both of those 1800 numbers falls over, they can still get me. My mobile is on 24 hours a day. That is the protocol.

Senator O'BRIEN—So they are supposed to ring you as soon as they know there is an accident or an incident?

Mr Stray—Yes, an accident is immediately notifiable. An incident is a 48-hour notification, but certainly an accident is immediately notifiable.

Senator O'BRIEN—So that is the agreed protocol between AusSAR and ATSB?

Mr Stray—The legislative requirement is for immediately notifiable, but the protocol is that they will call us on one of those three numbers.

Senator Ian Macdonald—I would like to go back a step. In relation to the request for this letter from ATSB, it would suit ATSB and the government if the letter were made public. It does correct what we believe were misunderstandings of the coroner in the way he approached his determination in that issue. However, we think it is in the interests of transport safety that there is a good and cooperative relationship particularly between ATSB and the coroners. ATSB have met with conferences of coroners to build better relations and to make coroners understand the role of ATSB. The role quite clearly is not to attribute blame but to look at safety in the future and to learn from particular incidents that have occurred.

It would be in the interests of better safety regulations in the future if the letter were not made publicly available. Having said that, I am quite happy to make it available privately for

members of the committee to look at—but not to table it. If having read it, you then feel that there is some great public benefit in having it tabled, I guess we would not object to that but it would then be on the heads of the committee. If you want to have a look at this copy, can we do that privately? Then you can make a decision whether you want it tabled. We probably would table it if you insisted—probably would. I might take some advice from Mr Anderson on that. The interests of future safety investigations would be better served if it were not tabled.

I was not closely listening to the exchange before, but the letter points out to the coroner where ATSB believes—and from a quick read of it, I think the government would believe too—the coroner perhaps misdirected himself into the roles. From my reading, it is very good letter, which clearly shows that the ATSB at all times acted with the appropriate propriety, that they were efficient and right on the spot with their investigations as they are required to be under the legislation.

CHAIR—I found when Mr Graham was reading that it was very difficult to hear what he was saying and I wanted to have a look at the words he read out. Would the committee like to look at the whole letter?

Senator O'BRIEN—I am happy with the suggestion that the minister has made.

CHAIR—Minister, we will read it privately.

Senator Ian Macdonald—It will not be tabled at this stage.

CHAIR—That is fine.

Senator Ian Macdonald—It will not be copied either?

CHAIR—No, we will leave it in the room and read it. Can we get a transcript of the words that you read out? I had great difficulty hearing what you said and that is really why I wanted to look at it. Thank you, I can read the words now.

Senator Ian Macdonald—We can make that available to Hansard, if they have any trouble with it.

CHAIR—We will have a look at it and give the letter back.

Senator O'BRIEN—Concerning the ATSB recommendations relating to the Sydney to Hobart Yacht Race 1999-2000, I think you told us at the last estimate hearings that the extent of the problem as an ongoing issue for AMSA was unknown. Was AMSA asked about the matter?

Mr Graham—I would have to take that on notice.

Senator O'BRIEN—Mr Beresford-Wylie, I want to ask about the new certified agreement and its impact on the operation of the bureau. I am trying to work out what impact your funding might have on the operation if your administrative costs go up. What can you tell me about that financial impact?

Mr Beresford-Wylie—Obviously, the certified agreement, to the extent that it provides for percentage increases in salary, will have an impact on the amount of money we pay our employees. The budget that the ATSB has to work with this year in fact equates essentially to the same budget that we had last year in dollar terms, when we net out some impacts of the restructure and the centralisation of some costs.

Senator O'BRIEN—So it is the same in dollar terms but not in real terms. Is that what you mean—nominal but not real?

Mr Beresford-Wylie—It is the same in dollar terms. So to that extent, we, like other areas of the department, will be looking to make productivity improvements to accommodate the costs of the certified agreement.

Senator O'BRIEN—So the additional cost of the certified agreement has not been funded?

Mr Beresford-Wylie—We were provided with funds within the bureau, as part of the department's budget process, to cover the cost of our employees. The process involved some supplementation for costs associated with the certified agreement.

Senator O'BRIEN—But you went from 98 to 97 FTE. Is that right?

Mr Beresford-Wylie—We will be going from 98 to 97 FTE, that is true—from this year to next year.

Senator O'BRIEN—What was the additional cost to ATSB of the outcome of the certified agreement?

Mr Beresford-Wylie—I would have to take on notice providing you the exact figure that we will incur in terms of increased employee expenses as a result of that.

Mr Chandler—The cost impact of the certified agreement in 2002-03 for the ATSB is \$522,000. As Mr Beresford-Wylie has indicated, the total budget is about the same in both nominal and real terms. There are a number of other adjustments to the budget, and I think I heard Mr Beresford-Wylie make mention of some of those. These include, in part, the centralisation of some costs from ATSB, including, for example, IT costs which were previously factored into the bureau's budget and have now been transferred to Information Services Group. There has been a transfer of costs for regional offices accommodation for ATSB back to the Business Services Division. The total numbers available are about the same. Encompassed within those, there has been a funding adjustment for the certified agreement for that cost of \$522,000 and a number of other adjustments which bring it back to about the same bottom line dollar number.

Senator O'BRIEN—You mean nominally the same?

Mr Chandler—And in real terms it is about the same budget for ATSB—2002-03 on 2001-02.

Senator O'BRIEN—Taking into account the cost of the certified agreement?

Mr Chandler—Yes, taking into account the cost of the certified agreement and, as the secretary has just reminded me, as a matter of policy the secretary made a point of ensuring that adjustments were made to bring ATSB back to about the same nominal and real level of funding.

Senator O'BRIEN—Bring them back to—

Mr Chandler—In other words, the adjustments we made would have resulted in a nominal and real reduction, and the secretary exercised a judgment that, in the final allocations of budgets for organisational units, there would be an upward adjustment to compensate the ATSB.

Senator O'BRIEN—Thank you.

Senator HOGG—I have been searching to find to out where to ask questions about the national strategy on Australian cycling. Is this the right place?

Mr Beresford Wylie—The administration of that strategy lies with another part of the department.

Ms Briggs—Senator, I may be able to help. I think we are doing that in the Transport Infrastructure Policy Division—2.2.

Senator HOGG—Will those in 2.2 be able to answer all the questions that I might have? Or should I seek some information from these people?

Mr Beresford Wylie—Yes, if there is a question on bicycle safety we may be able to help.

Senator HOGG—Do you keep statistics on this? Is that your role?

Mr Beresford Wylie—Yes, we have some statistics on road user groups involved primarily in fatalities, and that certainly includes cyclists.

Senator HOGG—I presume you are familiar with the national strategy on Australian cycling?

Mr Beresford Wylie—Yes, I am familiar with it.

Senator HOGG—How do you collect your statistics on this?

Mr Beresford Wylie—We have a number of databases that we use to provide us with statistics. We do maintain statistics primarily on fatalities, and they come through from ATSB's fatality database. That is a very detailed database. There are two levels to it. The first is the provision of figures by the states and territories. We receive figures from them which we then put together as a national road toll figure. In addition to that, we have a very extensive database which is based on coroners reports. That database obviously lags the actual figures by a number of years, given the very complex nature of the information that is included in that database. We use that second, more detailed, database to provide a basis for the research we undertake on various causes and contributing factors to fatalities.

Senator HOGG—If I were to ask you about the last two years, for example, have you got the statistics on hand which would show what has happened in terms of fatalities in the last two years? If you have not, you can take that on notice. I will tell you the reason for my concern. I am a cyclist myself, so I declare an interest in this, but Luke Harrop—a triathlete—was killed in my state of Queensland earlier this year. It drew my attention to the dangers inherent in cycling. Then I came across your strategy and I am trying to piece together what is actually happening in this area. If you can give me some idea of statistics it would be helpful.

Mr Beresford-Wylie—Indeed I can. I am advised by my colleague that there is a publication coming out shortly which will have some detailed statistics from the Australian Bicycling Council which will be useful. In terms of the road fatalities, I can tell you that in the period February 2000 to January 2001 the number of cyclists killed in Australia was 29. That was from a total number of road fatalities over that period of 1,810. The number of cyclists killed in the period February 2001 to January 2002 was 46, out of a total of 1,731 fatalities.

Mr Yuile—Sue Elderton, from our Transport Infrastructure Policy Division, has been handling the bicycle strategy as well. We handle it together now.

Senator HOGG—That is fine. If there are questions that relate to a later program I am prepared to put those questions there. I just do not want to miss the opportunity.

Senator Ian Macdonald—Do them now.

Senator HOGG—In those circumstances, what are the factors that have led to what can only be said to be a substantial increase in the number of fatalities in the cycling community in that short period of time?

Mr Beresford-Wylie—The number of cycling fatalities has risen significantly. There has been a bit of a peak, as you said. I do not think there has been any work done to identify specifically whether there are any particular factors that have affected cyclist fatalities over that period. I am not aware of any recent research that has been done. With cyclists, one of the issues will be the vulnerability of the road user: running into any vehicle will obviously be a significant problem for a cyclist. The numbers we are talking about are, clearly, in a sense relatively small compared with the overall road toll, and it is not clear to me yet whether we are likely to see a decline in the number of cyclist fatalities over the coming months. We have seen instances where particular road user groups have had a fairly alarming rise in a short period and then we have seen that drop away again in succeeding months. So we will be carefully looking at the statistics. But in terms of that peak I have no explanation for you, Senator, as to whether there is any common factor which has contributed to that increase.

Senator HOGG—The anecdotal evidence I have when I raise this issue with the ordinary people in the street is that there is a growing concern out there about the safety of cycling and cyclists. As I understand it, something like one in two Australians owns a cycle. That does not mean they all cycle at relatively the same time. I also understand from the web site that the cost of cycling accidents in a year is of the order of \$500 million. The words used on the web site—and, I think, used very well—are that this is completely unacceptable. Hence I want to go down the path of establishing what you as a department are doing.

I understand that the national strategy has three levels to it: the federal, the state and the local government levels. What I want to establish clearly today, if I can, is the role of your department in implementing the strategy and in trying to address the various objectives that are outlined in it, and also, in view of the statistics that you have just given me, what sort of proactive role you are playing with the other levels of government to try and halt the number of deaths that are occurring. The number of deaths in proportion to overall fatalities has gone up in that period. As a person who rides on the road, I know that cyclists are not always necessarily in the right, but some motorists tend to show disdain for cyclists. If you could assist me in forming some views on this, it would be quite helpful indeed.

Mr Matthews—I will ask Ms Elderton to talk about how the department is dealing with the strategy. Then we may come back to Mr Beresford-Wylie about how the department hopes to respond on the road safety aspects of cycling.

Senator HOGG—Is there any expenditure in your budget? There is not a line item there in the budget that shows how much you are spending on this particular matter.

Ms Elderton—The Australian National Bicycle Strategy does not carve out a major role for the Commonwealth government. What we do is provide the secretariat services for the ABC—the Australian Bicycle Council. For the most part, cycling has been very much a local issue just because of the nature of the form of transport. At the time the strategy was formed—and it is true now—it was decided that it should very much be a local government issue. There was no Commonwealth funding provided. Having said that, we do put in an in-kind contribution. We do take the issues very seriously indeed. We do work on behalf of the federation where they have difficulties with decisions made by other departments who may not be fully cognisant of their impact on cycling. We play an advocacy to some degree. As I said at the beginning, by its very nature cycling is very much a local government issue.

In terms of what is causing the increased number of accidents, I do not know whether any analysis is being done. But if one were to go by the letters to the minister that we get—and we get quite a few complaining of the sorts of accidents—the problem is often put down by a cyclist themselves to increasing road rage, which is something to be deplored. It is very much

a cultural thing and not so much something that government can do a lot about in the short term.

CHAIR—I am sorry to interrupt, but I think it is important to note here that under black spot funding there is work done for cyclists.

Ms Elderton—That is true.

CHAIR—We have just approved a couple of projects in Western Australia. I do not know whether it happens in other states, but that is eligible for funding.

Ms Elderton—It is eligible for funding. I will flick to Mr Beresford-Wylie on that.

Mr Beresford-Wylie—Just to go back a bit in terms of cyclist fatalities, it is probably useful to note that we have a situation where the number of cyclists killed last calendar year, 2001, was about 45. That was significantly up on the previous year when the number was 32. But if we go back a little to the preceding five years, we can see that figures were 40, 44, 52, 57 and 48, and back further than that there is a figure of 59. So it is fair to say that the numbers have trended downwards over the last few years and they have come down significantly over the last 10 years or so.

Senator HOGG—Is there anything that gives you an understanding as to why they trended down?

Mr Beresford-Wylie—There would be a number of factors. We have done work on the efficacy of bicycle helmets. Our expectation is that there is a significant safety benefit from cycle helmets. We did publish a report last year which brought together a number of studies around the world which have showed that there were significant benefits from the wearing of helmets. Moving to a helmet wearing culture has certainly achieved benefits.

In addition to that, as we have said, cyclists are vulnerable road users. To the extent that we have measures which are aimed at reducing the average speed that cars travel at on the road or the number of drink-drivers, these measures will have obviously significant flow-on benefits for cyclists, pedestrians, motor cyclists and other road users rather than just the motorists. The approach we have been emphasising, and the jurisdictions have been picking up on it specifically, is to reduce the level of drink-driving and the level of speeding. That will have a significant benefit and possibly even a slightly higher benefit for cyclists as vulnerable road users. There has been discussion of the fact that we have a black spot program. To the extent that the program targets particular projects which have a benefit for cyclists that is a positive for cyclists as well.

On the alternative, there is an issue concerning the fact that at the purely scientific level there is likely to be an exposure effect from an increasing number of cyclists. As cycling becomes more popular, and as the number of cyclists increases on the road, we will see a greater possibility of conflict between a motor vehicle and a cyclist. That is something which I think all jurisdictions are aware of. A large number of messages that jurisdictions have been promulgating talk about ensuring there is a balance between road users and the recognition by motorists that cyclists are slow moving vehicles on the road. They are relatively unpredictable, but also extremely vulnerable, and a mistake by a motorist or a cyclist has obviously a substantial impact on a cyclist compared with another vehicle.

Senator HOGG—I like the words you use—‘relatively’ and ‘unpredictable’. I do not think that applies to my bike riding.

Senator WEST—You are not very fast?

Senator HOGG—No, not very fast. Thanks for that answer. Do you have any analysis by broad category for the users—for sport, for recreation and those who use it as a method of transport for work?

Mr Beresford Wylie—I am not aware of that categorisation.

Senator HOGG—No. It just seems to me that that is a logical categorisation. If one gets out on the bike paths on the weekend on the roads you will see those who are obviously into it by way of a sport and you will see those people invariably in a group riding along the side of a road. If you go down to the bikeway in a park or something you will see the recreational users. Then there are those who use the bikes as a means of transport. So we have no break-up of the profile of deaths in this area as to which group are more at risk?

Mr Beresford Wylie—I am not aware of any analysis that has been done to that extent.

Ms Elderton—Senator, if I could intervene. I think it is likely that such information will be included in this cycling data and indicators publication that is coming out shortly.

Senator HOGG—All right. In terms of the strategy that is on the web site—and there are a number of targets and sub-targets within each area—and given that there is no defined allocation for this area, which surprises me, how does the department meet the objectives set out in the strategy? How does it report on meeting the performance measures that are set out, given the complexity of having the three levels of government involved?

Ms Elderton—The strategy you are referring to is not a Commonwealth strategy; it is a national cycling strategy. It is the strategy of the ABC.

Senator HOGG—I understand.

Ms Elderton—So it actually allocates functions across levels of government.

Senator HOGG—Right. So how does the Commonwealth report on its capacity to meet its part of the strategy and where does it report?

Ms Elderton—We report to the ABC, but our part of the strategy is the provision of the secretariat services.

Senator HOGG—How much money would be involved each year in providing those secretariat services?

Ms Elderton—I cannot answer that off the top of my head, but I am happy to find out for you.

Senator HOGG—It is not a terribly significant amount, though, is it?

Ms Elderton—No, it is not. What that actually reflects is that for the most part it is seen as a local issue, not a national issue, even though there is a national bicycling strategy.

Senator HOGG—Given that there is a national bicycling strategy, is there is a need for a greater proactive role by the Commonwealth government in overseeing the implementation of that strategy?

Ms Elderton—I think that is a question you really have to address to the minister.

Senator HOGG—I ask the minister, then.

Senator Ian Macdonald—I am sorry, I was not paying close attention. I was just imagining you riding your bicycle around Brisbane.

Senator HOGG—It is a sight to be seen, I can assure you.

Senator Ian Macdonald—I am sure it would be. It distracted me. I think I had better err on the side of caution and take that question on notice for Mr Anderson. Not having listened closely to the debate I would not hazard a guess. I would have offered that I would have thought cycling and individual road transport laws would be matters for the state governments. As to whether the Commonwealth has a role in some national strategy on bicycle safety over and above what we already do, I would not proffer an opinion. I would perhaps take it on notice for Mr Anderson to deal with it.

Senator HOGG—In terms of the black spot program that was mentioned, how much is allocated for alleviating difficulties where bikes are involved?

Mr Beresford-Wylie—Responsibility for the black spot program lies with the transport programs area, I think, so I am afraid I am not able to provide that information.

Senator HOGG—So there is no coordination between your identifying where the problems occur and the allocation of resources that might come through the black spot program?

Mr Beresford-Wylie—In fact, the administration of the black spot program involves the nomination through a panel process of sites for treatment. Any party is able to nominate a site, and that site is then assessed in terms of the suggested treatment and what might be addressed, and whether it meets eligibility criteria for treatment under the black spot program. That treatment could well involve something that is cycle specific; it could be a cycle specific problem that comes forward. But it is the same area of the department that handles the process involved in the nomination of a site, its assessment and then the allocation of funding. The ATSB itself does not get involved in a geographic assessment of particular sites of difficulty for cyclists. That is part of the black spot program itself.

Senator HOGG—My concern in this area is that there is a national strategy in place but, whilst the Commonwealth is a partner in that strategy, there seems to be no tight coordination of the whole program. That is something that, obviously, I am going to have to pursue in other areas. The cycling deaths and accidents on the road that take place with cycling were claimed on the web site to cost the community \$500 million. Do we have an up-to-date cost? That cost to me seemed quite substantial. Is it in effect a reasonable cost?

Mr Beresford-Wylie—To the extent that we have got of the order of 45 fatalities, it is probably not an unreasonable estimate. The Bureau of Transport Economics, as it then was, undertook a detailed review of the cost of road trauma in Australia and produced a figure of \$15 billion, which obviously would have included the cyclist fatalities and the number of injuries that occur. A very substantial proportion—by far the majority—of costs associated with road trauma are, in fact, associated with serious injury, rather than necessarily with fatalities. From memory, the Bureau of Transport Economics placed an assessed value on a loss of life, a fatality—which is a difficult conceptual thing—of around \$1.5 million, on average. So for a group where there were, say, 45 or 50 fatalities, you would be starting with a base figure of around \$75 million. To that you would add a very substantial figure for serious injury, and there would presumably be a figure involved which would be associated with property damage. There would also be a figure which was inevitably associated with the use of emergency services. So it is probably not an unrealistic figure, I would suggest.

CHAIR—Senator Hogg, it is 10.30. It is time to move on.

Senator HOGG—I have got just two more questions, and then I will get out of your hair. The first question relates to the funding that the ABC, the Australian Bicycle Council, might get. There is none at all, as I understand what you have said.

Ms Elderton—It is in kind.

Senator HOGG—It is only in kind?

Ms Elderton—From the Commonwealth, yes.

Senator HOGG—In terms of the coordination and the staffing of the programs, does the Commonwealth have any direct input as to what is happening at the lower levels in the program?

Ms Elderton—Only through participating in the council. I am not sure what sort of input you would have in mind.

Senator HOGG—Do you have any impact on the outcomes at the council level? Who represents you on the council?

Ms Elderton—Our secretariat staff sit on the council. They are not representatives.

Senator HOGG—So there is no direct Commonwealth representation on the council?

Ms Elderton—Not separate from that, no.

Senator HOGG—Why is that?

Ms Elderton—It is lost in the mists of time. That was the deal that was struck when the strategy was struck, some years back. But I keep coming back to the issue that, when the strategy was being formulated, cycling was seen very much as a local government responsibility—it probably still is, to a large extent—and that was the role that was accepted at the time for the Commonwealth.

Senator HOGG—So the Commonwealth accepted no direct participation other than secretarial support, in effect, for the council when it meets?

Ms Elderton—And the sort of advocacy I mentioned before, which we do from time to time. We do publications for them, we host their web site—there are a number of administrative things we do.

Senator HOGG—Thanks very much.

Mr Beresford-Wylie—On the safety side it is probably pertinent, in terms of the relationship between the Commonwealth and cyclists, that the ATSB chairs a National Road Safety Strategy panel, which is a reference group, involved in the development of the National Road Safety Strategy, which covers the period 2001-10, and the action plans which are developed for each two-year period under that strategy. The panel includes membership from the Bicycle Federation of Australia, which is a very active participant of that panel. It is through that mechanism that cyclists bring attention to safety measures that they would like to see incorporated in the strategy itself and in the action plans. We are in the process of developing an action plan for 2003-04, and there will be an opportunity for the cycling fraternity to ensure, through the panel, that its views are forcefully put and, given the significance of cyclist fatalities, that there is an opportunity for jurisdictions and for the Commonwealth to focus clearly on what might be cycle specific matters within that action plan.

Senator HOGG—How does that action plan sit in relation to the national strategy?

Mr Beresford-Wylie—The two are separate.

Senator HOGG—Complementary?

Mr Beresford-Wylie—Yes. The National Road Safety Strategy is obviously a very broad document—a 10-year document—which covers the aims of all governments in Australia to

reduce road trauma. The action plan is a two-yearly document and the current action plan includes a section which deals specifically with cyclists; included in that is a reference to the implementation of Australia Cycling. This is a measure which was agreed to by all jurisdictions and, to that extent, the Australia Cycling strategy is complementary, as you have said, to the National Road Safety Strategy.

Senator HOGG—Could you give me the latest information that you have, when it is available?

Mr Beresford-Wylie—Of course.

Senator HOGG—Can I get a copy of that publication you spoke about as well?

Ms Elderton—It is not published yet, but it will be shortly.

Senator HOGG—When it is published, if you could send me a copy, I would be interested.

Proceedings suspended from 10.36 a.m. to 10.53 a.m.

ACTING CHAIR (Senator Colbeck)—Mr Stray, you would like to table two documents concerning the previous answer?

Mr Stray—Yes. I believe these responses have been copied. I would also like to clarify the response to recommendations 195 and 196. The sheet I handed up has 196 on the top; the exact same text is in our database for 195. The date the response was received was 17 April 2002. That is listed there. I was not focusing adequately at the time.

Senator WEST—Can we move to the power of motorbikes and the death rates that are occurring. What figures are you seeing and how current are they?

Mr Beresford-Wylie—Motorcycle fatalities are on the increase. There were 191 motorcycle fatalities that occurred in the calendar year 2000, out of a total of 1,818 road fatalities during that year. In the calendar year 2001, the number of motorcycle fatalities increased by 13.6 per cent to 217, out of a total of 1,756 road fatalities. While the road fatality total had dropped by 3.4 per cent, the number of motorcyclists involved in fatal accidents had increased by 13.6 per cent. The increase in fatalities is primarily of older motorcyclists. If we look at the figures by age cohort, it is young road users who are traditionally at highest risk in most vehicle user groups. However over that period, although we saw an increase of 13.6 per cent in all motorcycle fatalities, the number of fatalities for motorcyclists up to the age of 25 was essentially stable. The increase was in the age groups over 25—the more mature motorcyclists.

Senator WEST—What work is being done to investigate why, to identify the issues and to put in the appropriate changes that need to be made?

Mr Beresford-Wylie—There is some discussion about what might be causing this increase in motorcycle fatalities. There is a view that one of the issues is the increasing uptake of motorcycling by older riders. This may involve riders who are returning to motorcycling as a recreation rather than as a form of transport. Potentially, these are motorcyclists who are possibly purchasing and using larger motorcycles and are, therefore, at greater risk since they are less frequent users of motorcycles—perhaps using them only on a Sunday and spending the rest of the week in a motor car.

On the other side, there is discussion about the fact that there is an increasing exposure level for motorcyclists anyway. Even if the number of older people returning to motorcycles is increasing, there is nothing to suggest that they are less safe than other groups of motorcyclists. In fact, traditionally older road users have been much safer than the younger

age groups. Certainly the people who would be increasing their exposure on motorcycles are people who would be much safer drivers than average. But the simple reality is that they are growing in number, that motorcycle use is growing and, inevitably, as the exposure grows, we would expect to see an increase in the number of fatalities.

Senator WEST—With the numbers who are taking up or resuming motorcycling, are the registrations or licence renewals increasing to anything like the increase in the number of deaths?

Mr Beresford-Wylie—I would have to take that detailed question about licence renewals on notice. My expectation would be that the people who are returning to cycling would have a licence already. Some people may be just returning to motorcycling after not having ridden for a number of years. The number of licences in our community is greatly in excess of the number of motorcycles registered since there are people who hold licences but they are not active riders. The actual number of kilometres being ridden is rising at the same rate as the number of fatalities. This suggests that there is not only worsening per se of motorcyclists' safety but simply that the numbers of motorcyclists and the numbers of kilometres being ridden are increasing and the consequence is that exposure is increasing.

Senator WEST—Is the exposure increasing for the younger age group as well?

Mr Beresford-Wylie—I would have to take that on notice.

Senator WEST—Its finders say that overall the exposure is increasing, but we have got a very clear situation here where, from my recollection, the 30-pluses, the 39-pluses, are the ones that are really getting into trouble—the number of sub-25-year olds killing themselves or being killed is decreasing or remaining stable, but the number of older people doing so is certainly increasing. Does the increased exposure that you are talking about apply just to the older group, or does it apply across all ages?

Mr Beresford-Wylie—I will check on that. My expectation is that it would be reflected in an increasing exposure for older age groups, but I am happy to see what I can find out.

Senator WEST—So what work is being done on the impact? There is a pretty identifiable problem here, that death rates in a particular age group are increasing. The under-25s are remaining stable and there have been some significant programs introduced for them. Is there a need to do something to introduce programs for the older age group, to remind males of 40 and plus that they are not infallible, that the centre of gravity has changed, their reflexes have slowed down and their eyesight is not as good? It happens to females as well, but we tend not to go out on motorcycles so much. And it has also upgraded from a 300cc or 400cc or 500cc bike to a 1500cc, which has probably got more power than some of the cars they have been driving.

Mr Beresford-Wylie—There is an awareness among motorcycle groups, and we have a regular exchange of information with motorcycle groups through the Motorcycle Safety Consultative Committee, which I chair. There are members of various motorcycle federations who come together to discuss issues of concern to motorcyclists. This is one that has been raised, in particular, by representatives of the Ulysses group who are on that committee as well.

At the federal government level we produce a safety video, *Ride On*, which has been very successful. That video has been made freely available to a large number of libraries, and it is also made available through motorcycle riding clubs. We set aside a sum of money each year to advertise the availability of that video, which sets out some clear riding safety lessons for motorcyclists.

In terms of the focus on motorcyclists and older riding groups, this is an area that has been the subject of some discussion at the research coordination advisory group of road safety researchers, who come together to provide advice to the research community. Individual jurisdictions are then able to pick up on some of the research proposals that come forward. That includes Austroads, which brings together all of the roads and traffic authorities. One of the projects that recently came forward for discussion related to opportunities to see whether it was possible to get more detailed exposure information concerning motorcycles. You have asked whether or not it is possible to get exposure data related to age groups. I will see what I can find out. But certainly exposure is an area where we are seeking to gain much greater information across the field of all road users, and the categories of vehicles. That is a particular project that we are looking at.

Senator WEST—Is there somewhere else in the department that is actually coordinating something here? Twenty-six more people died last year than the year before. What role is the Commonwealth playing in ensuring that there are some national standards, that there is a national approach? This is not going to be an issue for one state alone or one local government area alone. What role does the Commonwealth think it should play in this? I do not know whether it is your area that should be answering this, or whether it is the department.

Mr Beresford-Wylie—As I have said, in terms of the ATSB taking forward road safety from a national perspective, there are a number of things that we do. We have a communications budget, which seeks to provide educational information, and we produce a video and we make that video available. On the side of research, we look at research proposals that come forward from the research coordination advisory group and give them careful consideration. To the extent that there are specific motor cycling issues that come forward, they are discussed and identified. This is an issue that I expect will be further discussed in the context of the development of the action plan for 2003-04, which I alluded to earlier. That action plan is developed, in part, through consultation within the National Road Safety Strategy panel. There is a representative on that panel from the Motor Cycling Federation of Australia and he is an eloquent and loud advocate for motor cycling safety issues.

Motor cycling safety is an issue that is also addressed in a number of other forums. The panel itself is currently looking at the issue of frontal identification for motor cycles. This is something that has been raised by the police and it has also been discussed at SCOT, the Standing Committee on Transport. There is an issue concerning the use of speed cameras and their ability to pick up motor cycles that do not have a front licence plate, which is not required by Australian design rules—a rear licence plate is all that is required. The question of whether there is some other form of identification is being examined; within that panel, discussion has focused on what might be the alternatives. Work is currently being undertaken by Victoria to look at what options there are to increase frontal identification of motorbikes.

Senator WEST—Why do the design rules not require some front identification of motorbikes?

Mr Beresford-Wylie—That is a question that is probably best addressed in detail to the transport regulation area, which includes the area that deals with Australian design rules. However, I will say it is something that we have not had for very long.

Senator WEST—I have got police telling me that motor cycles are going through speed cameras at incredible speeds—that the motor cyclist would have lost their licence in one hit. They are giving the jolly old thumbs up or the two-fingered salute because they know that, as

there is no identification for the cameras, they are not going to get pinged. It seems to be an issue that has been around for a while. I am wondering why has this not been looked at and addressed—presumably by the standards mob.

Mr Beresford-Wylie—There are a couple of issues. The first one is the idea of putting in place a design rule to address that—and, as I said, there is an area of the department that can more accurately address that issue, perhaps a little bit later. That would naturally relate to balancing the safety benefits and the costs of making such a change with what it would mean in terms of Australia going down a unique Australian design rule route, given that we have a policy of harmonising our design rules. At the same time—

Senator WEST—Harmonising with whom?

Mr Beresford-Wylie—The international community.

Mr Matthews—This comes up in section 2.3, but consistent with what the minister said earlier, we could do it now—Peter Robertson is at the table, and we could bring it forward if you wish.

Senator WEST—I would prefer to do it later if you do not mind.

Mr Beresford-Wylie—On the other side, you have talked about the issue of motorbikes being able to get away with it. I have a couple of points. I raised this issue at the last meeting of the Motor Cycle Safety Consultative Committee. The response from some of the representatives there was that it was only an extremely limited number of motor cyclists who engaged in such behaviour—some of them engaging in that behaviour repeatedly, on a single evening, on the basis that this was quite a thrill to be able to ride past a camera at excessive speeds, and they would do this several times each night just to make a point.

I am aware of a particular instance in the ACT where this occurred on a number of occasions on separate, successive days. A motorcyclist was riding past a particular camera and getting away with it, and the police turned the camera around and caught him from the rear as he went away, on several occasions, and then enforced a penalty on him. There is an issue about the mode in which cameras are used. It is not just an issue concerning the identification of the motorbike itself, but also the mode in which the camera is used for enforcement purposes—whether it is taking a photograph on both sides, or simply from the rear or the front.

Senator WEST—What has budget spending been on communications—on the videos? Has it been increasing or has it decreased?

Mr Beresford-Wylie—We produced the video some years ago, and we have had a fairly constant allocation within the communications budget to support the video. We renew it when we require numbers. Generally, we have been spending around \$10,000 each year in advertising the availability of the video.

Senator WEST—Have you been involved with any other communications, though, that relate to the issue of motorcycle safety?

Mr Beresford-Wylie—In the past, there have been points when we have provided support within the ATSB for a motorcycling event during the course of the year. I think there has been a Motorcycle Awareness Week which has taken place in places like New South Wales and Victoria, and the ATSB has provided some support there.

Senator WEST—How much? Would you like to take that on notice?

Mr Beresford-Wylie—I will take that on notice, although I can say that it is around \$25,000, from memory.

Senator WEST—That is out of what overall budget?

Mr Beresford-Wylie—The communications budget is about \$500,000 a year. That has been used to pay for motorcycle awareness advertisements which have appeared on television.

Senator O'BRIEN—How many events of that sort would you support a year? You can take that on notice, if you want to.

Mr Beresford-Wylie—This year we asked the motorcycling fraternity whether it wanted us to provide support for those events, but the answer was no. It was not looking for support this year. We did provide support last year.

CHAIR—That is not answering the question of how many of that type of event you support. You said it cost you \$25,000. How many events are there—three, two, four?

Mr Beresford-Wylie—I can take that on notice.

CHAIR—Thank you.

Senator BUCKLAND—Is there a national database which shows the five major causes of road accidents related to heavy vehicles, by a percentage of each of the five major causes identified?

Mr Beresford-Wylie—We have a database that provides information concerning heavy vehicles. As I have said, we have a database that tells us the number of fatalities, and we also do some detailed statistical work on the basis of our fatality file. We recently produced a monograph—monograph No. 8—on articulated truck crashes, which went into considerable detail about the crashes that had occurred and some of the factors associated with them. That monograph is freely available on our web site. That talks about crash characteristics and also some of the fatality rates and factors involved. But as to whether there is actually a database identifying the five factors, I suspect that you can get information from within our current databases on the causes.

Senator BUCKLAND—You can get it in some states. I am wondering if the Commonwealth has a statistical database for all of the states; that is, a collected one.

Mr Beresford-Wylie—We have been putting together a truck crash database, which draws on information from all of the states. Our expectation is that we will be able to get some useful data from that in the near future. It has proved somewhat difficult to get comparable data from all of the jurisdictions. It has taken the better part of two years to get information together. I would expect that we would produce some meaningful and in-depth statistical analysis from that database in the second half of this year.

Senator BUCKLAND—I am quite happy to go to your web site and get information but I am not sure it is showing what I am trying to establish at the moment. Are there statistics on whether the vehicles are company operated or owner-driver operated?

Mr Beresford-Wylie—Not to the best of my knowledge. I do not think that information is there, although I have yet to see a statistical product from the database. I can also say that we have been doing work with the insurance industry, looking at the data that they collect. That is relatively detailed data. At the moment we are testing the robustness of that data to find out whether there is something dramatically missing or some obvious holes. That may provide some considerably detailed data but it is not likely to be available in any useable form, I would think, until next financial year.

Senator BUCKLAND—Apart from talking to the insurance industry, are discussions held with the operating associations—the owner-drivers, the various transport organisations?

Mr Beresford-Wylie—We have been meeting very regularly with the Australian Trucking Association, which represents a broad range of trucking operations from the major operations to the owner-operators, to help put together that database. Our statistical unit meets on a very regular basis with the Australian Trucking Association, with representatives of the National Road Transport Commission and, as I said, with the insurance industry to try to bring together a statistical database that will be able to reveal much more about heavy vehicles.

Senator BUCKLAND—Is this done on a basis of coordination with the states or is it the Commonwealth doing its thing and the states doing their thing?

Mr Beresford-Wylie—In terms of heavy trucks, in putting together the heavy truck crash database we work very closely with all of the jurisdictions to bring that database into existence and we are using data provided by those jurisdictions. In terms of our work with the insurance industry and the Australian Trucking Association, heavy trucks to some extent have been an area identified by the federal government in safety terms as one in which we should have a particular interest. It is a significant national area and there is a federal registration scheme for heavy vehicles so it is one we need to take a very close interest in. We have worked with the National Road Transport Commission to play a role in the development of a heavy vehicle safety strategy, which involves bringing together a number of components, including the statistics and the statistical databases which we are developing, as well as a number of research projects which are taking place under the aegis of the Austroads Road Safety Program. There are at least three separate pieces of research going on into heavy vehicles and the ATSB is providing a member of a project team which is managing all of those research projects in concert with the NRTC.

Senator BUCKLAND—With the collection of the data, this has been going on for some time. People are talking about drink-driving and fatigue—and I am concentrating on heavy vehicles at the moment. What is being done to address some of those already identified danger areas? From my understanding, there are five principal areas that need to be addressed. I have them down—you may correct me and I would appreciate that if you did—as speed, drink-driving, inattentive driving, fatigue and vehicle roadworthiness. From the evidence I have, that applies to both heavy vehicles and passenger vehicles such as I drive around.

Mr Beresford-Wylie—In terms of the causes of accidents, we would generally identify speed and alcohol as two significant areas being contributing factors to 20 per cent to 25 per cent of fatalities. Fatigue is an area that there has been considerable debate on, not least because of the difficulty of measuring fatigue, but generally I think road safety experts are of the opinion that it is a significant contributor to fatalities. Work done by the ATSB to identify the role of fatigue on route 39 suggests that using a proxy method we can identify its involvement in around 13 per cent of cases, from memory. Generally, road safety experts attribute perhaps 20 per cent, or even slightly more, to fatigue.

In terms of actual contributions to fatalities, one of the issues for us has always been not just the accident but what occurs immediately after the accident. That concerns the use of seatbelts. It is fair to say that our seatbelt wearing rate is very high in the general community overall—of the order of 95 per cent—but of those killed on our roads, perhaps 30 per cent are not wearing seatbelts or, in the case of motorcyclists and cyclists, not wearing appropriate headgear. Roadworthiness has generally not been an issue as a contributor to accidents. I think that, generally, road safety experts would see it as a contributing factor in a very small proportion of accidents, possibly even less than one per cent. To that extent, I am not sure I would agree that it is identified as a major factor.

Senator BUCKLAND—It is one of the five. I have it down as No. 5 in the top issues.

Mr Beresford-Wylie—Certainly it is not such a significant issue in the community overall in terms of contribution to fatal crashes.

Senator BUCKLAND—How much money is being spent by the department on education for the top two you mentioned—drink-driving and speed?

Mr Beresford-Wylie—I will just have a quick look at our major expenditure areas. In terms of specific projects for heavy vehicles—I will relate immediately to that—we are a major contributor to work on fatigue that has gone on. We have a leading member of the various fatigue research groups that combine expertise from jurisdictions, as well as the ATSB and the NRTC, looking at the fatigue management programs which are available, and this year we contributed around \$82,000 to that fatigue work. In terms of our overall budget for communications, the ATSB produces a lot of material which aims to educate the public about the dangers of drink-driving and also about the physics of driving a vehicle. It talks about stopping distances required for speeds. We produce material which we then make freely available, either at the time people gain their licences or as drink-driving advice through hotels.

Senator BUCKLAND—In the general workplace now, if you go to a factory or a plant of that nature, there are generally drug policies as well as alcohol policies of zero levels. Certainly in rail there is a zero level. Is any testing being done, or are any statistics being collected, as to the use of drugs by operators in heavy transport operations? What is the general attitude towards that? Is it too hard to address at this stage, or are positive steps being taken to address it?

Mr Beresford-Wylie—I think work is being done to address the issue and the ATSB made a submission on drug and alcohol use to a House of Representatives committee which looked at the issue. Certainly jurisdictions are picking up on the overall use of drugs, as well as drink-driving. Victoria in particular have identified it as a priority area in which they intend to do considerable work this year.

As far as the issue of drug use in heavy vehicles goes, there is an occupational health and safety angle as well as a road safety angle. I would be happy to provide you with a copy of the submission that the ATSB made in broad terms—probably last year or the year before—on the issue of drug use and drink-driving in heavy vehicles. I think it may have specifically related to that. I do not have it with me, but that probably provides some detail.

Senator BUCKLAND—I would appreciate it if that could be made available. Turning to passenger vehicles—cars, motorcycles, the kind of things we might driving around—there is a push in South Australia by some country based MPs, and it is gaining momentum, to raise the speed limits on country roads. I would like to put on record my opposition to that. Is raising the speed limits something that is under consideration nationally?

Mr Beresford-Wylie—There is a broad discussion about speed limits at a national level. The speed limits that are placed on our roads are matters for individual jurisdictions. Generally speaking, those speed limits reflect the road conditions and therefore the engineering design and limitations that we would expect within the road. The road itself has got to be able to be travelled at a certain speed safely, and road safety engineers will generally seek to reflect that speed in the speed limit signs that they put up.

In terms of reducing speeds, there is a move to the introduction of the 50 kilometres an hour speed limit in residential areas. In part, that reflects work that was done by the ATSB, and there has been subsequent work which is relevant to the point you are making now. The original work done on residential speed limits was commissioned by the ATSB in around

1996. It was found that, in a 60 kilometres an hour speed limit area, travelling at 65 kilometres an hour—five kilometres an hour above the speed limit—doubles the risk of having a serious crash. Travelling at 70 kilometres an hour, which is 10 kilometres an hour above the speed limit, increases the risk by four times.

We recently supported work, and work was published last year, by the same group which had undertaken that initial research—the Road Accident Research Unit in South Australia. That unit is headed by Professor Jack McLean. Professor McLean's group did research on rural crash risk, involving the reconstruction of a large number of individual crashes on rural roads. He produced his report, which was released at a conference on speed in Adelaide, in August last year I think. That research showed significant risks, increasing in rural areas, on roads which were limited to speeds of around 100 kilometres an hour. The risks quite dramatically rose, to the extent that once we were getting around 20 kilometres an hour above the speed limit, the risk was somewhere in the vicinity of 25 times the risk of travelling at 100 kilometres an hour. That has, I think, very adequately informed some of the debate concerning rural speed limits. I am not aware of a nationally coordinated push, however, for an increase in speed limits. The jurisdictions that we talk to on a regular basis through the National Road Safety Strategy Panel have that material available to them, and they are all well aware of the findings of that research.

Senator BUCKLAND—I presume that at some point during the year you meet with your state counterparts?

Mr Beresford-Wylie—We meet on a very regular basis, and we meet formally, of course. Once every six months the National Road Safety Strategy Panel comes together, and there are representatives from the jurisdictions as well as from a wide range of road user groups, including cyclists.

Senator BUCKLAND—And that is not an issue that is raised?

Mr Beresford-Wylie—There is discussion of a broad range of issues. When the report was produced, it was on the list for discussion—if I am not mistaken—as a report which jurisdictions would be interested in. Each year there is also a major conference held in November on road safety communications enforcement as well as road safety research, and that report was also showcased at the conference last year. That conference was widely attended by every jurisdiction. A very large number of people attend that conference, which is the premier road safety research conference, and a large number of police also attend. As I said, I am sure the research is very well known within the jurisdictions.

Senator BUCKLAND—At the conferences you have is there any discussion about a national approach to the use of mobile phones in cars? It is a growing problem that is often mentioned in the media now. It does not seem to matter which state you are in, you read something about it. Is there some push to get a national approach to the use of mobile phones?

Mr Beresford-Wylie—Unless I am mistaken, I believe there is already legislation in place which prohibits the use of a mobile phone while driving. There is recent British research which suggests—

Senator BUCKLAND—I understand that. I understand that you have to have two hands on the steering wheel at all times, according to the road rule book. So you cannot have a pie or a drink while you are driving, so the majority of drivers break the law in that sense. Despite that being the case, there does not seem to be an education program that is coordinated throughout the states. I have seen very little in relation to that apart from newspaper articles and getting reminded that it is against the law to do it. It happens.

There is less and less use of hand-held phones, but there is still some lack of clarity about the hands-free phones and the people who have the little plugs that go in their ear. I am using myself as an example: if you are just ringing up to say you will be home at six o'clock or whatever, that is a 20-second phone call; if it is a complex phone call, you need to stop anyway and I see that a lot of people do stop now. But there does not seem to be a national approach to educate people about the dangers of use.

Mr Beresford-Wylie—It is fair to say that there is discussion about the fact that, although we have legislation which prohibits the use of a hand-held device, the issue is really driver distraction rather than necessarily the use of a mobile hand-held. It is obviously going to make a difference whether you are eating or drinking and not maintaining full control of the vehicle, but I agree that there is an issue concerning driver distraction. It is broader, of course, than mobile telephones; it also relates to conversations with passengers and activity that is taking place within the car. I am aware that these issues have been discussed, but I am not aware that, as you have pointed out, there is anything other than a general sense of people urging people to be careful and not to be distracted.

Senator Boswell's press release around Easter highlighted the need to avoid distraction within the vehicle while driving at that time. There are some things which have attempted to address it in other areas. There are a number of countries which have approaches for learner drivers and novice drivers which involve them not being able to drive with passengers, on the basis that passengers at that age create a distraction which takes attention away from the road. As I have said, I am not aware that driver distraction is something on which there has been a national focus. It is something that could be looked at in the context of the next action plan by the National Road Safety Strategy panel.

Senator BUCKLAND—By that answer I take it that there is no move to have a campaign for that issue?

Mr Beresford-Wylie—There is not, but it is something that we could canvass at the next meeting of the panel to see whether there is support for such a campaign.

CHAIR—I want to raise a couple of points on the last two issues. In terms of mobile phones, I was not aware that there was any state now that did not have legislation as far as hands-free was concerned. For what it is worth, in my personal view, that is as far as we need to go.

My question is this: is there any data, with regard to the use of mobile phones in cars, on the difference in outcome between hands-free and hand-held? It has become a very emotional issue. You read all sorts of crazy stories about what has happened, but if you have done a lot of driving you know darn well it is impossible for these things ever to have happened. So is there any data that is being used to back up the decisions that are being made?

Mr Beresford-Wylie—I am not aware of there being any data or specific studies in Australia which have looked at that issue. I am aware of a recently released report from the transport research laboratories in Britain which identified the issue of the use of mobile telephones, including the use of hands-free mobile phones, and that made some comments about their contribution to road accidents. I do not have a copy of it with me at the present time, although we may be able to provide it if you wish it.

CHAIR—If you have got a copy, would you table it for the committee, please?

Mr Beresford-Wylie—Certainly.

CHAIR—The other thing I wish to go back to, in relation to what Senator Buckland was asking you, is the figures you quoted for the impacts of different speeds and what have you. I

have a real problem with the research that has been done relative to speed, because invariably it takes little notice of road conditions, the quality of the road or, particularly in much of Australia, fatigue as a contributing factor. I have been in situations, I think in all states, where the gazetted speed limit was sitting up there as the maximum figure at which you could drive, yet you should not have been doing that speed. I have been a considerable distance on other roads, particularly in Western Australia, Queensland, the Northern Territory, South Australia and western New South Wales, where the limit of 100 kilometres or 110 kilometres on a two-lane highway, without a car in sight and what have you, is absolutely plain darn crazy—for the very reason which I mentioned, of the effects of fatigue. From this research, can you get more information on the impact of all factors? I do not think the impact should be related to speed in isolation; it should be about causes of motor car accidents. Looking at the bland statistics, such as that in Western Australia something like 90 per cent of the accidents occur in the last five per cent of the journey, I am damn certain the road has got very little to do with that. Is there any way that you can get to all factors which lead to road accidents, rather than just speed in isolation?

Mr Beresford-Wylie—From memory, the research that was undertaken in South Australia—and it was produced in August last year—did attempt to take account of all of the factors that might have contributed to those accidents, whether it was the weather, the time of day or of night or, indeed, the traffic density. What the researchers did was to attempt to screen those factors out so that the only factor which they could then zero in on was speed. They did take account of a variety of factors, and of course they looked at real-world evidence on particular roads, so the actual road surface or the road itself would have remained constant. Their research took account of when the fatality occurred, so they accounted for the changes and difference between day and night. They also took account of weather, trying to eliminate that as a contributing factor, so that all they were left with was speed. The research is available on the ATSB web site.

CHAIR—I have seen it. But they did not take account, did they, of the experience of the driver, the weight and size of the motor vehicle, or whether the vehicle was front or rear wheel drive—and I would suggest that you would find a very significant difference for that alone, in terms of the accident rate. I recognise that there were some things that were appropriate, but I would question the assumptions that were made.

One can quite legitimately say that the assumptions used would lead to the result they have. I think some of those assumptions were very flawed in terms of what they used. Somewhere along the line there has to be some sort of independent group of people who are experienced on the road. They have to be not theoretical scientists but people who put all these things in and make sure that the assumptions that are taken are realistic.

Is there anything you can do in that area to get it to be more like the real factor out there? There are a lot of very light, small motor cars driving around now, vis-a-vis some of the heavier bigger cars which obviously have a different tyre set-up. That has an enormous impact on your ability to stay on the road, as I am sure you are aware. Those things just seem to be disappearing into the darkness.

Mr Beresford-Wylie—I think that the researchers do the best they can. You have pointed out flaws from your perspective. They do try to take account of as much as they can. Of course, their research is peer group tested. To the extent that their research then produces a finding, that finding is simply part of a broader policy consideration about what will happen to protect particular speed limits. It is simply one of the things that feeds into a policy mechanism for making decisions.

There are other parts of government jurisdiction which will look at that as one contributing factor. Other factors will be seeking to balance mobility with safety, the concept of attributing cost to increased time of travel. The research findings and what comes out in terms of safety is only one of the factors that contributes to a decision making process. Other elements of that decision making process no doubt will raise the concerns and issues that you have raised, and other concerns and issues, in reaching a balanced decision on what should happen to speed limits in any particular case.

CHAIR—This is my final comment on it because we could talk about it all day. I feel very strongly that a lot of motorists who are doing the right thing with their vehicles and what they put on them and what they drive are being severely penalised by the resultant press in terms of what is deemed as the cause of an accident. Then you have other drivers out there who are getting off scot-free. They are driving around in a vehicle that barely weighs three-quarters of a tonne, has little or no traction to the road, cannot handle the corners at 75 kilometres, yet they are allowed to drive at 110 kilometres.

It is a bit like the telephone argument. I do not know whether talking on a telephone and holding it in your hand or having it on your lip with a loudspeaker makes any difference or not. I know what I personally prefer to do and that is not to hold it. But there has been the beat-up in the press condemning mobile communication and yet we have been using two-way radios, which you have to hold in your hand, for as long as I can remember. What is the difference between holding a two-way in your hand and holding a telephone in your hand? I think we need a lot more sophisticated research before we start coming to conclusions about what is really happening on our roads.

Mr Beresford-Wylie—I agree with you there. Of course, road safety experts are very careful and cautious in the research they commission and in the findings that emerge from that. They also recognise that the material they produce needs to be tested by peers. Their intention is to also acknowledge and recognise that we do have an excellent outcome in historical terms in road safety improvements in this country.

Senator BUCKLAND—The final question I want to ask is one that I have not researched, so I do not know if there is an answer. It only came to my attention last week and I have only had an opportunity to speak to a couple of people to follow that up, but I did say that I would look into it. Going to a road accident is a traumatic experience, even for experienced ambulance workers and police officers. It is something I dread—being first on the scene. It was suggested in a discussion with a hospital administrator that there is a number of single occupant, single vehicle motor accidents—particularly in country areas, as far as I can make out—that could in fact be related to suicide. I am only raising this and, as I say, I have no idea at all of the answer I will get. Has that been raised with you and is there any way that that can be measured or anything that you are already looking at to try and establish if there is a link between suicide and these single vehicle, single person accidents?

Mr Beresford-Wylie—Suicide is clearly an issue in terms of the use of motor vehicles. One thing I can say is that the road toll statistics that we see are based on an internationally accepted methodology of determining the road toll. Generally speaking that is a death which occurs within 30 days of a road accident. We do look carefully at the road toll to remove those incidents where a coroner will make a clear decision that the fatality is attributable to suicide. So there is some variation in the road toll, say, for a calendar year, generally speaking in the January and February of the following year, as we readjust some of those statistics according to what coroners find. So we do remove suicides that can be clearly identified from the road

toll figures. I am not exactly aware of the numbers, although I think it is a relatively small number that is removed.

Senator BUCKLAND—Is there any statistical evidence to show that it is on the increase or decrease?

Mr Beresford-Wylie—I am not aware that there is.

Senator BUCKLAND—Male or female?

Mr Beresford-Wylie—No. I am not aware that there is evidence of that.

Senator BUCKLAND—I just ask that. As I say, I have not researched the question and it was just an opportunity to ask it.

Senator O'BRIEN—Regarding the motor industry draft advertising code, at the last estimates, Mr Beresford-Wylie, you informed us that a meeting was to be arranged between advertisers and motor vehicle manufacturers to discuss ways that the advertising code may be strengthened to incorporate new recommendations to address the issue of speed and inappropriate driving in car advertisements. Has this meeting occurred and, if so, when?

Mr Beresford-Wylie—Since the February estimates, you will recall that the National Road Safety Strategy panel had asked the Australian Transport Safety Bureau to put together a submission on advertising. The ATSB met with a Federal Chamber of Automotive Industries working group in Melbourne on 1 March. At that meeting I had an opportunity to talk to eight or so representatives from the federal chamber to put the views of the panel and there was a robust discussion at that meeting. The following week, which is the weekend of 8 March, the ATSB provided that submission to the Australian Association of National Advertisers, who are responsible for the existing advertising code of ethics. We also provided a copy of that submission to the Federal Chamber of Automotive Industries, since it is that chamber which obviously had a direct interest in the issue of motor vehicle advertising.

Senator Boswell issued a press release on 29 March which talked about the code. Annexed to that press release was a copy of the suggested provisions which had been included in the ATSB submission as the basis for discussion with the industry. On 10 April, the Federal Chamber of Automotive Industries, the Association of Australian National Advertisers and the Advertising Federation of Australia met with Senator Boswell in Parliament House. Senator Boswell took that opportunity to put forward the position of the federal government, calling for greater responsibility and the development of a code. The industry responded by stating that it was developing a code which it would make available to the government shortly thereafter. There was a press release issued on 10 April, immediately after that meeting.

The FCAI provided a copy of their code to the federal government on 14 May and, after some immediate consideration of that code, Senator Boswell wrote to the Federal Chamber Of Automotive Industries on 16 May. He commented on the code and suggested that the industry might wish to look at strengthening the code prior to its planned introduction on 1 July. The code was scheduled for discussion at the meeting of the Australian Transport Council which was to be held last week but was not. Although that meeting did not take place, we have had some initial discussions with the Federal Chamber Of Automotive Industries subsequent to receiving that code and, indeed, subsequent to Senator Boswell's letter.

I will be meeting with a representative of the federal chamber tomorrow to discuss the code and to discuss the initial feedback from jurisdictions. A copy of the code has been provided to members of the National Road Safety Strategy panel and their response to it has been sought. No doubt, the code will be discussed extensively at the next meeting of the strategy panel which is planned for August.

CHAIR—I would like to just deal with this ATSB letter now. We have all had a look at it. We decided that we do not see any great momentum as a committee in having this made public at this particular time. It is what we have determined as a domestic letter between Mr Bills and Mr Hope, dealing with a number of internal issues. However, I would make the comment that, as the inquiry goes on in Western Australia, at some later date we may ask for this to be tabled, because of that component in it. I think that is highly unlikely. Since we do not wish to table it, we will give it back.

Senator O'BRIEN—Can the FCAI code be made available to the committee?

Mr Beresford-Wylie—I have a copy of the code. It was provided to me and, as I understand it, Senator Boswell, and to the minister and state ministers. I am not aware that the FCAI has released the code publicly but it has been circulated amongst the 40 members of the National Road Safety Strategy panel, and there was certainly no caveat placed on it when it was provided to us, so we will provide it.

Senator O'BRIEN—Thanks for providing that. Can you outline the proposals to strengthen the advertising code in relation to car advertising?

Mr Beresford-Wylie—Senator Boswell, when he responded to the federal chamber, drew attention to the fact that the code comprises two sections. Section 1 specifies what advertisements will or will not do and section 2 contains details of a series of exemptions to section 1. There is yet to be a detailed discussion of how the code might be strengthened and that is probably something that will be touched upon tomorrow at the meeting with the FCAI. It would relate to the breadth of the exemptions and some of the wording of the code itself.

Senator O'BRIEN—It is proposed to be a voluntary code, I take it?

Mr Beresford-Wylie—Yes, this is a voluntary code under the existing advertising code of ethics voluntary structure.

Senator O'BRIEN—The *Australian* reported on 23 May that Senator Boswell rejected the draft proposals. Is that the case?

Mr Beresford-Wylie—I am aware that there is a report in the *Australian* on 23 May which was based on discussions between Senator Boswell and the journalist in case. Certainly, Senator Boswell's response to the FCAI on the 16th noted that the code appeared deficient and that there were opportunities, clearly, for the industry to revisit it and strengthen it prior to its planned introduction on 1 July.

Senator O'BRIEN—So what has happened to this code now?

Mr Beresford-Wylie—The discussions will take place tomorrow between myself and a member of the federal chamber. That will be an opportunity for us to provide the FCAI with initial feedback from members of the panel and, in particular, the jurisdictions, and also to work through the code. It is really, as we have said, a voluntary code and so it is up to the federal chamber to consider what account it wishes to take at this stage of the comments that we will provide. I will also flag the fact, obviously, that the broader National Road Safety Strategy panel will no doubt have views which it would want to convey shortly. We have gone out to ask for those broad views, making the point that this meeting of the FCAI was arranged only a couple of days ago. I will be flagging the fact that there will be subsequent feedback to the federal chamber at tomorrow's meeting. As I have said, what they choose to do with that feedback at this stage is unclear.

Senator O'BRIEN—So you are going out more broadly for comment on the draft code.

Mr Beresford-Wylie—We have gone already to members of the National Road Safety Strategy panel, seeking their views.

Senator O'BRIEN—Are there any other interest groups not represented in that group that should be consulted?

Mr Beresford-Wylie—The panel itself is very broad. Its membership encompasses most road user groups. I am aware that other interested parties have vigorously put their views to Senator Boswell prior to his meeting with the federal chamber on 10 April, and we have copies of the material that was put forward by a number of individuals and interested parties.

Senator O'BRIEN—The Australian Automobile Association is pretty vehement in its rejection of the code in its press release of 19 May. They say that the code:

which had been developed and adopted—

which may be premature, I am not sure—

without community consultation, applied only to activities on public roads.

Is that a fair criticism of the FCAI code?

Mr Beresford-Wylie—Those are the views of the AAA and, of course, they are members of the National Road Safety Strategy panel and they will have an opportunity to convey further views to us. They have already made those views known to us in terms of feedback on the code. As far as the status of the code goes, it is not yet clear how settled the code actually is, nor am I in a position to comment on the extent to which the FCAI itself may have undertaken consultation in the development of the code—whether they went broadly to the public or whether they went to specific focus groups; I am not actually aware of how broadly they consulted when they developed the code.

Senator O'BRIEN—They say that:

Virtually all of the current advertising using speed and aggressive driving takes place off public roads in public use or recreation areas, so the offending advertisements would stay on air.

That is a pretty fair comment, isn't it? If you are concerned about the use of speed and aggressive driving and the FCAI says, 'Our code only applies to activities on public roads,' that is in fact no code at all in relation to the offending advertisements.

Mr Beresford-Wylie—The scope of the code is one of the things we will be discussing with the federal chamber. One of the specific questions we will be putting to the federal chamber tomorrow and seeking a response on is which advertisements are considered to be of concern, and which of those would no longer be allowed under the new code—as a way of trying to identify clearly, with the federal chamber, the full scope of the code that they are proposing.

Senator O'BRIEN—So you will be focusing on which advertisements you believe are inappropriate, and which of those could remain on the air following the implementation of this code?

Mr Beresford-Wylie—That is perhaps one of the questions we will be asking. Certainly we will be conveying to the FCAI the views we have received in feedback from a variety of groups, including the AAA and including the jurisdictions, to the extent that they are able to provide that feedback prior to tomorrow's meeting. We will be discussing in detail the code that they have in place: what they feel it is going to achieve and how it will affect the advertisements which will go to air under the new code, and indeed what impact it would have on some of the advertisements which people have expressed concern about.

Senator O'BRIEN—Did ATSB or the minister put in place a reference framework in relation to drafting the code, stipulating some form of consultation process?

Mr Beresford-Wylie—The actual advertising code of conduct is a product of the Federal Chamber of Automotive Industries. It is a voluntary industry code. The National Road Safety Strategy Panel, as you may recall, had raised the issue at the beginning of last year. There followed a considerable discussion between panel members about what might be done on the issue. A submission was put together by the ATSB and then circulated widely to the panel, which commented on that submission. Following that, the submission was made, incorporating a number of suggested provisions which would form the basis for discussion with the industry. Senator Boswell met with the industry on 10 April, as I have said, and put forward the view that there was community concern about this issue; and that the federal government was interested in seeing the development of an industry code which would address these concerns. The nature of the submission was discussed. At that meeting, the industry volunteered that it was preparing a code and that it would provide a copy of that code to the federal government in May. There was no specific stricture placed on the industry for the development of its own code in terms of how it wanted to consult.

Senator O'BRIEN—Attached to Senator Boswell's press release of 29 March is a copy of provisions outlined in the submission to the meeting. Is that Senator Boswell's submission, ATSB's or the department's?

Mr Beresford-Wylie—This was the submission prepared by the ATSB and made on behalf of the National Road Safety Strategy Panel. So, although the ATSB prepared it, it was actually a submission made by the National Road Safety Strategy Panel to the Association of Australian National Advertisers. What Senator Boswell has attached is an excerpt from that submission.

Senator O'BRIEN—Does that outline some guidelines which FCAI ought to follow in adopting a code?

Mr Beresford-Wylie—It put forward a set of provisions which drew on some of the provisions we see overseas in a number of codes and it was provided to the FCAI as the basis for a subsequent discussion after receiving the submission. That discussion took place in a meeting on 10 April. There was some discussion of the provisions and then a view expressed by the FCAI that obviously they would be looking at bringing forward their own code.

Senator O'BRIEN—Is there any research available on the impact of the depiction of excessive speed, irresponsible driving behaviour, et cetera on road users and the road toll?

Mr Beresford-Wylie—There is some considerable discussion about the impact of advertising, although there are in fact two separate issues which relate to the development of a code. There is no empirical evidence that I am aware of that would specifically link the depiction of aggressive behaviour and speeding with a particular road toll outcome. Obviously, this is in a sense parallel to the debate that has taken place over the impact of violence on television and whether that brings about a violent outcome. So there is a discussion about the nature of aggressive driving and what impact that might have on road safety outcomes.

A separate issue concerns the portrayal of aggressive driving, illegal driving and the use of speed in advertisements for motor vehicles while at the same time the same medium is being used to carry road safety messages from individual jurisdictions, often at considerable cost. We are talking tens of millions of dollars a year spent on trying to get across a message concerning safer driving, the need to avoid speeding and the need to drive carefully and

cautiously. One of the things the jurisdictions have been very forceful in putting is their view that the road safety messages they are promulgating through, for instance, television, are being undercut by some of the advertisements that we see. That message was incorporated in the submission drawn up by the ATSB on behalf of the panel. One of the major messages that has been given to advertisers is this expression of jurisdictional concern.

Senator O'BRIEN—I refer to page 18 of the National Road Safety Strategy released by the Australian Transport Council regarding the monitoring and reporting of this strategy and the panel who undertakes this monitoring and reporting. Who is on the panel and which organisations do they represent?

Mr Beresford-Wylie—The responsibility for drawing together a report which is provided to the Australian Transport Council on the outcomes of the National Road Safety Strategy lies with the National Road Safety Strategy Panel. That panel comprises about 40 organisations. Those organisations include the representatives of jurisdictions. The ATSB chairs the panel. It also includes representatives of road user groups. For instance, the AAA is represented. The Federal Chamber of Automotive Industries is represented, the Bicycle Federation of Australia is represented, the Motorcycle Council of Australia is represented. The police have separate representation on that panel. There is representation from the National Road Transport Commission. There are representatives from the Australian Trucking Association, from local government, from the medical fraternity, and, I think, from the schools council. So there is a very broad representation. I can obviously obtain a copy of the names of the people who are representatives on that panel. I think the National Road Safety Strategy document itself, possibly on one of the covers, contains a list of the contributing organisations who helped put together the actual strategy.

The reporting mechanism is contained in the strategy and would see the Australian Transport Council receive a report annually on progress against the strategy, and obviously every two years there is a need for the Australian Transport Council to focus on the development and to release a new action plan—the strategy being implemented through a series of two-yearly action plans.

Senator O'BRIEN—How often is the panel expected to convene?

Mr Beresford Wylie—The panel meets every six months, and this is one of the tasks that the panel has. The panel also provides an opportunity for the exchange of information between jurisdictions about what is and what is not working in road safety terms. It is also the forum in which people bring forward issues of specific concern, whether there are concerns by individual jurisdictions, shared national concern, or whether there are concerns of particular road user groups. Once every six months is when that panel meets.

Senator O'BRIEN—How does the panel go about monitoring the success or otherwise of road safety initiatives put in place under the National Road Safety Strategy?

Mr Beresford Wylie—The panel prepares a detailed report—which goes to the Australian Transport Council—which provides information on the statistical outcome of road safety. There is also commentary from individual jurisdictions on what they have put in place in terms of the measures that were identified in the initial action plan—and there were more than 100 measures identified in the first action plan. It presents an opportunity for the jurisdictions to say what they have and have not done, what the Commonwealth has and may not have done, what the outcomes have been in individual jurisdictions, what the outcomes have been nationally, and what specific trends might have emerged where there may be a focus for further action in terms of subsequent action plans.

Senator O'BRIEN—Have formal performance indicators been put in place?

Mr Beresford Wylie—The major performance indicator is going to be the actual road toll and what is going to happen to it, although the national strategy covers a 10-year period and the target for the strategy is a 40 per cent reduction in the road fatality rate over that 10-year period. There is a report on what has happened in terms of the road fatality rate nationally and in each of the jurisdictions.

Senator O'BRIEN—A reduction in nominal terms?

Mr Beresford Wylie—The figures are there, but the road toll is a population measure which is per 100,000 head of population, and that is obviously going to vary with two factors; one is a change in the road fatality numbers, and the other is any change in population.

Senator O'BRIEN—The strategy document indicates that these performance indicators will continue to be developed and published. Who develops them and where are they reported?

Mr Beresford Wylie—The road toll is obviously reported monthly by the Australian Transport Safety Bureau, and there is also an annual report. In terms of our performance internationally, the ATSB also publishes a benchmarking document, which shows where Australia is tracking in terms of the road fatality rate and also the rate per 10,000 registered vehicles. This provides a series of different indicators about Australia's road toll outcome.

Senator O'BRIEN—That is the publication of the statistics. Is that published as being the benchmark for this strategy? Where do we go to see it stated: 'This panel has chosen these performance indicators. Here they are, all set out.'

Mr Beresford-Wylie—The strategy itself was adopted and released in November 2000 and the first report on the outcome against the strategy was due to be presented to the Australian Transport Council in November of last year. That ATC meeting did not occur and therefore a report was prepared on the performance against the strategy for an ATC meeting which was due to be held last week. That report obviously has yet to go to ATC.

Senator O'BRIEN—When will it go to ATC?

Mr Beresford-Wylie—At the moment, the report is available to go to ATC the next time it is scheduled to meet.

Senator O'BRIEN—Is there a date?

Mr Beresford-Wylie—I am not aware of a firm date.

Senator O'BRIEN—When did it last meet?

Mr Beresford-Wylie—The ATC last met in May of 2001.

Senator O'BRIEN—It is clearly not going to meet this May.

Mr Beresford-Wylie—No, the meeting scheduled for last Friday did not take place.

Senator O'BRIEN—Why was that?

Mr Matthews—The minister needed to postpone the meeting because he needed to participate in the funeral for the last Gallipoli veteran in Tasmania, which was on the very same day. Arrangements are being set up this week between our minister's office and the state and territory ministers' offices to find another date. The last time I had any feedback on it we were looking at the first week or thereabouts of August, but it had not quite been settled—that was 24 hours ago.

Senator O'BRIEN—Is it specified that the meetings have to be in November and May?

Mr Matthews—No, it is not specified anywhere but that has been the convention for quite some time.

Senator O'BRIEN—But, given that there was no meeting in November—in breach of the convention, for reasons which probably were to do with the election—what steps were taken to arrange a meeting shortly after? By convention, one was due in November.

Mr Matthews—You are right. The November meeting did have to be cancelled because of the election. There was a review at that time of how much ATC business needed to be dealt with immediately. I think there was acceptance in the ATC community that the business could be held over until May, although some of it was handled out of session. The fact that it was then postponed, for the very understandable reason that I have just given, was unfortunate, but there has been another review. Earlier this week there was a discussion among members of the standing committee, which I chair, about how to deal with the cancellation. The views of the states and territories were made clear by their representatives—that they wanted the meeting to be resumed as quickly as possible—and we have conveyed that message to Minister Anderson's office. That is what they are looking for—a resumption as soon as possible.

Senator O'BRIEN—I want to refer now to the National Road Safety Action Plan 2001 and 2002, developed as the first of five two-year plans associated with the National Road Safety Strategy. Which organisations were responsible for compiling this action plan?

Mr Beresford-Wylie—The action plan was prepared by a task force of representatives from each of the jurisdictions and chaired by the ATSB, and the National Road Safety Strategy panel was used as a reference group in the development of that action plan.

Senator O'BRIEN—Does each strategic objective have a reporting time frame?

Mr Beresford-Wylie—No, there is not a reporting time frame against the strategy objectives per se, although of course there is expected to be a report to ATC against the strategy and the action plan annually.

Senator O'BRIEN—Strategic objective 1 deals with improving road user behaviour. Is there any document showing who is responsible for implementing the objectives?

Mr Beresford-Wylie—The action plan itself contains a large number of measures. It was drawn up specifically so that it would present measures which had either been tried, tested and supported by research or come forward as possible ways to address particular issues. Each of the strategic objectives has an action area, and each of the action areas has a series of measures. Those measures are available to the jurisdictions to look at and then to develop as they see fit.

Senator O'BRIEN—Does each of the jurisdictions have a reporting process to report how they are addressing the objectives that are effectively delegated to them?

Mr Beresford-Wylie—The objectives are shared between all of the jurisdictions and the federal government. Each of the jurisdictions comes forward with a report on how it is going, in road safety terms, generally speaking at each of the panel meetings. They will provide advice on how their road safety performance is tracking and on what is working and what is not working. There is a formal process for jurisdictions to contribute to the preparation of that formal report on progress against the strategy and the action plan.

The national strategy, of course, is a framework document and, while it sits over the top, individual jurisdictions have their own strategies—each of the states and territories have developed their own road safety strategies, with targets which are not necessarily the same but complementary. They may involve a smaller time frame, perhaps over a five-year period for a

state strategy rather than a 10-year period for a national strategy. They would have in place, no doubt, reporting mechanisms to address how they are tracking individually in each jurisdiction.

Senator O'BRIEN—Is there some intended process to measure how each of the jurisdictions are going in terms of the attainment of the objectives?

Mr Beresford-Wylie—The objectives were identified as those areas where, clearly, governments felt that they should focus their attention. The actual outcomes are measured in terms of the target, which is the broad National Road Safety Strategy target of reducing the road fatality rate rather than any specific ability to tick off on a particular strategic objective as having been obtained. The objectives were phrased and developed so that they would provide a focus for activity for the jurisdictions rather than a specific target attaching to each objective.

Senator O'BRIEN—Strategic objective 2 aims to improve safety of roads, both new and existing. Could you explain to me the Commonwealth role in this regard, in terms of funding and implementation?

Mr Beresford-Wylie—Improving the safety of roads was identified as one of the priority areas where gains might be made over a 10-year period between 2001 and 2010. In fact, of the 40 per cent reduction in the road toll, indicatively an expected half of that is likely to come from improving the safety of roads. The assumptions made under the National Road Safety Strategy, in terms of the achievement of that target, were that expenditure by all jurisdictions would be maintained on the road infrastructure at levels which applied in 1999.

In addition to that there was, I think, the importance of black spot programs identified as part of that process. So, to the extent that the Commonwealth contributes to general expenditure on roads and specifically to black spot funding, that is how the Commonwealth will make a contribution to improving the safety of roads over the period of the National Road Safety Strategy.

Senator O'BRIEN—What about the funding of road safety audits?

Mr Beresford-Wylie—The vast majority of road safety audits are undertaken essentially by local government or by state governments, associated with road projects. Often it is now required as a prerequisite for a road project that a road safety audit be undertaken.

There is also the possibility of undertaking road safety audits as part of the black spot process. In terms of the Commonwealth program there is recognition of the fact that, while the Commonwealth black spot program exists to identify and treat areas where there have been a number of casualty crashes, there is also an opportunity for a proactive element in that program through the use of road safety audits to identify particular locations which are likely to have an accident although one is yet to occur, and therefore there is an opportunity to proactively treat those. And so, to the extent that there are road safety audits undertaken as part of that process, they flow through to a black spot process although those road safety audits are carried out by local governments and by state governments, not by the federal government.

Senator O'BRIEN—So they are a requirement for all Commonwealth major road projects?

Mr Beresford-Wylie—I cannot comment on whether they are a requirement. That is something that would be best addressed to the transport programs area. I can say that their use is now common in jurisdictions as part of the process of a major road project.

Senator O'BRIEN—That is 2.2, is it, Mr Matthews?

Mr Matthews—No, it would be 2.4.

Senator O'BRIEN—What is meant by the last aspect of this section of the objective, that the threshold of requiring audits be progressively lowered over time?

Mr Beresford-Wylie—I think that refers to a monetary threshold.

Senator O'BRIEN—What is the monetary threshold at the moment?

Mr Beresford-Wylie—I think that that was a general statement which was taken to be applicable to all jurisdictions. There may be variations within jurisdictions about what level of expenditure would trigger a road safety audit, which of itself is a process which can involve some considerable expense. There was a general view within the jurisdictions, I recall, that this was an area which might be looked at in terms of successively reducing what the thresholds applying in individual jurisdictions might be.

Senator O'BRIEN—Does the Commonwealth apply such thresholds to project funds?

Mr Beresford-Wylie—Again I am not aware of that and it is something perhaps for 2.4.

Senator O'BRIEN—Strategic objective 3 is to improve vehicle compatibility and occupant protection. Again I take it that there is no formal delegation of responsibility with regard to that aspect of the plan.

Mr Beresford-Wylie—This is an issue, Senator, that would be relevant to the area of the department that deals with Australian design rules, which is the transport regulation area.

Mr Matthews—That is 2.3.

Senator O'BRIEN—Strategic objective 4 aims to reduce human error through the use of new technology and specifically monitor and encourage the adoption of emerging intelligent transport systems. That would involve the jurisdictions as you describe them and the federal department?

Mr Beresford-Wylie—Yes, this would involve the jurisdictions, the federal department and also Austroads, to the extent that Austroads plays a role in supporting work going on in intelligent transport systems. In the ATSB we have carefully looked at the issue of intelligent speed limiters, which might be an area usefully used in the future to identify road safety issues. There is work being undertaken within the Austroads road safety program, as commissioned by ministers, to look at automatic crash notification devices. These are mayday systems built into vehicles, which might then be triggered by an accident. ATC requested that Austroads and the road safety program of that organisation look at the infrastructure requirements. The report is currently being prepared under the Austroads road safety program. So there is a variety of work being done to look at the new technology, although new technology is not expected to be a major contributor to the reduction of the road toll over this generation or this decade, simply because of the speed with which technology, within vehicles, could be introduced into the vehicle fleet. It is a relatively slow process.

Senator O'BRIEN—Strategic objective 5 aims to improve equity among road users and specifically develop and implement programs targeted at road user groups for whom road safety is a particular concern. The first group of concern is youth, and the action plan proposes to implement programs to increase the amount of variety of supervised driving practice for learners. What programs have actually been implemented?

Mr Beresford-Wylie—The individual jurisdictions are looking at opportunities to broaden the experience of novice drivers. In particular, the ACT has introduced a program called Road

Ready, which involves education at school that places an emphasis on the need to expand the experience of learner drivers in a variety of different environments prior to receiving a licence. This is part of a general examination of graduated licensing within Australia. There is an evaluation being undertaken of the ACT program.

Senator O'BRIEN—By whom?

Mr Beresford-Wylie—The ACT itself has commissioned the evaluation, although, in part, it is being funded by Austroads through the National Road Safety Strategy. The purpose, of course, there is to try to increase the amount of time spent behind the wheel from, on average, around 30 hours to something more like 130 hours, which would be an opportunity to significantly improve the road safety outcomes for young drivers since it takes little time to mechanically master a vehicle but a great deal more time to actually develop the perceptual skills necessary to recognise road hazards as a young driver. The ATSB itself has funded the development of a package for novice drivers, which it has made available to members of the Australian Driver Trainers Association. That package of material has been specifically designed for novice drivers to improve their knowledge of the road and to alert them to the sorts of issues that they need to be aware of. Components of the package have also been designed specifically for driver trainers, for parents and for supervisors of those who are learning to drive. The package is freely available through the ATSB's web site and was part of the expenditure that was undertaken through the road safety communication funding that we have.

Senator O'BRIEN—How does that relate to the Austroads National Action Plan for Youth Road Safety?

Mr Beresford-Wylie—The Austroads plan is entirely separate from the ATSB.

Senator O'BRIEN—Is ATSB's expenditure on this targeting of at-risk road users, if I can put it that way, the full extent of the federal government's financial commitment to this initiative?

Mr Beresford-Wylie—In terms of that novice driver focus, yes, but it is a very substantial piece of work.

Senator O'BRIEN—How much has been expended on that?

Mr Beresford-Wylie—In terms of expenditure it stretched over a couple of years and there will be some expenditure this year; I am not sure of the final amount. The material I have before me indicates that expenditure in 2000-01—which was when the project was initiated, the material was developed and then printed, circulated to the driver trainers and also placed on the web site—would be of the order of \$240,000.

Senator O'BRIEN—What is projected for expenditure?

Mr Beresford-Wylie—For this year I am unable to give you an immediate figure on what the expenditure is likely to be. I will be able to obtain that figure relatively quickly, but certainly what was planned was a further expenditure of \$15,000 for some Internet linkages. I am aware, however, that there has been some additional printing of the novice driver material for supply to driver trainers. It has been a very popular piece of material.

Senator O'BRIEN—Has the Austroads National Action Plan for Youth Road Safety been implemented?

Mr Beresford-Wylie—I am not actually aware of the status of the action plan. I would have to take that on notice.

Senator O'BRIEN—Okay. If it has not, could you tell us why; or, if it has, what results have been found out now so far about the effectiveness of the plan. Finally with regard to youth, the action plan proposes a review of the road rules applying to scooter riders, including helmet requirements. Has there been any progress made on that review?

Mr Beresford-Wylie—This is an area that is being undertaken by or coordinated within our department, I think by the transport regulation area. There certainly has been progress on the review which I think is being chaired by Western Australia, and it is being worked through with the maintenance group for road rules which is based within the National Road Transport Commission.

Senator O'BRIEN—When is it due for completion?

Mr Beresford-Wylie—I am not exactly sure when it is due for completion.

Senator O'BRIEN—Aboriginal and Torres Strait Islander people are the next target of strategic objective 5. Has the Aboriginal Road Safety Working Group been set up?

Mr Beresford-Wylie—Yes, that group has been set up. Its formation was agreed at a meeting in Adelaide in August, and it met in November in Melbourne, on the day following the finalisation or the completion of the major road safety conference which was held in Melbourne in November.

Senator O'BRIEN—Can you give us a list of the membership and tell us how the membership was chosen?

Mr Beresford-Wylie—Yes, I can provide you with a list of the membership and also the terms of reference and where the membership was drawn from. From memory, it was drawn primarily from the jurisdictions, and there is a representative from ATSIC and also a representative from the department of health. It is chaired by the ATSB.

Senator O'BRIEN—The strategy commits to an annual Aboriginal and Torres Strait Islander road safety forum. Was it held last year?

Mr Beresford-Wylie—No. The working group came together in November and agreed that a forum would be held in June. Currently that is scheduled to be held on 18 June in Adelaide.

Senator O'BRIEN—Has the investigation of the feasibility of formally recording road safety outcomes for indigenous people been completed?

Mr Beresford-Wylie—The answer to that is no but, as part of the work that the ATSB is doing through its research program, we have commissioned a scoping study to look at a number of issues, and this is one of them. The ATSB produced a statistical monograph in 2000 which shed some light on the road safety outcomes for indigenous Australians. The work that will be undertaken under that scoping study, a report for which will be presented at the forum in June, will take that work a little further. It will also build on very comprehensive work dealing with Aboriginal road safety that was done in South Australia and released last year. So my expectation is that we will have a report at the forum in June which will address that particular issue.

Senator O'BRIEN—Once it has been presented there, would it be possible for the committee to have a copy?

Mr Beresford-Wylie—Yes, it certainly would be. That report, again, will be published on the ATSB's web site and will be freely available to the public.

Senator O'BRIEN—What progress has been made on the development of improved assessment of older road users?

Mr Beresford-Wylie—There is work being undertaken through the Austroads road safety program on older road users. Specifically, the ATSB and Austroads are contributing to a major project being undertaken in New Zealand which is looking at factors affecting older road user behaviour, the decision making framework for older road users and how they take account of their own changing roadworthiness, if you like. There was a major publication produced by the OECD—to which Austroads, the ATSB and jurisdictions, in particular Victoria, contributed—which discussed widely the issues of older road users. That was formally released by, from memory, the Victorian minister, given that a member of the VicRoads organisation was a leading participant in the team that put together that OECD report. It was a major document which talked about outcomes for older road users and also the trends for older road users.

Senator O'BRIEN—What about consultation with representatives from seniors groups in relation to assessment regulation development?

Mr Beresford-Wylie—I think consultation has taken place as part of Austroads' development of guidelines for older road users, although that is still a work in progress.

Senator O'BRIEN—Can we find out who has actually been consulted in that regard?

Mr Beresford-Wylie—Yes.

Senator O'BRIEN—The strategy proposes to complete the development of a road safety strategy for international visitors by the working group established under the direction of the ATC. I know in my state there have been some particularly disastrous road accidents from international visitors unfamiliar with driving conditions and the like. Has that strategy for international visitors been completed?

Mr Beresford-Wylie—I am not aware of the status of that particular piece of work. I do know that this was an area that Queensland had expressed a particular interest in, and was doing some work in. I am happy to find out what the status of work is in that area.

Senator O'BRIEN—If you could, I would appreciate that. The pedestrians are obviously an at-risk group as well. What work has been undertaken with local government to identify high risk pedestrian locations or is that, indeed, part of this group strategy work?

Mr Beresford-Wylie—I am not aware of the specific work that would have been undertaken within individual jurisdictions although there is more likely to be a measure which would have been picked up by individual jurisdictions and then pursued at the local government level through local councils and the road safety officers working within those councils. I am not aware that it is an area specifically that the federal government has involved itself in.

Senator O'BRIEN—I was going to ask about cycling in the national strategy, but any questions I have in that area I will deal with in 2.2 because I think you have already answered those aspects that are relevant to ATSB. We have had some discussion about motorcyclists, and I may have missed something that you have said in that regard which is relevant. Regarding the safety plan proposed to evaluate and, if appropriate, improve motorcycle rider training and licensing schemes, what progress has been made in this evaluation?

Mr Beresford-Wylie—There has been considerable discussion on this particular area within the Motorcycle Safety Consultative Committee, which is chaired by the ATSB. One of the participating members of that group has been responsible for putting together a paper

which flags the issues and the need for a national approach. That paper has been relatively slow to be developed, although obviously it is being developed by a committee member with consultation with other members of the committee—and members of the committee are clearly members of the motorcycle fraternity. When the report is finalised, the plan was for that report to go forward to the relevant Austroads licensing group which it was felt would be an appropriate mechanism for taking the issue forward, that licensing group having representatives of all of the jurisdictions.

Senator O'BRIEN—Where do we find a breakdown of details of the federal government's funding of application of initiatives relevant to the road user groups deemed of particular concern within this strategy? Is that consolidated anywhere?

Mr Beresford-Wylie—No, not that I am aware. We undertake a variety of projects on vulnerable road users. We undertake them through our communications funding, and we recently provided \$25,000 to assist with the development and launch of an Aboriginal road safety video, which was launched at successive locations over the last week. We obviously contribute to the development of material for motorcyclists, for novice drivers, for young drivers and for pedestrians. There is no specific aggregate site at which you can find details. It falls within the general scope of expenditure on statistics, in terms of the reports we produce, the research we produce and, of course, the communications we undertake. The reports are all posted as soon as we can on the web site, and therefore are freely available to anybody who wishes to look at either the statistical findings or the research findings, or they can obtain copies of the material through our web site.

Senator O'BRIEN—Predominantly, these are state, territory, and local government issues that we have been discussing, aren't they? I mean, there are some vehicle design national issues. A lot of the issues regarding licensing and road rules are matters for state government. Pedestrian crossings may well be local government or state government, depending on jurisdiction?

Mr Beresford-Wylie—That is correct. The federal government's role has been to provide that mechanism for exchange of information, to provide a coordinated effort and a framework for individual states and territories to address what is primarily their jurisdictional responsibility in terms of roads and road safety.

Senator O'BRIEN—The relative responsibility—state, federal and local—will not change arising from this strategy, will it?

Mr Beresford-Wylie—No. It simply provides an opportunity for a more coordinated approach within the jurisdictions and for that exchange of information about specifically what is being done with regard to the action plan. It also provides an opportunity to develop an action plan which is informed by the experiences of each of the jurisdictions and may have a common thrust.

Senator O'BRIEN—Strategic objective 6 aims at improving trauma, medical and retrieval services and it highlights a number of possible measures. Is there documentation available showing the breakdown of where responsibility for this area of strategy development lies?

Mr Beresford-Wylie—There is not—although, to the extent that we are talking there about individual trauma retrieval services or actions, these are generally pursued within the state health schemes. I mean, some specific things are being undertaken such as the NRMA Road Safety Trust in the ACT supporting a chair in trauma treatments at the Canberra Hospital. That is a very laudatory and very active way of improving trauma treatment, from a road safety perspective.

Senator O'BRIEN—Are there strategies or programs in development or are being implemented regarding providing better training for doctors and paramedics in early management of severe trauma?

Mr Beresford-Wylie—I am not aware of what they may be. They would be state based.

Senator O'BRIEN—With regard to the general public and first aid knowledge, is that also state based?

Mr Beresford-Wylie—Yes.

Senator O'BRIEN—Is any joint planning effort under way with emergency services and health agencies with regard to improving the planning of trauma management systems or is that also a state matter?

Mr Beresford-Wylie—There may be action under way but it would be within the health portfolio rather than within the transport folio, and I am not aware of what that might be.

Senator O'BRIEN—Strategic objective 7 aims at improving road safety programs through research of safety outcomes, specifically through improved understanding of the causes and consequences of serious road accidents. That is clearly ATSB, is it not?

Mr Beresford-Wylie—Yes, we are one of the organisations which undertakes research.

Senator O'BRIEN—Who are the other organisations?

Mr Beresford-Wylie—The individual jurisdictions have their own research programs. There are research programs funded by insurance bodies such as the TAC in Victoria and the NRMA in New South Wales and of course there is research undertaken by Austroads.

Senator O'BRIEN—So we have got the Commonwealth budget for ATSB, how much is that?

Mr Beresford-Wylie—The combined budget for statistical and research issues is about \$1 million.

Senator O'BRIEN—Have you any idea how much is expended on a state basis?

Mr Beresford-Wylie—I do not, but it would be more than that.

Senator O'BRIEN—Have there been changes to the annual research, policing and education conferences to address this objective?

Mr Beresford-Wylie—The conference has grown in size and popularity. An effort has been made to keep the amount of money that it takes to register for the conference down to facilitate maximum involvement by the public and others, and strands have been developed within the conference to ensure that it addresses all of the areas of concern to road safety researchers, police and those involved in communication.

Senator O'BRIEN—Is the million dollars of federal money that you were talking about in this department's budget?

Mr Beresford-Wylie—No, that is specifically for the ATSB.

Senator O'BRIEN—Where does that appear in the PBS?

Mr Beresford-Wylie—It is just part of the general expenditure going to the ATSB.

Senator O'BRIEN—That was the direction of my earlier question. It is allocated to ATSB by the department out of its budgetary allocation. Is that a fair comment?

Mr Beresford-Wylie—That is true, yes.

Senator O'BRIEN—Apart from the Road Safety Research, Policing and Education Conference and your strategy group, what forums are in place to share information in this regard across the states, territories and local government?

Mr Beresford-Wylie—There is a variety of other conferences which take place which focus on specific road safety issues. There are conferences run by local government, conferences run by particular research organisations, such as ARRB Transport, and conferences which focus on particular issues, such as speed. They provide an opportunity for an exchange of information between jurisdictions and researchers.

Senator O'BRIEN—What role does your organisation's web site play in that regard?

Mr Beresford-Wylie—The web site provides a valuable mechanism for people who want to see what is available in terms of ATSB output. We publish all of our statistical material and research reports on there, and it is freely available. There are links to other related sites in the states.

Senator O'BRIEN—How much is expended to keep that web site up-to-date, relevant and linked to the best possible sites?

Mr Beresford-Wylie—I could not tell you what the exact figure is; it is just part of the ongoing costs of ATSB. I can say that our web site is expected to record a download of around 4 million pages this year.

Senator O'BRIEN—Strategic objective 8 aims to encourage alternatives to motor vehicle use. It points to a number of state governments that have committed to targets for limiting total vehicle travel. With this in mind, what role is the Commonwealth playing in achieving similar targets?

Mr Beresford-Wylie—That is something broader than road safety and is perhaps best addressed to other parts of the department.

Senator O'BRIEN—You are right. I do not have any more questions for ATSB.

CHAIR—That concludes the examination of documents from ATSB, so we will start on the next program, Transport Policy and Infrastructure Division, when we get back. Thank you to the officers from ATSB, and we will see you back here at 2 o'clock.

Proceedings suspended from 12.58 p.m. to 2.05 p.m.

CHAIR—The minister is running a few minutes late and he suggested we start, so we shall resume.

Senator O'BRIEN—With respect to the Australian Inland Expressway, what is the current role of the department with this project? It is listed on your web site as one of your five key responsibilities. Is there a budget within your section for the project and, if so, what is it?

Mr Elliot—Our role in relation to the inland rail link is a facilitative one and, essentially, that is the measure of our role.

Senator O'BRIEN—Is there a budget on it or is it just part of an operation?

Mr Elliot—We have provided some funding for three feasibility studies and a market study, but we do not have an ongoing active involvement in it.

Senator O'BRIEN—What is the status of the project?

Mr Elliot—At this stage, it is a project that is still going through the process of prefeasibility and then feasibility studies. At some time in the future, the government will make some decision as to whether it supports the project or not.

Senator O'BRIEN—There was ceremonial tracklaying during the election campaign but I take it nothing has happened since?

Mr Elliot—Not in addition to the presfeasibility study that I was talking about.

Senator O'BRIEN—At the last estimates, you brought us up to date with the winding-down of the AMSA provision of marine radio services to vessels. We were told the Commonwealth is funding the Australian Maritime Group project that has been looking at a marine communication system to replace the SOLAS system for smaller coastal vessels.

Dr Feeney—That is the responsibility of the transport regulations division. Mr Ellis will be able to answer that.

Mr Ellis—The replacement service is on track to commence on 1 July this year implementing a decision taken some time ago by the Australian Transport Advisory Council. Advice from the technical manager who works for the Australian Maritime Group collective is that all states and the Northern Territory will have their replacement systems operating by 1 July 2002. I cannot recall whether we mentioned at the last hearing that the AMG is seeking a process for expressions of interest in any proposals for providing an enhanced VHF service. That material is still being compiled. We would expect that this department, on behalf of the AMG, would call for expressions of interest within the next couple of weeks.

Senator O'BRIEN—What sort of system is being implemented from 1 July? You said they were on track to implement a system.

Mr Ellis—Yes. Can I take that on notice so that I can give you a proper answer? My notes just say 'an enhanced service'. Clearly, you are looking for some sort of technical description.

Senator O'BRIEN—What sort of testing is being done on the new system? SOLAS gets turned off on 1 July, as I understand.

Mr Ellis—I would expect that the jurisdictions will have tested their replacement systems, but I will ask that question at the next meeting of the AMG, which is on Friday. I will confirm that for you.

Senator O'BRIEN—Thank you. The Commonwealth government was funding this exercise up to \$3.025 million. Was all of that allocation spent?

Mr Ellis—The actual spend is close to that amount, but you could ask that question of AMSA later this afternoon. I know they have a spend figure to date which is close to that total.

Senator O'BRIEN—They will be able to give us a full breakdown of how the money was spent and how much excess or deficit there will be?

Mr Ellis—Yes. My understanding is that close to that \$3.025 million has been spent. What happens is that the jurisdictions send in an account for their share of that amount and then the payment is processed. I do not know whether AMSA would have the breakdown by jurisdiction, but I could take that on notice and provide the information to you. That might be the best way of handling your question—a breakdown by jurisdiction up till now.

Senator O'BRIEN—Okay. Thank you. I understand that the larger vessels are AMSA's responsibility—the ones that came under the Safety of Life at Sea convention. Can you remind me of the distinction: what defines the coverage of the SOLAS convention?

Dr Feeney—AMSA will be able to give a more technical description, but it is essentially large ships, particularly ones over about 500 tonnes. The IMO convention specifies the coverage. It is basically large commercial shipping.

Senator O'BRIEN—And AMSA are setting up a new system for communication with the larger vessels, aren't they?

Dr Feeney—Yes. That new service will come into place on 1 July.

Senator O'BRIEN—So it is all on track?

Dr Feeney—That would be my understanding, but you should ask Mr Davidson that when he comes.

Senator O'BRIEN—I was going to ask about the Very Fast Train project.

Senator Ian Macdonald—There is no such thing. Save your questions!

Senator O'BRIEN—Yes, I suppose we can say to Ms Winternitz that Treasury took your baby.

Ms Winternitz—The government decided not to proceed.

Senator Ian Macdonald—That is a good time for me to say it is not related to the current budget, so those questions should not be allowed. But I will not say that, I have mellowed.

Senator FERRIS—That shows a generosity of spirit, Minister.

Senator Ian Macdonald—With the membership of the committee now as it is: with reasonable, mature people who want to finish this by tomorrow night, I have mellowed.

Senator WEST—Don't push your luck. Just give up while you are ahead. I am sure I can find several hours of questions.

Senator O'BRIEN—I am interested in the process of events that led up to the canning of the project. Firstly, can you clarify some issues and information provided at the last estimates? You said at one point that you had a preliminary study report and that that was due to be considered by government. On page 233 of *Hansard* of 19 February it states:

It covered not simply the costs of a possible high speed train network but also the impact of it over time, the economic and social benefits, the possible corridors, the possible technologies, and the international experience with very high speed trains.

How much did the preparation of that report cost?

Ms Winternitz—That report is completed and it is available on the web site. It has also been printed. I have a copy here. If any senators want to have a copy they are welcome to one. The cost of that report was \$578,606.

Senator O'BRIEN—And TMG did all the work?

Ms Winternitz—TMG were the consultants on the project. They did do the work. We were the commissioning agency and we interacted with them in the preparation of the final report, but it was basically theirs.

Senator O'BRIEN—So there was some input from the department and otherwise it was TMG International.

Ms Winternitz—That is right.

Senator O'BRIEN—Did they get \$578,606?

Ms Winternitz—Yes.

Senator O'BRIEN—How much was your time and that of other departmental officers involved?

Ms Winternitz—Since research has taken up at least half of the activity of the branch since its existence, I would say the commissioning and involvement with this, which was the main research piece, would have taken up about half our time.

Senator O'BRIEN—In terms of that unit's budget, how much money are we talking about?

Ms Winternitz—At one point we had 10 staff, in addition to me. The employee budget probably ran to about \$600,000, of which the research staff were only half. If you take half of that again, I would say that it was about \$150,000. But that is a very rough estimate. I would not stand by that. If you want precision, I would have to go back and work it all out.

Senator O'BRIEN—If you would do that, it would be good. When was the phase 1 report finalised?

Ms Winternitz—At the end of November 2001.

Senator O'BRIEN—When was that made public?

Ms Winternitz—It was made public following the government's consideration of it. It has been public since 26 March when the government announced the conclusion of the study. In fact, the printing and mounting on the web site took a few weeks. It has only been in the last month that it has been fully public in a practical sense, but it has been public since 26 March.

Senator O'BRIEN—Was it given to the bidders?

Ms Winternitz—Yes, it was.

Senator O'BRIEN—Were any decisions made about recommendations in that report?

Ms Winternitz—Which kind of decisions would you be thinking of?

Senator O'BRIEN—By government.

Ms Winternitz—The report does not have any recommendations as such. It canvasses the issues and does not recommend one set of actions over another; it just puts forward the issues.

Senator O'BRIEN—I think you told us that a couple of subsidiary studies had been contracted, and, at the time of the last estimates, were still in train. One was the study by CSIRO on likely population growth pressures on the east coast transport corridor until 2050. The full contract was for \$110,176 but only \$6,500 had been paid. What happened to that study? Was it completed?

Ms Winternitz—It is on the cusp of completion. I have seen a near to final draft, and it is being presented to me in the next week or so. I believe we have paid about \$65,000 towards the full cost of that, so we have paid about two-thirds of the cost. We are expecting the final very shortly.

Senator O'BRIEN—So you will have to pay the full amount then?

Ms Winternitz—Yes, we will be paying before the end of the financial year.

Senator O'BRIEN—Will it be made public when it is produced?

Ms Winternitz—Yes, it will be made publicly available.

Senator O'BRIEN—The figure for Gavin Anderson and Co. for community relations was \$45,000 plus disbursements. What did that total end up being? How much did we pay them?

Ms Winternitz—I do not have the disbursements amount here. The \$45,000 is the final amount for the actual contract. I think the disbursements would be in the order of \$4,000 for

some additional travel we asked them to do. I can check on that and reply in writing, if you wish.

Senator O'BRIEN—Where did they do their work in terms of community relations?

Ms Winternitz—They did not do any publicity, develop any publicity material or anything like that. The community relations strategy, at the stage where we thought that the study was going to continue, was about considering a range of consultations with local government and we were looking at how to best target those consultations—where to go and which local governments might be interested. So we took Gavin Anderson with us to a range of discussions with state bodies and some of the peak local government bodies. That was the kind of travel they did with us in the development of a possible strategy for consultation later on.

Senator O'BRIEN—Was their travel included in the original \$45,000 or is that part of the \$4,000 you think might be additional?

Ms Winternitz—That is the \$4,000. The contract price was the price for the work and time, but not for the travel. Any travel was going to be additional disbursements. That is where the \$4,000-odd comes in.

Senator O'BRIEN—When you provide us with the information about the \$4,000, can you give us a breakdown of what the travel costs were and where it was to?

Ms Winternitz—Yes.

Senator O'BRIEN—You had contracted your own section, the Bureau of Transport & Regional Economics, to do some work. What was planned for them? Did they actually do the work? Was any report produced from it?

Ms Winternitz—I am not sure what you are referring to, but we had an internal agreement with the Bureau Of Transport Economics, which is a bureau within the department, but it was not my section or anything like that. That report was completed, has been presented to us and is available.

Senator O'BRIEN—Is it on the web site?

Ms Winternitz—No, it has not been put on the web site, but it is available to anyone who asks.

Senator O'BRIEN—Perhaps you could supply a copy to us.

Ms Winternitz—Yes.

Senator O'BRIEN—As at January this year, you advised the total cost of the project was \$1.29 million. When the minister announced the closure of the project on 26 March, he said:

While it was originally allocated a budget of \$20 million, the actual total cost was \$2.3 million as the results of the preliminary study were sufficient to allow the Government to conclude that further investigation was not warranted.

What was the additional \$1.01 million spent on between the end of January, when the advised cost was \$1.29 million, and the 26 March when the project was halted?

Ms Winternitz—The \$1.29 million, at the time when you asked me, did not yet take into account the final payment, which had not been requested by TMG-Arup, for example, and neither of the additional research studies by the CSIRO or BTE had been billed at that stage. That was some of the additional cost. Some of the costs were for finalisation of the study, for printing and distribution and for winding down and redistributing the branch to other locations within the department.

Senator O'BRIEN—Could we have a breakdown of the total spending on the project—the \$2.3 million?

Ms Briggs—Yes. We have the full list of that information.

Senator O'BRIEN—Could that just be tendered? Do you have a document we can lay on the table?

Ms Briggs—We do not have that with us. I think we could have it by tomorrow.

Senator O'BRIEN—That would be fine. If it already exists, that saves going through the on notice process and putting all the secretariats to the trouble of chasing a document. The second round of tenders was due to close in December last year. On what date were those tenders called?

Ms Winternitz—I do not have that exact date in my head. I can check it for you, but I think they were called in the second last week in November and were due in the middle of December.

Senator O'BRIEN—What work did that tender process cover?

Ms Briggs—The tender was for the second round of research. At that stage, we thought we were going to have second round research covering two parallel and separate studies about possible high speed train links from Sydney to Brisbane and from Sydney to Melbourne—or whichever way you want to take it—and we called for tenders to put forward proposals to cover one or both of those links.

Senator O'BRIEN—Tenders were due to close basically on Christmas Eve, weren't they?

Ms Winternitz—I think it was something like 19 December, but I will check it for you.

Senator O'BRIEN—Were any of the bidders having difficulty in meeting that timetable?

Ms Winternitz—No.

Senator O'BRIEN—What advice were bidders given about the decision making timetable at the time the bids were near due?

Ms Winternitz—The advice we gave them was that we would be looking at the proposals over the Christmas and January period. We also said that a preliminary study report would be presented to the government, and that we would be making decisions about the second round tenders as well around about the time when we expected to present it.

Senator O'BRIEN—Were any bidders told that the short-listing process would occur in the second week of January?

Ms Winternitz—I think I said at an information session right at the beginning of December that we expected to be able to put the report to government sometime early in February—that was our best guess at that stage, given Cabinet scheduling—and that we would be looking at all the tenders through January. I do not recall at any time promising or stating to anyone that there would be a shortlist at a particular time.

Senator O'BRIEN—Did you give them any advice about the next step after the close of tenders?

Ms Winternitz—No, except that we would be assessing the tenders and would get back to them.

Senator O'BRIEN—Is there a log of your conversations with bidders covering issues like timetabling advice, additional information to bidders et cetera?

Ms Winternitz—Basically, I was very careful not to have personal conversations with bidders. As a matter of contracting procedure, that is the standard practice. We did have one information session with potential bidders, which I conducted, which was quite reasonably attended. I think that was in the first week of December. At that time, I answered any questions that were put to me, but that was in a large group. I do not think we logged the questions, but they were questions of a very general kind rather than a specific kind about timetables for decision making or anything like that. There were no questions of that kind.

Senator O'BRIEN—How many bids did you receive?

Ms Winternitz—For the second round tenders, we received 12.

Senator O'BRIEN—Which were later accepted?

Ms Winternitz—There was one that arrived 24 hours after the precise due date but it had been date stamped for handing to an Australian Post courier in plenty of time to have arrived at the correct time. So I consulted the legal area of the department on this matter and, within the boundaries of our contracting system, if the tenderer has proof that they gave their document to a certified courier—and Australia Post is a certified courier—within a reasonable time to arrive before the time of the closing of the tender, then the arrival late, within a reasonable period, can be accepted. Under those circumstances, on legal advice, I accepted that because they did have the proof that they had consigned it to the courier at a reasonable time.

Senator O'BRIEN—Did you acknowledge the bids in writing or over the telephone?

Ms Winternitz—We did not send out a formal acknowledgment as a matter of course, but if anyone rang in and said, 'Did you receive my bid?' we said, 'Yes, we did.'

Senator O'BRIEN—When nothing happened as planned in January and the bidders had all had to get their bids in on the eve of Christmas, did any bidders start getting concerned that nothing was happening and contact you?

Ms Winternitz—Yes, they did.

Senator O'BRIEN—It was you, was it, or were there other officers involved?

Ms Winternitz—No, I asked all the other officers to ensure that such inquiries were sent to me.

Senator O'BRIEN—Who had responsibility for short-listing the bids?

Ms Winternitz—The plan was that the whole branch would be involved in doing a preliminary assessment of all the bids in teams. They would do a preliminary assessment of the bids and then put forward a draft short list which would be considered by a tender panel and finalised and then, on the basis of that short list, interviews would be held. That was the tender plan. We have a tender assessment plan on file. It was quite formally constructed, and it is on file.

Senator O'BRIEN—How available were you in December, January and February? Were you on duty at all times? I suspect you had some time off then.

Ms Winternitz—I went on holidays right at the end of December and returned to work on 20 January, I recall.

Senator O'BRIEN—Have you any idea what it would cost a bidder to put together their phase 2 bid?

Ms Winternitz—No, I don't.

Senator O'BRIEN—Did any suggest figures to you?

Ms Winternitz—No-one has ever suggested any figures to me, Senator.

Senator O'BRIEN—Was the decision to terminate the project a cabinet decision or the minister's alone?

Ms Briggs—It was a cabinet decision.

Senator O'BRIEN—When was that taken?

Ms Briggs—It is not normal practice, Senator, for us to make announcements about when cabinet considers matters.

Senator O'BRIEN—In this case I do not think it is normal. There were tenders running. I think it is fair for the public to know when it was clear that this project would not proceed.

Ms Briggs—I appreciate your concern about that, Senator. Suffice it to say from our angle it was very near to the date of announcement.

Senator O'BRIEN—When did the department become aware the project was to be discontinued?

Ms Briggs—The cabinet took a decision and we were aware of that at that time, Senator.

Senator O'BRIEN—When were the phase 2 bidders advised and how?

Ms Winternitz—They were advised after the minister made his announcement on the subject. The announcement was made on 26 March. I think two or three days later I notified in writing all the tenderers and I returned their documents to them.

Senator O'BRIEN—Was there ever any work done on short-listing phase 2 tenderers in January?

Ms Winternitz—Yes, there was. There was work done throughout January, both in my absence and for some period after my return from leave.

Senator O'BRIEN—For how long?

Ms Winternitz—For a number of weeks.

Senator O'BRIEN—Do you mean into February?

Ms Winternitz—Yes, we continued work into February.

Senator O'BRIEN—Into March?

Ms Winternitz—I would think that that would go to the question you asked about the date of the cabinet decision, so I will defer answering that, I am afraid.

ACTING CHAIR (Senator Ferris)—You seem to be straying really wide of estimates questions, Senator O'Brien.

Senator O'BRIEN—I think they are absolutely to do with—

ACTING CHAIR—We know the minister is feeling generous and indulgent, but I think you are straying a long way from estimates questions.

Senator O'BRIEN—I am not. I am talking about the expenditure of money, which is the subject of the PBS, to be frank.

ACTING CHAIR—But you are asking questions related to a disclosure of a cabinet decision—Order, Senator O'Brien!—

Senator O'BRIEN—I am asking questions about the actions of a public servant.

ACTING CHAIR—which the public servant has already told you she is unable to answer—

Senator O'BRIEN—I am not asking for a date.

ACTING CHAIR—and whose superior officer has added to that. I do not know why you are pursuing it through circuitous means.

Senator O'BRIEN—If you want to be an interventionist chair, you can, and this committee will degenerate.

ACTING CHAIR—You know that that is not—

Senator O'BRIEN—Yes. I know that you are being an interventionist chair trying to obstruct inquiry.

ACTING CHAIR—That is not my role as Acting Chair.

Senator O'BRIEN—Well, then, cease what you are doing.

ACTING CHAIR—I am very aware of what I am doing and I am drawing to your attention the thrust of your questions, Senator O'Brien.

Senator O'BRIEN—The thrust of my question is: when did the department cease short-listing candidates? Are you saying that that occurred right up to the time that you became aware that the project was not going to proceed?

Senator Ian Macdonald—I am sorry; I thought the officer had already answered that.

Senator O'BRIEN—No. There was a response which suggested that to reveal the date would indicate something to do with when the officer became aware of the cabinet decision so I rephrased the question.

Senator Ian Macdonald—That says the same thing, doesn't it?

Senator O'BRIEN—I would not have thought so. I think you had better reflect on the question that was asked. I asked: was the work on short-listing continuing up until the time when the department became aware of the cabinet decision?

Ms Winternitz—The simple answer to that, Senator, is yes.

Senator Ian Macdonald—Which was said before.

Senator O'BRIEN—I am not sure that it was.

Senator Ian Macdonald—It was, Senator. Talk about being interventionist! I have not been, but we do have a time limit for these things and I do not like to interrupt. The program has been finished; you are going to get some estimate of what the cost was—where else can we go?

Senator O'BRIEN—I just wonder why there is such sensitivity about it if it as straightforward as you would have us believe.

Senator Ian Macdonald—It is not being funded in the current budget because it is no longer going. We all know that. You can make your political point that it is terrible that we spent all the money—you have made that. I am conscious of a wide latitude, but I am also conscious of the time and the efforts of all committee members and me, and the staff members who have sat here very patiently for three days so far. If there is anything we can do to speed the process we should do it without having to formally object to things which really are beyond the pale of the committee.

Senator O'BRIEN—Frankly, I do not see it in that way and I am proceeding to ask questions which I think are appropriate, in the appropriate way.

CHAIR—I think it is time to get on with it. If the questions are repetitive, I will bring them to your attention.

Senator O'BRIEN—Who decided that the tenders needed to be submitted before Christmas?

Ms Winternitz—We actually intended to go out to second round tenders in early September, but the election was called at that time so we had to put the intention on hold. I was concerned to speed up the process after the period of the election because, under conventions, major tenders of that kind do not proceed during an electoral campaign. As soon as it was possible after the election was over, I initiated once again the intention which was already there. In fact, documents had been prepared for a September advertisement. I initiated that as quickly as possible following the election and its result.

Senator O'BRIEN—How many staff are working on the short-listing process? I think you said yourself and some—

Ms Winternitz—I said the whole branch, and that meant nine plus me.

Senator O'BRIEN—How much of the branch's time was spent on that?

Senator Ian Macdonald—Aren't we going to try and get you the details of that? Wasn't that asked?

Senator O'BRIEN—No, I thought that was research.

Ms Winternitz—Yes.

Senator O'BRIEN—That was research we were talking about. This is not research, is it?

Ms Winternitz—It was the whole branch at this stage.

Senator Ian Macdonald—I hope the department are not going to try to find out what they spent on research as opposed to any other element of this program.

Senator O'BRIEN—I think we are asking how much work was put into determining how the listed tenderers would be short-listed.

Ms Winternitz—I would say about half of the branch's time during January and February would have been spent on the assessment process.

Senator O'BRIEN—Thanks for that. Can you tell me the status of negotiations with the New South Wales government on access arrangements?

Ms Briggs—You are no longer referring to the high speed train project?

Senator O'BRIEN—No, obviously not.

Ms Briggs—Ongoing discussions are continuing with New South Wales.

Senator O'BRIEN—Who is conducting these negotiations?

Ms Briggs—Discussions are occurring between this department and also the Australian Rail Track Corporation with New South Wales.

Senator O'BRIEN—Are ministers involved in those discussions, or is it at officer level?

Ms Briggs—Our minister, from time to time, has discussions with various New South Wales ministers, yes.

Senator O'BRIEN—Is it only transport agency at this stage?

Ms Briggs—My understanding is that New South Wales have set up a coordinating mechanism to consider the business case.

Senator O'BRIEN—In the Commonwealth's case, is it just this department?

Ms Briggs—And the Australian Rail Track Corporation, commonly known as the ARTC.

Senator O'BRIEN—How are negotiations and discussions proceeding? Is it working through a series of points, or is it a series of meetings on whole of agreement?

Ms Briggs—It is an informal process at this stage. The minister has not formally presented the business case to New South Wales yet, but there are quite a few discussions about various aspects to do with these arrangements which are occurring.

Senator O'BRIEN—Are there any particular sticking points in negotiations at this stage?

Ms Briggs—Not at this stage, no.

Senator O'BRIEN—What is happening with regard to the Hunter region coalfield tracks?

Ms Briggs—The business case has not been formally presented yet. Until such time as it has, I do not think it is appropriate to discuss matters that could be the subject of negotiations between New South Wales and the Commonwealth.

Senator O'BRIEN—Is that one of the issues that is being discussed?

Ms Briggs—Amongst many, yes.

Senator O'BRIEN—Can you give me an outline of the issues involved?

Ms Briggs—Across the range of the business case?

Senator O'BRIEN—Yes.

Ms Briggs—Firstly, the track areas to be covered as part of a possible lease, building on discussions that we had in the lead-up to the heads of agreement. There are issues to do with train control, and maintenance is part of that, issues to do with corridors associated with the inland railway, which you were asking questions about a little earlier this afternoon, regional issues and issues to do with the level of investment in infrastructure.

Senator O'BRIEN—So how many models are on the table for discussion? Are there different sorts of models being floated?

Senator Ian Macdonald—Again, this is an issue—the department officers are doing work for the purposes of advising the minister on his approach to the New South Wales government for certain work to be done. I really do not think it is appropriate or proper to be questioning the public servants on the work they are doing for the sole purpose of advising the minister on his approaches to another government. That is not what estimates are about.

Senator O'BRIEN—I can ask them about the work they are doing. I cannot ask them what advice they are giving the minister surely.

Senator Ian Macdonald—The work they are doing may well indicate the sort of strategy that the Commonwealth is going to adopt in approaching another government or another entity. It is really work done for advice to ministers, and it has never been the subject of questions at estimates committees.

Senator O'BRIEN—I do not think we will agree on that. I wanted to find out the range of issues subject to discussion, not necessarily the work that is being done by the Commonwealth versus the position of the state government, for example. That is a broad picture which I would not have thought prejudiced either. I am sure the New South Wales

government and the Commonwealth know what the issues are on the table between them. Certainly they would know which issues are being advanced by the Commonwealth and therefore which issues the department is working on for the Commonwealth.

Senator Ian Macdonald—No, if you are going to ask the question, it should be to the minister. Seeing he is not here, you will have to ask me. I will have to take it on notice and put it to Mr Anderson as to what he wants to tell you about the work he has had the department do with respect to giving him advice on the decision the government has made about the issue involved.

CHAIR—Ms Briggs, did I hear you say that what you have been discussing is in the lead up to a proposal, that a proposal has not yet been presented?

Ms Briggs—Yes, the minister has not formerly presented the proposal to New South Wales.

CHAIR—I think, Senator O'Brien, that really comes under the—

Senator O'BRIEN—I thought I said to her, 'Are there models on the table?' If the answer was: 'No, there are not models on the table,' then that was the answer.

CHAIR—Can I finish? I was halfway through making a statement. You do not know what I am going to say.

Senator O'BRIEN—I have been interrupted as well.

CHAIR—I have sat here listening very carefully. This is the first time I have spoken. I really think that a proposal comes into the area of a hypothetical. There is nothing of a concrete nature and I think the overview that has been given gives the committee a reasonable status of the position of where they are at. This cross-examination should continue at a later estimates when at such time there is a proposal on the table.

Senator O'BRIEN—I did ask if there were alternative models on the table, and no-one said there were not. The implication from the answer you were just given was that there were not, which is a different position.

CHAIR—I heard it said quite clearly that there were proposals under discussion. I think that is how I would sum it up. As there are proposals under discussion, I think we as members of this committee should be examining this in the future, when a proposal is on the table. We have been given a fairly lengthy overview of this particular thing. We should move on.

Senator WEST—There must be some funding allocations involved in this, because there is work being done. Can somebody give us an outline of those, please?

Senator FERRIS—It is providing advice to the minister, which is continuing.

Senator WEST—There must be a budget somewhere there is a bottom line. There must be some—

Senator FERRIS—Why would there be? There has been no decision made.

CHAIR—It comes under general expenditure and preparing advice to ministers and what not. Sometimes advice to ministers is put before this committee; at other times it is confidential to the minister and the cabinet and it is not dealt with. There are have been certain areas of the budget, in my time in this place, where certain items do not get discussed here, and I think this fits into that category. We have always adopted a pretty liberal attitude to it, as I think we have today, but we have been dealing with a proposal and my view is that it is time to move on.

Senator Ian Macdonald—I am going to ask the officers not to answer any questions relating to work that they are doing for the purposes of advising ministers on approaches they are going to make on the issues. That has always been the case in estimates. We have let it go at this estimates for infinitely longer than is appropriate, but it is probably time to move on. We said we would give you some information about the costs of the previous issue. We are not going to sit down and tell the committee every single bit of work the department does to advise Mr Anderson on the approaches he makes—that he might make. Mr Anderson still has not made up his mind, I assume; he is still waiting for your advice on the approach that he actually takes.

Senator O'BRIEN—What is the current time frame for resolving the issue?

Senator Ian Macdonald—Which issue is that?

Senator O'BRIEN—The negotiations with New South Wales.

Senator Ian Macdonald—Is there a time frame?

Ms Briggs—We are not running to a tight time frame, no. The process will take as long as it takes.

Senator O'BRIEN—Was there not an expectation that there would be an outcome by March this year?

Ms Briggs—Not by March this year, no.

Senator O'BRIEN—Was this an issue on the agenda for the May ATC meeting?

Ms Briggs—No, Senator, it was not. Nonetheless there was reference to it in one of the papers on rail, in the sense that it was likely that the Commonwealth was to put a business case to New South Wales associated with the lease.

CHAIR—Could we get the sound turned up a little, please? It is rather difficult to hear. Thank you.

Ms Briggs—Thanks, Chairman. I appreciate that. I found it quite hard too.

Senator O'BRIEN—I believe that, when the National Rail Corporation, with FreightCorp, was sold earlier this year to the Corrigan Little consortia, it involved the successful bidders committing to \$50 million worth of infrastructure works. Is that correct?

Mr Elliott—Yes. They have indicated they would be prepared to consider putting that amount of money into the infrastructure.

Senator O'BRIEN—Is that process, the committal of those funds, conditional on anything happening?

Mr Elliott—I think it is conditional on improvements in the main line track, yes, and that the ARTC would likely run that track.

Senator O'BRIEN—So the commitment of that money will not occur until matters the between the New South Wales and federal governments have been resolved?

Mr Elliott—I would think that would be the case, yes. There has not been any detailed discussion as yet.

Senator WEST—Page 40 of the PBS refers to—I presume we are talking about the same thing here—the upgrade of the mainline interstate railway track. The estimated actual for the current financial year is \$32-odd million. In the next year, it is \$15 million, which is a drop of 54 per cent. The out year is five, and after that zero. What impact will the fact that some of these agreements have not been reached have on that budget line?

Mr Elliott—The minister has said that there is \$143.4 million already available should the agreement be reached with New South Wales. That is reflected in that column you referred to, Senator: \$32.375 million, plus—on the next page—\$111 million against the Australian Rail Track Corporation.

Senator WEST—But on page 40, the figures show a drop of 54 per cent. What has happened to that other \$17,373,000? Is that picked up in the \$111 million?

Mr Elliott—No. The assumption there is that that money will be spent in 2001-02.

Senator WEST—Do you expect that when I pull up as a mad retired senator I will be able to go to your annual report at the end of this year and find that that \$32 million has been expended?

Mr Elliott—If we reach agreement with New South Wales, it could be expended. If we do not reach agreement with New South Wales in the time remaining until the end of the financial year—

Senator WEST—Believe me, we are talking about four weeks and four days—I am counting down.

Mr Elliott—If we do not reach it by the end of the financial year, there is another process which we will go through where we will seek to carry that money over and it will come back in additional estimates.

Senator WEST—Are you sure that you will be able to carry that money over? Are you sure that Finance will not nab it off you?

Mr Elliott—I am not sure at all. It will be subject to government consideration at the time.

Senator WEST—So \$32 million could go wanting in this program? We could see a reduction of \$32 million. We could see that lost. Instead of having \$126 million plus \$32 million, we could go to \$126 million.

Mr Elliott—Hypothetically, yes.

Ms Briggs—Senator, that is a hypothetical question, and it is unreasonable for us to answer that one way or the other.

Senator WEST—I hope the minister is listening.

Senator Ian Macdonald—Yes, I am. Definitely.

Senator WEST—I hope he has some thoughts about this, because it is important that we know what is going to happen. Does it look like we will have an agreement in four weeks and four days so that we can use this \$32 million?

Senator Ian Macdonald—I will ask Mr Anderson that.

Senator WEST—You are all heart! What happens to the \$32 million if we do not have an agreement?

Senator Ian Macdonald—I think that question has already been answered. We can apply to have it rolled over or, I suppose, it will go back to consolidated revenue.

Senator WEST—It is not hypothetical. We are talking about the possibility of losing \$32 million.

CHAIR—The minister is having a discussion.

Senator WEST—That is fine.

CHAIR—They should be allowed to have this discussion without being interrupted.

Senator WEST—I can make an observation, Senator.

CHAIR—Not like that; it is out of order.

Senator Ian Macdonald—Thank you, Mr Chairman. The intention is—and we have made it clear—that that is our goal. That is what we want to do.

Senator WEST—Keep the \$32 million?

Senator Ian Macdonald—No. We want to proceed with the project of—

Senator WEST—The mainline interstate railway track upgrade.

Senator Ian Macdonald—We said that we want to do that, and that has been quite public. In fact, I think it was an election commitment. But that, of course, requires the approval of some other party—that is, the New South Wales government. So, subject to us coming to an arrangement with it, we will commit that money. So the intention is that, if we do not spend it this year, we will spend it next year. It has to go through the process, of course. We have to roll it over and get the formalities done with the department of finance. I would not expect any great difficulty, because it is a commitment that the government have made.

Senator WEST—What are the expectations of New South Wales?

Senator Ian Macdonald—You will have to ask New South Wales that.

Senator WEST—Usually there is a string attached. It is something like, ‘We will give you \$32 million plus \$126 million, but you have to put in an equal amount. Is that the sort of thing that is being required?’

Senator Ian Macdonald—Quite frankly, I do not know, Senator, as you would not expect me to, because I am not the relevant minister. I am not even in the department anymore.

Senator WEST—I am happy for you to take it on notice, Minister.

Senator Ian Macdonald—I will take it on notice and see whether New South Wales has any. But I would imagine it is all part of the negotiations. I think it is an outcome that everyone wants.

Senator WEST—I have got no doubt. I totally agree that the track needs to be upgraded everywhere—having travelled on it—but I am also aware that in some other areas out of this department that the Commonwealth has gone ahead and made announcements about particular lots of funding. It has got to be in cooperation with the various states, but no consultation has been taking place with the states, or even local governments, as to what their priorities are and how this fits in. It is all very well for you to say it is an election promise, but if it is an election promise that has got all sorts of stings in the tail for other people, then it makes life very difficult. It is worth exposing.

Senator Ian Macdonald—I do not think we would have got this far if the New South Wales government had been totally opposed. I assume if we come from that point, it is simply a matter of the day-to-day bargaining that goes on between governments of all levels and all persuasions at all times.

CHAIR—Minister, I think you have said you will consult, and I think the committee should be informed whether or not there is an agreement, whether there are conditions attached to this particular money and table it before the committee, and then we can deal with it.

Senator O’BRIEN—I asked questions about the Corrigan Little consortium committing \$50 million worth of infrastructure works. I have received some answers about the precedent

that had to be achieved before that was committed. Were there any other conditions on that \$50 million?

Mr Elliott—Not that I am aware of, no.

Senator O'BRIEN—So once access arrangements are ticked off, the new owner will hand over the \$50 million—or how will that work?

Mr Elliott—I think there will have to be some negotiation with them.

Senator O'BRIEN—So it is not locked in. What sort of negotiations will there be with regard to the \$50 million?

Mr Elliott—As I understand it, the consortium made a conditional offer, and I would imagine that the negotiations would transpire around whether they consider their conditions were met.

Senator O'BRIEN—What provisions are there to resolve differences if there are any? Are there provisions for intervention in a dispute over the expenditure of the \$50 million?

Ms Briggs—That is not the sort of information we have with us, but we will have a look at the contract. I think it is pretty clear around this issue, but I do not want to commit one way or the other. We will have a look at it and get back to you.

Senator O'BRIEN—That is fine. So you will let us know on notice?

Ms Briggs—Sure.

Senator O'BRIEN—Thank you. What was the federal government's share of the proceeds of the sale of the National Rail Corporation?

Mr Elliott—We do not have that information with us. We can take it on notice.

Ms Briggs—I have it, Senator. The Commonwealth's final share was \$220 million.

Senator O'BRIEN—Did the price meet the government's expectations?

Ms Briggs—Yes, the government was very happy with the deal.

Senator O'BRIEN—What will the proceeds be used for? Has that been determined?

Ms Briggs—The proceeds have gone into consolidated revenue out of normal government practice.

Senator O'BRIEN—There is an article in the *Financial Review*, 29 May, which says:

The NSW Government's commodity hauler FreightCorp for about \$110 million less than expected by the State ...

Ms Briggs—The FreightCorp arrangements were a separate negotiation. We were not involved in that, and we would not comment on those outcomes.

Senator O'BRIEN—I simply wondered whether that was indicative of the nature of the outcome—

Ms Briggs—Not at all, Senator.

Senator O'BRIEN—In terms of the \$50 million expenditure required under the agreement with the consortium that we have just been discussing, who will decide which parts of the track the \$50 million is spent on?

Ms Briggs—As indicated by Mr Elliott, that will be the subject of discussions.

Senator O'BRIEN—I was not sure that his comment meant that, but thank you for clarifying it. That will be subject to resolving the negotiations. That is a financial commitment; it is not some sort of loan or equity purchase?

Ms Briggs—No, it is a financial commitment.

Senator O'BRIEN—Is the \$111 million that was given to ARTC last year as an equity injection being held up until the access arrangements are finalised?

Ms Briggs—It is part of the discussions with New South Wales that will form part of the formal discussions on the business case, yes.

Senator O'BRIEN—Is it similarly the case with the residual money in the upgrade of the mainland interstate track fund that included \$20 million for Wodonga and \$18 million for New South Wales crossing loops?

Ms Briggs—If my memory serves me correctly, the Albury-Wodonga funds are part of a separate discussion.

Senator O'BRIEN—So the \$20 million has been released for the Wodonga program?

Ms Briggs—I am not sure whether it has been released or not. I do not believe so.

Mr Elliott—I do not think so, Senator, but could you ask that question of our programs people? They would know exactly about that.

CHAIR—What program was that?

Mr Elliott—The Transport Programs Division.

Senator O'BRIEN—We have more than \$160 million earmarked for repairs and upgrading which will wait until the New South Wales-Commonwealth discussions are resolved. Is that a fair way of describing the situation?

Ms Briggs—That is right. To come back to that last question about Albury-Wodonga, money has not been released yet. The expectation is that we will allocate \$15 million in 2002-03 and \$5 million in 2003-04.

Senator O'BRIEN—I want to ask about some infrastructure investment issues. That is your area, Mr Elliott, according to the little tag in front of you. What is the budget for your section for this financial year?

Mr Beresford-Wylie—Senator, this is a bit of a challenge because his branch has not been operating for the entire financial year. If we were to give you figures, they would be for the period operating since 1 January, when the branch was created. Is that okay with you?

Senator O'BRIEN—Yes. Understanding that, that is fine.

Mr Beresford-Wylie—We will take that on notice, if we may.

Senator O'BRIEN—What is the budget for the coming financial year? Will you take that on notice?

Mr Beresford-Wylie—Sure.

Senator O'BRIEN—I take it the section was established on 1 January.

Ms Briggs—Yes, it was.

Senator O'BRIEN—Where was work done on infrastructure investment issues prior to the establishment of this section?

Ms Briggs—The Land Transport Division was the primary area, but also the Airports Division, of course.

Senator O'BRIEN—So both those areas have handed their responsibilities over to this branch.

Ms Briggs—To clarify that: the Transport Infrastructure Policy Division is primarily a non-aviation division. Its focus, at least at this point in time, is on non-aviation areas. So the Airports and Aviation Policy Division maintains, at this stage, quite a strong focus on infrastructure issues in the aviation area.

Senator O'BRIEN—So they have still got a bit of it. They share responsibility with your branch?

Mr Elliott—The aviation areas of the department look after aviation infrastructure issues, largely.

Mr Matthews—Perhaps I should explain that, because it is a little confusing. In the reorganisation we tried to amalgamate like functions, right across the board in both the regional and transport areas. The only exception is in the case of aviation and airports, where there was so much going on that it seemed unwise to do a radical restructure at this time. Most of the aviation and airports functions continue to be the responsibility of the Aviation and Airports Division, whereas other transport functions have been amalgamated into Regulation, Program and Policy, respectively.

CHAIR—When do you anticipate that the parts still in the aviation division will be transferred—or don't you?

Mr Matthews—We have no present plans, Chairman.

CHAIR—You have said all you need to say?

Mr Matthews—Yes.

Senator O'BRIEN—Mr Elliott, was your section involved in developing the Auslink policy?

Mr Elliott—Yes, it was.

Senator O'BRIEN—Is your branch going to play a greater role under that policy?

Mr Elliott—Yes, we will.

Senator O'BRIEN—Are you working on different infrastructure funding models such as public-private partnerships, tolls, shadow tolls et cetera?

Mr Elliott—All of the above, Senator.

Senator O'BRIEN—What else?

Mr Elliott—It might be easier if I characterised it by saying that we are looking at how current investment arrangements could be restructured and how policy could be developed with a view to taking a more holistic view of the transport and logistics system. So public-private partnerships and the investments that are currently being made at the Commonwealth level and how they can be dovetailed, eventually, with investments made by other levels of government would be something that would come within the purview of what we do.

Senator WEST—Does that include freight transport as well as people transport?

Mr Elliott—I would say primarily freight transport, because that is the area where, as a nation, we can derive competitive advantage.

Senator WEST—Have any consultancies been done? Has any work been done in looking at this issue?

Mr Elliott—Not so far, Senator, no.

Senator WEST—No-one has looked at the logistics of freight movement around the country?

Mr Matthews—There has been some work done, particularly by our Bureau of Transport Economics over many years, and the findings are all available. They have been doing a good deal of work on the dimensions of the freight task and on the logistics industry. That has been background for the work that Mr Elliott has been talking about.

Ms Briggs—As well as that, you will be aware that there has been the development, with industry, of a freight industry logistics action agenda. I think that is currently in final draft form, but it is publicly available. We have provided secretariat support for that work.

Senator WEST—What have been the outcomes of some of this work that you have put in on the logistics that has now obviously gone to Mr Elliott's branch to work up?

Senator Ian Macdonald—Again, all of this is done for the purposes of advising the minister on the decisions he makes.

Senator WEST—How many consultancies were done? How were they let? When were they done? Who did them? Surely that material is going to be on the public record at some stage. It has to be on the public record, because we are talking about the expenditure of Commonwealth money which is all in the PBS.

Senator Ian Macdonald—What is your question? How many consultancies? I thought that was answered before. Do you want to know who the consultants were and how much they cost? Is that what you are asking for?

Senator WEST—No, I am not asking that, but I will if I have to.

Senator Ian Macdonald—Do it, if you—

Senator WEST—No. It would be much easier if somebody could just give us some information that will—and should—be on the public record because it concerns consultancies done within the department.

Senator Ian Macdonald—This is work done by the department, who are there to assist the minister in the decisions the minister has to make.

Senator WEST—Minister, this process is all about transparency in government. It is fine for the minister to get information, and I am not asking what information and advice he was given.

Senator Ian Macdonald—What are you asking?

Senator WEST—I am asking what information there is that will lead us to say to you, 'Yes, Minister, that was money well spent.' Otherwise, we are going to be running on all sorts of hypotheses and we will be accused of hypotheticals.

Senator Ian Macdonald—You will not be running on hypotheses here. This practice of going through officers asking what work they are doing, what conclusions they are coming to, what they think about issues, who is going to use that—I mean, all of the work that the department does is done for the sole purpose of advising the government on the decisions the government makes. The government has announced an approach to transport across Australia called Auslink. The proposals are being developed and, as they are developed, we will keep

you in touch with the developments. But going through individual officers and asking what they are doing, how they are doing it and those sorts of things is just not appropriate, and I do not know where it is getting you in any case.

Dr Feeney—In relation to the resources on the rail issues—the freight logistics and Auslink—by and large, the vast majority of the work has been done in-house. On the logistics, we used an industry steering committee that helped develop it. That is the way we have basically been doing it: with industry and public servants together.

Senator WEST—Thank you.

CHAIR—For the record, has there been any private consultancy outside work allocated? If so, could the committee have a list of those it was allocated to?

Dr Feeney—We can certainly provide that.

CHAIR—Thank you.

Senator O'BRIEN—Mr Elliott, will a significant amount of financial work and development of alternative financial models be done within your branch or elsewhere in the department, or will you be looking for outside assistance?

Mr Elliott—At this stage, I would expect to look to the BTRE for assistance of that sort. As we progress towards the development of a green paper, we may find the need to seek some outside assistance; I cannot rule it out. But, at this stage, I would expect to be consulting mainly with the BTRE.

Senator O'BRIEN—Are you looking only at transport infrastructure industry issues and policies?

Mr Elliott—Yes, land transport infrastructure investment.

Ms Briggs—To clarify that, Senator, it also includes the nature of new technologies such as intelligent transport systems and so on. That is part of that general rubric.

Senator O'BRIEN—What is the method of liaison with other government departments when developing infrastructure investment policies?

Mr Elliott—Do you mean other governments or—

Senator O'BRIEN—No, other federal government departments. Do you have to liaise with Treasury, do you have to liaise with Finance, with—

Mr Elliott—We have invited other government departments to participate in the process.

Senator O'BRIEN—Which departments?

Mr Elliott—I will try to give you a complete list. They are Treasury, PM&C, Finance, Industry, AFFA, Environment, Communications, Defence—I am not sure if that list is exhaustive. I can get you an exhaustive list if necessary.

Senator Ian Macdonald—It would be easier to tell you the ones that are not.

Senator O'BRIEN—It sounds like it. I am just wondering how it will work. Will it be a regular interdepartmental meeting, will you have irregular meetings to which other departments are summoned, will it be a project by project thing, all of the above—do you have a model for it? That is what I am asking you.

Mr Elliott—The model that I have in mind is that we will have a team basically working on developing the green paper. We have one or two people who are likely to be seconded from other departments—I do not know that they are definitely going to be seconded as yet—

to help us work on particular issues. And I have invited other departments to participate in what I have called a reference group, which will, hopefully, meet about once a week and against which we can test the ideas. I should add that amongst that group I am including, of course, other areas of our own department.

Senator O'BRIEN—What about work on the Income Tax Assessment Act? Is that going to be something that your branch will look at?

Mr Elliott—We might to a limited extent, although that is one of those areas where we really have to go and talk to Treasury and ask them to help us with it.

Senator WEST—Did you say you will have state governments involved or represented?

Mr Elliott—Not at this stage, no.

Senator WEST—So this proposal is being built up, worked up, but not with any involvement or input from the states and territories?

Mr Matthews—No, that is not so. Minister Anderson has written to his state and territory counterparts and has said that he is asking for a collaborative arrangement to be struck through the Standing Committee on Transport, which I chair and which comprises state and territory secretaries of transport and a few other heads of agency. We will be trying to design a satisfactory way for the states and territories to be involved, at least through that mechanism.

Senator WEST—Did that happen before or after the announcement about Auslink?

Mr Matthews—That happened in a letter that the minister sent immediately after his announcement.

Senator WEST—So the first they know about Auslink is the announcement, and then the letter comes asking them to be involved in what the media portrayed as a *fait accompli*?

Mr Matthews—Yes.

Senator O'BRIEN—Does the Infrastructure Borrowings Tax Offset Scheme come under this branch? It was previously under the Airports Division, and may still be there.

Mr Elliott—Yes, it comes under this branch, Senator.

Senator O'BRIEN—Are there any projects on the Infrastructure Borrowings Tax Offset Scheme books?

Mr Elliott—There are projects that have been approved under IBTOS that are currently receiving or will prospectively receive the benefit of the scheme. There are not any new projects, in the sense that there have not been any approved in I think at least the last 12 months.

Senator O'BRIEN—So how will that scheme apply, or will it apply to or be affected by the Auslink announcement?

Mr Elliott—Ultimately, I would hope at this stage that the Auslink arrangement would overtake the IBTOS scheme.

Senator O'BRIEN—Can you let us know which projects are still a subject of IBTOS arrangements with the details.

Mr Elliott—Yes, I can give you a list.

Senator WEST—On the matter of Auslink, after the states respond to the letter that you sent, Mr Matthews, is it expected that they will then participate with the consultative and collaborative groups that Mr Elliott is talking about or will they be part of a separate process?

Mr Matthews—They will not join the reference group or the project team but, as I said, we will be trying to design a consultative arrangement which is satisfactory to the Commonwealth and to the states and territories. As far as we are concerned they will not be members of the team itself.

Senator WEST—So your team will make the decisions and might come up with the final solutions and provide to the minister the final decision and option as to what Auslink will look like, and that will then be given to the states?

Mr Matthews—No, I did not say that.

Senator WEST—No, I am just trying to get clear in my own mind what the processes are going to be.

Mr Matthews—The team will be developing advice for the minister, as the minister at the table has been saying, and there will need to be a process designed, during that development of advice for the minister, that gives visibility and involvement to the states and territories, but we have not yet designed what that machinery would be.

Senator WEST—Are you going to involve them in the construction of that design or are you going to tell them what the design will be?

Mr Matthews—Of course we would need to discuss that with them and I have told my counterparts by phone that we will have those discussions in good faith.

Senator WEST—So I guess we wait and see. Thank you.

Senator O'BRIEN—I am just going to ask some questions of this branch which arose from my discussions with ATSB earlier today to do with the road safety strategy strategic objectives and also some matters to do with bicycles.

Mr Matthews—Will this involve Mr Beresford-Wylie?

Senator O'BRIEN—I have asked the questions of Mr Beresford-Wylie and I do not think so. I think it is the department's role that I am asking about now.

Mr Matthews—Fire away. Let us hear the question and we will see.

Senator O'BRIEN—You sound confident, Mr Matthews. Who was involved in consultation and development of emerging intelligent transport systems and is there any documentation outlining a breakdown of responsibility between the Commonwealth and the states in that regard?

Dr Feeney—At the policy level I admit that we are only in the early stages of looking at intelligent transport systems and how they can be integrated into the transport system. Obviously states are mainly responsible for a lot of that implementation and some of that consultation is done through the Australian Transport Council with the various jurisdictions. One of the main avenues at the moment that we see for our involvement in intelligent transport systems is getting back to Auslink. The idea is to incorporate intelligent transport solutions in designs and funding of infrastructure. So we see that as an avenue for the Commonwealth to be active in ensuring that the infrastructure can be used more effectively and be more effective for a longer period of time through the use of intelligent transport systems in particular.

Mr Matthews—Dr Feeney is a full member of Intelligent Transport Systems Australia, which is the peak body in Australia that is fostering the introduction of ITS in Australia. It is a counterpart of comparable organisations in North America, Europe, Japan and Asia. ITS in Australia has a good line into the Australian Transport Council, which is responsible for

setting common electronic protocols and operational standards so that intelligent transport systems will be able to be introduced into Australia as quickly as possible.

Senator O'BRIEN—What departmental assistance has been given to the development of intelligent transport systems other than Dr Feeney's membership of that organisation?

Dr Feeney—In the general area of transport systems, being a member of ITS Australia, the department also provides a secretariat for the Australian Global Navigation Satellite Systems Coordinating Committee—a very difficult acronym. That is looking at satellite systems for use across not just the transport sector; we are also looking to see how we can influence the take-up of intelligent transport systems across Australia by other mechanisms and including Auslink.

Senator O'BRIEN—What commitment has been given from the car making industry to work with the department on the trial and implementation of new in-car safety systems?

Dr Feeney—That would be something for the Transport Regulation Division, Senator.

Senator O'BRIEN—With regard to our Aboriginal and Torres Strait Islander people and as one of the strategic objectives of the road safety project, are there any public working groups that the department is in consultation with on this issue?

Dr Feeney—I might ask Mr Beresford-Wylie—

Senator O'BRIEN—He referred these questions to the department this morning.

Senator Ian Macdonald—We had better take them on notice. Do we have programs?

Dr Feeney—I am not aware of any programs. It is definitely not in my area of responsibility but there may be some other—

Senator Ian Macdonald—They are not in Mr Beresford-Wylie's area, and they are not in yours. We will look around but unless we tell you differently, there aren't any.

Senator O'BRIEN—Is the Commonwealth contributing any funding to measures to address high risk pedestrian locations?

Dr Feeney—That would be covered under a black spot type of initiative, which would be in the item about transport programs.

Senator O'BRIEN—Is that 2.4?

Ms Briggs—Yes.

Senator O'BRIEN—I got the 2.2 road map this morning.

Mr Matthews—I expect that the 2.4 people are watching, riveted, next door, so do please be ready.

Senator WEST—I suppose we can throw in the things they are doing to improve motorcycle safety, too.

Mr Matthews—And motorcycles also for Senator West, please.

Senator WEST—Especially the over 40-year-old males.

Mr Matthews—I am still a bit delicate about this.

Senator WEST—Sorry about that, but I think most of you here who are not female fit the category. You can come along to Health next week and we will talk about HRT and you will feel much better.

Mr Matthews—I am more than usually delicate—I turned 50 the day before yesterday.

Senator WEST—Happy birthday—you are still only young, though.

Senator Ian Macdonald—How do we have someone as young as that running a department?

Mr Matthews—I sometimes ask myself the same question.

CHAIR—Nobody will be able to claim any more of that going outside of standing orders, will they? Happy birthday.

Senator O'BRIEN—The implementation of the Austroads national strategy for Australian cycling is another key objective of the national road safety action plan. But what role is the department playing in the promotion of specific cyclist safety strategies like helmet use and the construction of bicycle safety paths and lanes?

Ms Elderton—I hate to say this, but I really do think the safety elements are within Mr Beresford-Wylie's bailiwick. As for the provision of lanes, some money has been made available for bicycling through Roads to Recovery. I suspect that some money has been made available through Black Spots, but I would have to go back and check.

Senator Ian Macdonald—There is no specific program.

Ms Elderton—No. As I was saying this morning, it has been defined very much as a local issue.

Senator WEST—But you have got something on your web page and everything else?

Ms Elderton—We are hosting somebody else's site. It is not the Commonwealth strategy that is there.

Senator WEST—How many other sites do you host that are not yours?

Ms Elderton—There are some but, again not within my branch. I can find out.

Senator WEST—It is in the IT area, I suppose. IT would presumably be the people that know that.

Senator Ian Macdonald—That is right.

Senator O'BRIEN—In 1999 the federal government, in consultation with Austroads, produced a national cycling strategy to guide 'the promotion and provision of facilities for safe cycling into the next century'. It replaced the 1993 national bicycle strategy. I am told the goal was to double bicycle use by 2004. What evidence is there by which to gauge the success of this federal government strategy, considering its aim is to double bicycle use over the five years of the strategy? Who is in charge of collecting the data?

Ms Elderton—It is the ABC, the Australian Bicycle Council. We provide the secretariat and, as I mentioned this morning, there is a data and indicators publication coming out. We will make sure you get a copy when it is released.

Senator O'BRIEN—This is a federal government policy we are talking about, isn't it? Do you agree that there is a 1999 policy on the books? It has not been rescinded, as far as I am aware.

Ms Elderton—There is a national policy.

Senator O'BRIEN—Is it a federal government policy?

Ms Elderton—It is not a federal government one, in the same way as if we established an Australian logistics council, or ITS Australia, which we were talking about earlier as being

established. It is that same kind of model. It is a public-private partnership model, with state involvement as well.

Senator O'BRIEN—The Australian Transport Council, I believe, is supposed to receive an annual report on the progress of this strategy. Do you know if that has occurred?

Ms Elderton—I am not absolutely sure—again I am in the situation that my branch was only created earlier this year—but I think it has probably occurred. I will double-check.

Senator O'BRIEN—Thanks for that. In terms of objective 4 of the plan, a national public communication plan was to be developed in two phases, the first by 2001 and the second by 2004, involving both road users and path users. Did the Commonwealth play any role in the development of a national communication plan for the 2001 phase, and will it for the 2004 phase?

Senator Ian Macdonald—My impression is that no-one here really knows anything about it. Is that right?

Ms Elderton—We have inherited it at various points.

Senator Ian Macdonald—Senator, I suggest that, rather than wasting your time going through these and getting half answers, you might put all those questions about the bicycle strategy on notice. We will get you the answers. No-one here really has the knowledge at their fingertips, have they?

Mr Yuile—I think you are right. What Ms Elderton is saying is that we are part of a committee developing a national strategy, and I presume the communication strategy is part of that. We can check the question that you have asked, Senator.

Senator O'BRIEN—Okay, we will put those questions, and the other cycling questions we have, on notice.

CHAIR—We have finished with 2.2. I thank the officers at the table.

[3.40 p.m.]

CHAIR—We now move to 2.3, Transport Regulation Division. Who would like to lead off: Senator O'Brien or Senator West?

Senator O'BRIEN—I think we can go to those deferred questions, to see whether we can get them out of the way or whether they need to be further deferred. With regard to the Transport Safety Strategy strategic objectives that we have been discussing in previous programs, what progress has been made so far on the introduction of Australian design rules for rear and side under-run protection on heavy vehicles?

Mr Robertson—I understand the latest status of those issues is that there is some research being conducted by Austroads into rear and side under-run for heavy vehicles. They have not yet made it to the stage of being considered for an Australian design rule.

Senator O'BRIEN—Is there a program timetable for implementation of these rules?

Mr Robertson—Not to get it onto the part of a program that will consider it for an ADR. We are still waiting on the outcome of research that is being done.

Senator O'BRIEN—What is the consultation regime so far?

Mr Robertson—It is outside the department at the moment. From what I recall, VicRoads, in Victoria, were also doing some research and they were to coordinate with Austroads to ensure they do not overlap.

Senator O'BRIEN—Objective 3 also commits to improving occupant protection through regulation and consumer demand. What role does the Commonwealth have in that?

Mr Robertson—The Commonwealth is responsible for the Australian Design Rules, which include ADRs for occupant protection. They are under constant revision, naturally, particularly through the international regulation process. We are direct contributors, through our research program, to occupant protection standards for vehicle design and testing.

Senator O'BRIEN—So there is no particular review of this aspect of ADR at the moment?

Mr Robertson—Not in particular. It is constant improvement.

Senator O'BRIEN—What initiatives has the Commonwealth put in place to promote crashworthiness ratings of vehicles?

Mr Robertson—The Commonwealth does not rate vehicles in terms of their crashworthiness. The Commonwealth's role is to set regulations that include standards for crashworthiness, and to ensure that vehicles when first supplied to the market meet those standards.

Senator O'BRIEN—Has the Commonwealth been part of the development of any public information programs to increase consumer awareness of vehicle safety features, as committed to in the national road safety action plan?

Mr Robertson—On the information campaigns, certainly not out of Transport Regulation Division. I hate to do in Mr Beresford-Wylie again, but if that were to happen it would go through the public education campaigns managed by ATSB.

Mr Beresford-Wylie—As part of the ATSB's research program, in 2001-02 we contributed \$80,000 to a variety of vehicle occupant protection programs, including the development of safety ratings based on real-world crashes. These are made available through the Monash University Accident Research Centre. MUARC provides crashworthiness ratings based on real-world crash results, and we contribute to that finding.

Senator O'BRIEN—That is the extent of it?

Mr Beresford-Wylie—That is correct.

Senator O'BRIEN—What commitment has been given by the car-making industry to work with the department on trial and implementation of new in-car safety systems?

Mr Robertson—I am unaware of any approaches by the car industry to the department to do such trials.

Senator O'BRIEN—What about the department? Is there no proactive role for the department in that either?

Mr Robertson—Not at this stage, no.

Senator O'BRIEN—I refer now to the Austroads National Action Plan for Youth Road Safety. Firstly, I understand it has been implemented. What results have been found so far about the effectiveness of the plan? I will put that on notice if that is not your responsibility.

Mr Ellis—Could you place the question again? It goes back to the Austroads safety program.

Senator O'BRIEN—I did raise it this morning, and it was referred to 2.3.

Ms Briggs—Mr Beresford-Wylie has taken that on notice.

Senator O'BRIEN—Thank you. The youth action plan proposes a review of road rules applying to scooter riders, including helmet requirements. Has there been any progress made on this review?

Mr Robertson—I cannot answer that. We have not been involved in that.

Mr Ellis—We will take that on notice, and refer it back through the Austroads area.

Senator WEST—Could I ask my question about motorbike front design?

Mr Robertson—I think the first part of your question was about international standards.

Senator WEST—There is no capacity, at this stage, to place a number or identification plate, anything, on the front of motorbikes. We were told it was a design standard matter.

Mr Robertson—Perhaps I can clarify that. It is not the design rule per se. It is the state's call as to whether they place some form of identification on the front of a motorcycle. The requirement to have metallic number plates was removed some years ago in all states, I think, because they represented a safety hazard both to pedestrians who might impact a bike and to someone going over the handlebars.

Senator WEST—How many pedestrians get hit by motorbikes?

Mr Robertson—I am not sure; I cannot answer that one. I just say as an introduction, because the overlap with the Australian Design Rules would only come if someone were to produce a mandatory mounting bracket on which a numberplate could be placed. Among the points that Mr Beresford-Wylie was making this morning, the first thing that would need to happen is that a regulation would need to be created, and it would be a regulation unique to Australia. In the process of reviewing and revising Australian design rules, the policy intention is that the rules should be harmonised with regulations that are international. That is done through regulations that are developed as part of the United Nations, and Australia is a signatory to the international agreement through which the forum which provides those regulations is managed. The importance of having regulations that are not unique is to give effect to our APEC and WTO commitments.

The other issue, leaving that aside, is that if you do establish a new regulation you need to demonstrate the genuine safety case for it. That means demonstrating that a mounting bracket—and hence a numberplate—would achieve the safety goal that you have set. Even if you get through that, you come to the practical problem that the design of a modern motorcycle is just not friendly to the placement of numberplates. In the work being done through SCOT, the Standing Committee on Transport, which Mr Matthews chairs, one of the options being considered is some form of front marking that would not involve a metallic numberplate. These days motocross or trail bikes would tend to have a plastic plate, usually designed for competition, and other road bikes have fairings, which are suitable.

Senator WEST—You were talking about the danger of a numberplate on the front but they hang a whole lot of things off the front of motorbikes that are equally dangerous. The lights, I recognise, are needed to enable them to see, but some of the other things you wonder about. If you are going to put fairings and other things on, why is one good and another not?

Mr Robertson—The hardest part is the non-faired motorcycles—in other words, where there is no flat surface at the front of the bike. You might recall the old motorcycles, in times gone past, that had the numberplates mounted on the front of the mudguard, direct-on, which would not have helped a speed camera much anyway. With others, if there was no fairing, you had a situation where the numberplate was sometimes mounted on top of the instrument cluster so that you had a portion of the sharp edge protruding over the top of your instruments,

which could have been dangerous. There are other problems with stability. If a numberplate is on the front of a motorcycle and it has air going over it, that has an effect.

Senator WEST—Yes, but it only has a big effect when somebody is getting up to high speeds.

Mr Robertson—But they do travel at high speeds.

Senator WEST—They should not. That is part of the point I am trying to make, that some of the speeds these bikes are being clocked at are ones that even the blokes down at Phillip Island, who competitively and professionally race, would probably think seriously about doing.

Mr Robertson—Mr Ellis reminds me that that is an enforcement issue rather than a design issue.

Senator WEST—Let us make enforcement something that is practicable. Somebody said earlier that they could work out where the motorcyclists were giving the two-fingered salute to the speed cameras, and the police could move the speed cameras or change their angle. That is a waste of police time and effort, when they could be doing something of equal or greater benefit to the community if there is a way around this problem.

Mr Robertson—Other options are under discussion, including some form of front identification that does not involve placing a metallic plate, or does not need a design rule change. And there are other options, other technology, that could be available that would do the job as well, beyond speed cameras.

Senator WEST—So someone is working on those?

Mr Robertson—Yes. We are giving it active consideration through the SCOT process.

Senator WEST—How active is the active consideration? We lost an extra 20-odd people in the past calendar year. What if we are going to lose another 20-odd this year and it keeps escalating? A death is a death. There would, presumably, be a lot of others who do not die but certainly get fairly badly injured, and that is a big impost on the community. We are doing well with cars and younger people on bikes. Do we need to look at regulations to ensure that the training programs that the youngsters have to undergo must also be undertaken by people who are up-sizing their bikes? Is that under active consideration?

Mr Robertson—From the comments Mr Beresford-Wylie made this morning, yes, there are actions in hand. It is somewhat outside of my bailiwick in terms of standards.

Mr Ellis—We can take the concerns you have expressed back into that forum. I am sure that they are well appreciated by the state jurisdictions, who are the registration authorities.

Senator WEST—Talking to those people is where it came to me from. I put out a press release about it just before Christmas last year. I can tell you that some of the over-40 males got a bit upset and hostile, but I tapped in to another group of people, the families that had lost people in this situation, who are pretty upset and concerned about what is going on.

Mr Ellis—We will go back to your media release and the *Hansard* record of these proceedings, and feed that back into the consideration that is going on.

Senator WEST—Thank you.

Senator O'BRIEN—Can someone please provide the most recent data on the numbers of single and continuing voyage permits issued by the department?

Mr Ellis—Do you want me to read out the last couple of years?

Senator O'BRIEN—Yes, thanks.

Mr Ellis—These are in calendar years, because there was a question on notice that I think has not yet been answered which asked for calendar years. I will provide you with that information. For 1996, 1997, 1998, 1999, 2000 and 2001, the numbers of SVPs, single voyage permits, were 518, 695, 741, 648, 623 and 675, and for CVPs, continuing voyage permits, the numbers were 0, 0, 15, 59, 84 and 115.

Senator O'BRIEN—Do you have the volume of freight, for each year, carried in the respective permit time?

Mr Ellis—I do not have that here. I believe it could be assembled. What degree of detail would you be seeking?

Senator O'BRIEN—The gross per year by CVP or SVP.

Mr Ellis—Total tonnage per year by CVP totals?

Senator O'BRIEN—Yes, and SVPs.

Mr Ellis—I will have to take that on notice.

Senator O'BRIEN—Would you be able to tell us what percentage of the total domestic freight task that represented in each year?

Mr Ellis—We have an estimate that it is about 15 per cent carried by ships operating under permits. The remaining 85 per cent of the task is carried by licensed shipping. That is an estimate. I do not have the breakdown or the calculation.

Senator O'BRIEN—Can you confirm that, on or around 10 April this year, a permit of some sort was issued to a vessel called the *Tauranga Chief*? It must have been continuing. It covered six voyages, each containing 18 containers, from Bell Bay to Melbourne.

Mr Ellis—A CVP, continuing voyage permit, was issued to a vessel called the *Tauranga Chief*. That was dated 12 April. It was issued so that cargo could be carried to and from Bell Bay to Port Kembla and Sydney, Melbourne to Port Kembla and Sydney, and Port Kembla to Sydney. I think you mentioned carriage of cargo between Bell Bay and Melbourne. This particular permit does not provide for that. It does not allow for that.

Senator O'BRIEN—Is the vessel Greek owned?

Mr Ellis—It is said here to be Cyprus flagged.

Senator O'BRIEN—Registered in Cyprus?

Mr Ellis—Yes, registered in Cyprus.

Senator O'BRIEN—Russian crewed?

Mr Ellis—I am afraid I do not know the nationality of the crew, or the ownership, at this stage.

Proceedings suspended from 4.01 p.m. to 4.16 p.m.

CHAIR—Welcome back to the afternoon session of our hearings. Joining us this afternoon are some 30-odd students from St Cloud State University of Minnesota. There are four or five people travelling with them who, as I understand it, are the professors and teachers of that university. We welcome you to the Australian parliament. We hope you enjoy our hospitality. I think most of us here have enjoyed the hospitality of the US on a number of occasions, and we regularly meet with your ambassador. We have a friendship group here which many of us are members of and enjoy immensely. Of course, we have a very close relationship with the

United States, as one of our great allies. Nonetheless, I must say, we are not very happy with your farm bill! We keep expressing that point of view—especially the people sitting around this table because virtually all of us live outside the metropolitan area. So you do have a bit of a rural flavour sitting up here with our minister as well—and we have a good understanding with the people here.

With us we have Senator the Hon. Ian Macdonald, who is the minister at the table. Mr Ken Matthews, who heads the department, and a number of other people from the department here to answer the questions. We take the opportunity, a number of times during the year, to talk to the department about expenditure and what they do. We are the guardians of the taxpayer. I am sure you realise that—you have them in your country as well. This is the process we go through. Sitting at the table with me is Andrew Snedden, who is the secretary of our committee. He has been with us for six years, and he is going to stay a little longer. We have Senator O'Brien from Tasmania, Senator Buckland from South Australia and Senator West, who you met earlier on, from New South Wales.

I extend a very sincere welcome to you. We hope you enjoy the proceedings. It sometimes gets a little mundane, but that is the nature of the business that we are doing at this time. I invite Senator O'Brien to continue proceedings.

Senator O'BRIEN—Thanks for that introduction. Mr Ellis, I will continue to ask about the Cypriot registered vessel that we were talking about before the break. Did you say it was licensed for six coastal trade voyages? Do we know what cargo it was carrying, that no-one else could carry?

Mr Ellis—Yes. It is carrying containers. It is licensed for a six-month period from 12 April.

CHAIR—It is carrying containers?

Mr Ellis—Yes.

CHAIR—Was there no coastal trade vessel that could carry these containers?

Mr Ellis—No, Senator. We approached—my notes say—three licensed shippers who were unable to meet the requirements of this particular cargo on offer.

CHAIR—Were they peculiar requirements?

Mr Ellis—Probably related to the timing that was being sought, and the port to port carriage of the goods.

CHAIR—How many containers were there from each port?

Mr Ellis—Each voyage has 18 containers, with general cargo in those containers.

Senator O'BRIEN—Six voyages and 18 containers of general cargo per voyage.

Mr Ellis—Yes, spread over a period from April through to September, indicative. Just looking at the dates, it is about one a month.

Senator O'BRIEN—How was the permit issued? On what date did the department receive the request for the permit?

Mr Ellis—The permit was signed off on 12 April. I am just looking for the date of the application; that would have been late March but I cannot see the exact date here.

Senator O'BRIEN—Can you find it for us?

Mr Ellis—Yes, I can. There was a series of exchanges with the applicant and, as is our normal process, we contacted the licensed shippers to check their availability. That took up a period from at least 5 April until it was signed on the 12th.

CHAIR—Maybe you could get the appropriate dates and bring them back to the committee later.

Mr Ellis—I have it. The application was made on 25 March.

Senator O'BRIEN—By an agent for the shipper?

Mr Ellis—The applicant was the Chief Container Service.

Senator O'BRIEN—Is there a particular officer who processes these applications?

Mr Ellis—Yes; we have two people in the division. One is basically the recipient and the processor, and there is another, more senior, officer who does some checking and gives guidance to the processing person. Then the permits are put to and signed off by a delegate, who is usually an SES officer.

Senator O'BRIEN—So you have a written application?

Mr Ellis—Yes; there is a formal application form that is filled in and sent in, and that is where the processing starts.

Senator O'BRIEN—Can the committee have a copy of that application?

Mr Ellis—Yes, we can provide that, but I do not have it here. The information is, of course, provided to the licensed shipping interests to see whether they are available for that particular cargo. On that point, I think I referred to discussions and exchanges over that first week of April leading up to the actual approval, while we were checking the availability.

Senator O'BRIEN—Obviously this is a vessel plying international trade that is calling into these ports on its way through to pick up and deliver the cargo. Is that right?

Mr Ellis—Yes, it is a foreign vessel. It is not licensed in Australia; it is not on our register.

Senator O'BRIEN—It is not just coming here to pick up 18 containers, is it? Presumably it has other work to do. Do we know?

Mr Ellis—I do not know that. I expect that would be the case.

Senator Ian Macdonald—While the officers are looking for that I will explain to our guests that committee members are asking questions, as you know, about the Australian government's cabotage policy, which says that you must use Australian ships around the coastline unless they are not available, in which case you can use any foreign ship around the coastline which can carry your goods. The government thinks that is not a bad idea, because you tend to get much cheaper shipping costs than the Australian shipping costs. Some people think that it is not a good idea because we should be promoting an Australian industry and using Australian crews—and Australian union members, I would add, although perhaps the other members of the committee would disagree with that. I do seriously point out to the committee that coastal voyages from Melbourne to Perth, to use a recent example, can get goods from Melbourne to Perth 30 per cent cheaper than rail. That is why we have these exemptions to our normal cabotage policy. Perhaps the officer has got the information now.

Senator WEST—Perhaps we should not get into the issue of security either.

Mr Ellis—Back to your question, Senator O'Brien, we do not have the details of the size of the vessel but we expect it would have the capacity of carrying about 400 containers, and each of these journeys is approved for 18. That will give you a comparative size.

Senator O'BRIEN—It did not sail all the way to Australia to pick up 18 containers and take them to another port and then sail out of Australian waters once a month for six months—or it is not going to do that.

Mr Ellis—The frequency of the sailing dates is, as we said earlier, about a month apart.

Senator O'BRIEN—What role does the department have in satisfying itself that the ship is not a subsidised carrier flagged by another nation? Is that relevant?

Mr Ellis—No, it is a foreign vessel.

Senator O'BRIEN—So you are not concerned if it has received subsidies during the previous 12 months from another country.

Mr Ellis—That is a criterion for a ship to be licensed on the Australian register; it is not for these exemptions to that process, which are in fact travelling under permits. So, no, that is not a consideration.

Senator O'BRIEN—To be licensed to trade on the Australian coast, you do not have to be an Australian vessel—you have to be licensed—and you cannot have received a subsidy from another nation over the last 12 months. Is that right?

Mr Ellis—In getting that licence, you then have to comply with conditions relevant to Australia.

Senator O'BRIEN—You have to pay your employees and observe Australian law in that respect.

Mr Ellis—Yes.

Senator O'BRIEN—Yes, but if you are subject to a single or a continuing voyage permit, those conditions do not apply. That is what you are telling us.

Mr Ellis—No, these CVPs and SVPs provide, under part VI, section 286, of the legislation, permits to unlicensed vessels.

Senator O'BRIEN—So it is irrelevant whether it is on an international voyage when you issue the permit. It is irrelevant what is doing; you only consider the task it has applied for authority to perform in issuing the permit.

Mr Ellis—'Irrelevant' is not quite the description. The ship is clearly in coastal waters, and it is seeking a permit to carry cargo that we ascertain is not available to be carried by licensed vessels. Under that exemption type process, the permit is issued under that section of the act.

Senator O'BRIEN—Do you have to make Customs aware that a permit has been issued for the vessel?

Mr Ellis—That used to be a practice in the past, I understand, but is no longer a routine part of the practice. But I would point out that foreign vessels that are operating with coastal trade permits, whether they are SVPs or CVPs, remain under Customs control while they are on the Australian coast. In that sense, Customs handles them coming in and out of the ports.

Senator WEST—What about DIMIA for shore visits for crews?

Mr Ellis—No, we do not inform Immigration. That is a relationship between Customs and Immigration.

Senator WEST—But didn't you say that you no longer inform Customs?

Mr Ellis—In times gone by, an information advice went across to Customs, but that is no longer the practice.

Senator WEST—How do Customs know? Do they just know by osmosis or something?

Mr Ellis—They know because the ship is carrying one of these permits, and in entering and exiting an Australian port, Customs are informed.

Senator WEST—Is it Customs responsibility to talk to DIMIA?

Mr Ellis—If necessary, yes.

Senator O'BRIEN—What rights do the crew have when the ship berths in these ports? Are they confined to the vessel? Can they get onto the wharf? Can they leave the wharf?

Mr Ellis—They have a special purpose visa. In that respect—similar, I imagine, to crew visiting from other international voyages—they can trade through Australian ports. But further than that generality, I am afraid that I cannot answer your question about how they are treated.

Senator O'BRIEN—Is there a passport entry monitoring system when they come into port?

Mr Ellis—I think that is a question that would have to be put to Immigration. I am not competent to know how immigration processes are followed.

Senator O'BRIEN—Have there been any approaches to the government or the department—calls, letters, approaches—from Australian shipowners about the issue of the permits, subsequent to your initial inquiries about availability of vessels? I think you said that you had approached three shipowners or companies.

Mr Ellis—Yes; those are the ones that we understand might be in a position to provide that service, and we approached those. Your question was much more general than that.

Senator O'BRIEN—Have you been approached by others, subsequent to the issue of the permit, about the issue of the permit? For example, maybe they were available and you did not call them.

Mr Ellis—I would think that that is probably unlikely in the sense that earlier this year we checked and updated with licensed shippers on their details, availability and capacity et cetera. So our information base is relatively up to date. If a licensed shipper did present, that is something we would take up with the permit holder.

Senator O'BRIEN—Can the permit be revoked?

Mr Ellis—Yes, it can be by the minister under six months notice.

Senator O'BRIEN—So not in this case.

Mr Ellis—'Cancelled' is the word. That is included on the permit.

Senator O'BRIEN—Can the minister revoke a single voyage permit?

Mr Ellis—On our reading, here at the table, the legislation does not contemplate revoking a single voyage permit. It is silent, but I would like to take that on notice and read that through. If it is anything different, I will come back to the committee.

Senator O'BRIEN—Okay.

Mr Ellis—Just an expansion on that: In section 286, subsection (4), it refers specifically to a continuing permit. It says, 'A continuing permit may be cancelled by the minister upon not less than 6 months notice.' That is what I was referring to before. On the face of it, we cannot identify any revocation or cancelling of a single voyage permit, and that is why I took it on notice.

Senator O'BRIEN—Is the department monitoring the numbers of vessels issued with multiple permits? Obviously you have got the numbers.

Mr Ellis—We have the numbers, and, at a point in time, we of course know which ones are current. If that is the answer to monitoring, we have that information.

Senator O'BRIEN—Do you know how many vessels, over the life of this regime, have been issued with more than one permit?

Mr Ellis—Not offhand. We could make an estimate, I think, but the scheme is very longstanding. If your question goes to more recent times—the last two years or something—we could do a desktop search on that. As I understand it, your question is: a particular vessel has been issued with more than one cvp/svp.

Senator O'BRIEN—Yes.

Mr Ellis—If we can confine it to, say, the last two years, I will do that for you.

Senator O'BRIEN—Thank you. Does the department keep a record, which would be easily produced, showing the vessel name, how many permits it has been issued, whether it is continuous or single voyage, and the period the permits cover—sort of a spreadsheet-type chart?

Mr Ellis—We maintain a spreadsheet. Whether it goes to that particular presentation that you have just outlined—how about we have a look at that coverage in the last two calendar year periods and pull it together that way? I think there will be some manual manipulation and file search to get that information.

Dr Feeney—My recollection is that we provided, in response to a question on notice last year, a very detailed list, permit by permit, of ship, port—

Senator O'BRIEN—So it may be a case of just updating it.

Dr Feeney—That is right.

Senator O'BRIEN—What sort of conditions can you place on a permit?

Mr Ellis—The conditions—and I will give you an example from the one that we talked about earlier, the *Tauranga Chief*. The department is notified after each sailing of the dates, the voyage and the cargo. So that is a reporting after the permit has been issued. For a cvp, the permit is generally six months. For a single voyage permit, it will be for the period of the actual voyage. In this case, we specified that containers only may be carried, so that there is no confusion about whether it is carrying bulk cargo or some other type of cargo. We have indicated that the cargo can be carried between port and port. The condition is that, if there is a change to the schedule, that comes forward; and this is particularly important for a continuing voyage permit. If there is a change to the schedule that is anticipated, the department is to be advised, and there is a condition that the vessel is not detained under the AMSA port state control program. In other words, it is not pulled up for safety reasons.

Senator O'BRIEN—Is that the only safety check you do in effect—to say, 'Your rights to be here are subject to that check'?

Mr Ellis—Yes, and I think that is a very powerful check and regulatory requirement.

Senator O'BRIEN—In February, Mr Feeney—talking about conditions that can be placed on permits—said:

For instance, on the continuing voyage permit, even though it is a permit for a large period of time and we have assessed that the licensed operators are not available, we still have a requirement that every

time they pick up cargo they have to then do that same sort of assessment that there is no other licensed operator available.

Where can we find prescription to that extent?

Mr Ellis—That condition has been applied to some permits when there is a degree of uncertainty about whether a licensed shipper may be available, so that if they change their schedule—

Senator O'BRIEN—The six-month notice does not apply in those circumstances?

Mr Ellis—This is trying to work against a projected schedule of voyages within that six-month period. If there is a prospect that a licensed shipper will be available for designated voyages during that period—some of those approvals they may have that as a condition—it is a call back to the department point and a better check of whether licensed vessels are available.

Senator O'BRIEN—How does that subsequent checking occur—or don't you use that condition any more?

Mr Ellis—We just go around again to the identified prospective licensed operators, usually by fax or phone.

Senator O'BRIEN—Do you know how many continuing voyage permits are on issue this year so far?

Mr Ellis—Forty-nine CVPs—continuing voyage permits—are currently on issue, as of yesterday.

Senator O'BRIEN—That is pretty up to date. So we are tracking to the same sort of number we had last year in rough terms.

Mr Ellis—Yes. If you take five months and pro rata over 12 months, you are looking at something like 100 to 120.

Senator O'BRIEN—What about single voyage permits?

Mr Ellis—No, we do not have that. The point has just been made by Mr Kelso that we would necessarily have to go through and find out which ones were current for today, or yesterday or whenever. Out of the number on issue in a calendar year, some of them will have already been completed. Are you asking that question or not? We have the CVPs because we have done the count.

Senator O'BRIEN—There has been no single voyage permits issued this year?

Mr Ellis—I am saying that we have done the count on the CVPs current as of yesterday to come up with the 49 figure. You are asking how many SVPs were current yesterday?

Senator O'BRIEN—I meant how many have been issued this year?

Mr Ellis—Sorry, I misunderstood that. We would need to take that on notice.

Senator O'BRIEN—It may have been continuing permits issued which have expired this year as well. Would they be included in the 49?

Mr Ellis—No, the 49 are the ones that are valid as of yesterday. Within the six month period, for example.

Senator O'BRIEN—Do you know whether there would have been CVPs issued that are no longer.

Mr Ellis—That would be the case, Senator.

Senator O'BRIEN—Would you know how many of those.

Mr Ellis—Since when?

Senator O'BRIEN—Since 1 January.

Mr Ellis—We do not know but there would be some that have reached the end of their approval period between 1 January and yesterday and if you wish we can take that on notice.

Senator O'BRIEN—Is there any assessment of the pattern of work that these vessels pick up. On the one hand it is argued that these vessels are supplying a need that the Australian industry does not supply, cannot supply, there is no-one there who is going to provide the service. On the other hand intersecting all of this work might actually mean that that they are preventing an expansion of this the Australian coastal trade. I presume this is nothing to do with price of service, is it.

Mr Ellis—Though we issue the permits, we do not go into the qualitative assessment that you have referred to about ports and types of cargo. The CVPs are gazetted so they are public and then there is a quarterly report on the SVPs that are issued, so while we do not conduct that type of analysis, there may be some opportunity for someone who is interested to do that.

Senator O'BRIEN—How much does the permit system cost to operate.

Mr Ellis—Cost us, the department?

Senator O'BRIEN—Yes.

Mr Ellis—Apart from paper and phone calls and faxes et cetera it is essentially as I outlined earlier. There is one officer who is full-time, a more senior officer who does the checking and quality control and advice and then intermittent engagement by the delegate who signs off on it. That is the figure that could be calculated but it would be about \$100,000, perhaps a bit more per annum.

Senator O'BRIEN—Okay. It is a ballpark figure.

Mr Ellis—That is an off-the-top-of-the-head estimate of salary and on-costs for those few staff who are engaged.

Senator O'BRIEN—Obviously it does not include any work that DIMA or Customs do.

Mr Ellis—No, that is only in this part of our department.

Senator O'BRIEN—What income is derived from the permit system.

Mr Ellis—The estimated figure is shown. It is \$190,000. It is recorded on page 78 of the PBS. It is two-thirds of the way down the top group there, taxes, fees and fines. That is an estimate on the experience of the number of applications that are processed and charged

Senator O'BRIEN—I want to ask now about the trucking code of conduct. Is that yours, Mr Hogan?

Mr Hogan—Yes.

Senator O'BRIEN—You told us at the last estimates that Senator Boswell was going to host a meeting on 28 February this year where the industry could present on the content of the code, its context and why it is important. Did that occur?

Mr Hogan—Yes, there was a meeting held on 28 February at which trucking industry representatives, notably the Australian Trucking Association, the Transport Workers Union and an owner-driver, presented the case for a code to various representatives of their main customer bodies.

Senator O'BRIEN—That is still work in progress, I take it. There has been no announcement.

Mr Hogan—It is still work in progress. At that meeting, I think it is fair to say that there was broad in-principle support from the customer representatives that a code was a good idea. But it was also agreed that further work needed to be done on the code—there was some redrafting to be done. That process is still under way, although I was informed by ATA last week that they are expecting to be able to wrap that up quite shortly.

Senator O'BRIEN—So by the next estimates we will have a draft code out there for discussion at least?

Mr Hogan—That depends on the industry itself. As I stressed at the last estimates, it is a code by industry for industry. But taking the ATA at face value on what they have said, it might well be out there by the next estimates.

Senator O'BRIEN—What are the issues, key points of difference or sticking points between the industry participants about a code?

Mr Hogan—I am not particularly aware that there were key points of difference. I think it came down to the precise words that were used. I have not seen a draft of the code since that meeting, so I cannot really go beyond that statement as to whether there have been more substantial issues emerging in the consultation process since.

Senator O'BRIEN—Was there a record taken of that meeting on 28 February?

Mr Hogan—There was a brief record taken by the department for internal purposes.

Senator O'BRIEN—Can a copy be tabled?

Mr Hogan—I do not think that would be appropriate since it represents advice to government. It is a recall note that we provided to Senator Boswell and his office.

Senator O'BRIEN—A recall note?

Mr Hogan—That is what we are calling our records of meetings at the moment.

Senator O'BRIEN—Are you saying that the minutes of a meeting are advice to government?

Mr Hogan—It is not really the minutes of the meeting as such; it is an aide-memoire to, if you like, the government or ministerial/parliamentary secretary representatives at meetings.

Senator O'BRIEN—Which officers from the department attended?

Mr Hogan—Me and Ms Carol Rowe.

Senator O'BRIEN—Did the minister have a representative present? Senator Boswell was there, I take it.

Mr Hogan—Senator Boswell was there and, from memory, his senior adviser and possibly one or two others from amongst his staff.

Senator O'BRIEN—You also referred to another meeting that Senator Boswell was going to facilitate with financiers involved in the development of the code of conduct. What was going to be the purpose of that meeting?

Mr Hogan—It was not so much a meeting to talk about development of the code; it was something that Senator Boswell had offered previously to the trucking industry representatives. If they thought it was useful, he could facilitate a meeting between them and financiers as, if you like, an education session and an opportunity for the trucking industry

representatives to educate financiers about how they felt they might more responsibly act in the process when they are lending money to owner-drivers.

Senator O'BRIEN—Did that meeting take place?

Mr Hogan—That meeting has not been asked for and has not occurred at this stage.

Senator O'BRIEN—So the meeting on 28 February has been the only code of conduct meeting that has taken place?

Mr Hogan—It has been the only meeting that has involved government.

Senator O'BRIEN—What other work has the government done on that process?

Mr Hogan—All the previous work undertaken in that process was before 28 February. As I think I have previously explained, the department provided secretariat support to assist in the development of the code. It provided some funding to assist in the development of the code. There are a number of other initiatives which complemented the work that was occurring on the code; for instance, the trucking industry was included in the third wave of the National Industry Skills Initiative. That was essentially a by-product of the code process where the department organised a meeting between trucking industry representatives and representatives of other government agencies.

Senator O'BRIEN—I take it that the code will be voluntary?

Mr Hogan—Yes, it will be a voluntary code.

Senator O'BRIEN—So the government will not have an enforcement role?

Mr Hogan—No, the government has ruled out mandating the code.

[5.07 p.m.]

AUSTRALIAN MARITIME SAFETY AUTHORITY

Senator O'BRIEN—The new SOLAS system is AMSA'S responsibility, as I understand it.

Mr Davidson—You are talking about safety radio communications?

Senator O'BRIEN—Yes.

Mr Davidson—Yes, Senator, we are responsible for the SOLAS, which is for vessels basically in excess of 300 tonnes.

Senator O'BRIEN—AMSA has been involved in the process to let a contract to replace the Telstra-provided SOLAS system?

Mr Davidson—That is correct.

Senator O'BRIEN—It is due to be replaced on 1 July. Is that schedule going to be met?

Mr Davidson—Yes, it is.

Senator O'BRIEN—Who was the successful tenderer?

Mr Davidson—A company by the name of TVNZ Australia.

Senator O'BRIEN—How many bidders were there?

Mr Davidson—I will have to come back to you with that. The contract was let over a year ago. From recollection, there were at least three respondents.

Senator O'BRIEN—Was it let on the basis of lowest-price tenderer, or a combination of measures?

Mr Davidson—Price, performance and some other measures as well.

Senator O'BRIEN—What is the scope of the service to be provided?

Mr Davidson—Under the GMDSS—the Global Maritime Distress and Safety System—there is a requirement for HF/MF digital selective calling. TVNZ have established two stations, one at Charleville and one at Wiluna. They will be remoted back to facilities within the maritime safety authority in Canberra, adjacent to the RCC.

Senator O'BRIEN—What is the value of the contract, and how long will it extend?

Mr Davidson—I do not have that with me, but my recollection is that it is a five-year contract with an option for a further five.

Senator O'BRIEN—What are the employment and operational implications of the new system for AMSA—any?

Mr Davidson—There are none. It has no impact on us directly, other than the manner in which we communicate with the provider.

Senator O'BRIEN—Perhaps you would take this on notice: what is the difference in cost between the Telstra-provided SOLAS system and the new one?

Mr Davidson—I will take that on notice.

Senator O'BRIEN—And are there any additional functions?

Mr Davidson—We will give you a difference functional statement as well, because the current system is a voice-only one. Under the new system, it is digital select calling, which essentially is a dial-up style of system.

Senator O'BRIEN—Who had to give final approval to the contract?

Mr Davidson—The AMSA board.

Senator O'BRIEN—It was not a ministerial matter?

Mr Davidson—No, Senator.

Senator O'BRIEN—Are there new protocols for responding to distress calls?

Mr Davidson—We are continuously improving the protocols, modifying them and so forth. Which context are you talking about, Senator?

Senator O'BRIEN—Requiring merchant ships to seek the approval of the Navy before responding to calls for help from refugee boats, for example.

Mr Davidson—I think that is a matter that Dr Feeney can respond to.

Dr Feeney—The protocol you are referring to is one we are working on in response to commercial shipping seeking a bit more clarification on what to do in the case where they pick up persons rescued at sea. The issue of the Royal Australian Navy vessels is not a factor in that. The protocol is purely to set up a communications mechanism for commercial ships when they pick up rescued persons at sea, in or adjacent to the Australian search and rescue region, to have some process by which it will be determined where those persons are landed.

Senator O'BRIEN—So the protocol is not to interfere with pick-up but to control the destination of the vessel that has picked up those people?

Dr Feeney—There is no intention at all to interfere with the established procedures in relation to rescue. This is purely a post-rescue protocol, just to clarify how commercial shipping, depending on the circumstances, gets information about what the Australian government would like that vessel to do in relation to landing the people onshore somewhere.

Senator O'BRIEN—Has that protocol been finalised?

Dr Feeney—No, it has not been finalised yet. It has probably taken a bit longer than I had anticipated. As you would appreciate, it involves a number of areas of government, and it will be a document that will be of interest to the international community. We want to make sure it is right and it reflects the Australian government's position. So we are still finalising the consultation process.

Senator O'BRIEN—What is involved in the consultation process?

Dr Feeney—We have a draft, and we are getting comments. I suppose it like drafting by committee, to some degree. There are a number of departments involved. We have to take all their views into account so it is an agreed document.

Senator O'BRIEN—Has the draft been circulated to industry bodies for comment?

Dr Feeney—It was originally established after some discussions with commercial shipping. The people involved in that discussion did have a copy of a very early draft for their comments, for the purposes of getting industry comment into the process. Since then it has gone through the bureaucratic processes, and since that time the industry has not seen the draft.

Senator O'BRIEN—What is the current protocol?

Dr Feeney—I think that is the point that commercial shipping interests made, that there was uncertainty. They do not know what would happen. They know what happened in relation to the *Tampa*. They are saying that this situation might occur again, and they would like some certainty about what is expected of them.

Senator O'BRIEN—So at this stage it is too early to know when this will be implemented and exactly what it will be?

Dr Feeney—I am hopeful that the document will be finalised soon.

Senator O'BRIEN—And then there is a process of advising. How would the information on what the protocol is be disseminated?

Dr Feeney—At the officials level we will have developed this draft protocol, which will go up to the minister for his consideration. He will consult with his colleagues. Then, I imagine, if the minister is of a mind to issue it he will do so.

Senator O'BRIEN—According to page 106 of the PBS, AMSA is set to receive \$15.705 million for search and rescue. How does that compare with allocations for the previous two years?

Mr Davidson—The allocation for search and rescue is \$15.705 million, and the previous year's budget was \$21.224 million. The differential there is related almost exclusively to the change in the coast radio operation and the allocation of \$3.025 million to the states for their changeover of systems.

Senator O'BRIEN—Other than that, is the \$15.705 million comparable with the funds that were available to AMSA in previous years to carry out its search and rescue function?

Mr Davidson—Yes, it is.

Senator O'BRIEN—Has the allocation in those previous years been adequate for AMSA to perform its function or has there ever been a need for a special allocation because of special instances of need?

Mr Davidson—The appropriation is in two parts. The appropriation for the operation of the search and rescue function is covered under that item, and a couple of items further down in that same table is ‘administered expenses’, which is the amount allocated within the budget annually to cover actual search costs. That amount, as you can see for this year, is projected to be \$4.6 million—that is under the first column—and the budget for next year is \$3.9 million. In the event that that is exceeded, we get an advance automatically appropriated, and the full amounts required to properly and completely effect rescues is automatically provided through that appropriation.

Senator O’BRIEN—If you were chartering aircraft for the purpose of conducting searches, it would come out of that \$4.6 million—

Mr Davidson—Or the 3.9, which is the budget allocation. That is correct. It is charged there.

Senator O’BRIEN—These aircraft, presumably, can only be used for search and rescue purposes?

Mr Davidson—Or training.

Senator O’BRIEN—So the training costs will come out of those administered expenses?

Mr Davidson—No, the training costs are in the \$15.7 million. The search and rescue components are actual search costs and related costs covered under that item.

Senator O’BRIEN—Are there contracts with providers of these aircraft or is it just a do-and-charge arrangement that you have? Are there a variety of arrangements?

Mr Davidson—A couple of arrangements have been in place for a number of years where pre-agreed rates are struck with potential providers. The providers are trained so that they are competent either in observation—search—or in rescue, and we also have capacity to drop supplies. They are trained in those activities. We are now moving to implement a very limited basis—rather than on an opportunity basis—of entering into contracts where we have aircraft dedicated and available on certain criteria, in terms of availability and time to be in the air. The intention is to have three of those operations in place during next year.

Senator O’BRIEN—Can the committee be supplied with a list of the contracts—not the details of the contracts, but with whom you have contracts and the type of aircraft available?

Mr Davidson—Yes, we can give you a broad indication of those.

Senator O’BRIEN—Can you annotate that list with those who supplied aircraft in and from the 1999-2000 financial year?

Mr Davidson—I think we could probably do that, yes.

Senator O’BRIEN—The original arrangement in relation to the audit of AusSAR back in 1997 was for CASA to do that work. There was advice to this committee to that effect from then Ms Lomasney—I think now Ms Barrell—who is now in CASA running the regulation reform process. Was there an audit of AusSAR conducted by CASA?

Mr Davidson—I would have to come back to you on that; I am not sure.

Senator O’BRIEN—When you do, can you tell me how often there have been audits of the operations of AusSAR generally and the management arrangements of aircraft providers for search and rescue?

Mr Davidson—We will do that.

Senator O'BRIEN—And the detail of what was involved in such an audit, if and when it occurred.

Mr Davidson—Certainly.

Senator O'BRIEN—If there are audit reports, can they be made available to the committee?

Mr Davidson—I will check on those for you.

Senator O'BRIEN—What is the status of the legal proceedings arising from the *Red Baron* incident? I understand there is a damages claim against the agency in relation to the death of Mr Whelan in that incident?

Mr Davidson—Negotiations are ongoing.

Senator O'BRIEN—Can you tell me the extent of legal expenditure by the agency on that matter to date?

Mr Davidson—I am not sure that I have that with me in detail. I will have to take that on notice.

Senator O'BRIEN—Who is running the legal action on behalf of AMSA?

Mr Davidson—Clayton Utz.

Senator O'BRIEN—Is AMSA insured against any damages arising from that action?

Mr Davidson—We have the general insurance policy that covers AMSA with a no-claim component of about \$100,000.

Senator O'BRIEN—Who is that with?

Mr Davidson—Currently we are under the Commonwealth scheme.

Senator O'BRIEN—Who were you with at the time of the *Red Baron* incident?

Mr Davidson—FAI held the contract.

Senator O'BRIEN—So you do not have any cover?

Mr Davidson—We will probably be credited to the extent that it exceeds \$100,000.

Senator Ian Macdonald—Who has carriage of that—the insurers or the representatives of the insurers?

Mr Davidson—The insurer has asked AMSA to carry that directly. It is a commercial settlement.

Senator O'BRIEN—Did you say it was a commercial settlement?

Mr Davidson—It is a commercial issue.

Senator O'BRIEN—How long has that action been afoot?

Mr Davidson—On 29 September 1998 a writ against AMSA was lodged in the Burnie Supreme Court.

Senator O'BRIEN—I think it is the Tasmanian Supreme Court. I do not think Burnie runs to a supreme court.

Mr Davidson—It probably is, yes.

Senator O'BRIEN—It is probably the registry there.

Mr Davidson—It is probably the Tasmanian Supreme Court in Burnie.

Senator Ian Macdonald—Tasmania is a pretty big place, so you never know!

Senator O'BRIEN—A Queenslander, with North Queensland despising those in the south, is not in a position to have a go at Tasmania. I am very interested in that, Mr Davidson. Obviously, it is a fairly notorious matter. You said that the matter is the subject of discussion, I think. Did I recall what you said?

Mr Davidson—Negotiations—it is currently being negotiated.

Senator O'BRIEN—Presumably, you will be able to report the outcome of those negotiations, if and when they are concluded?

Mr Davidson—Yes, we will.

Senator O'BRIEN—Has there been any concession regarding liability?

Mr Davidson—No.

Senator O'BRIEN—That is all the questions I have for AMSA.

[5.30 p.m.]

CHAIR—As there are no further questions for AMSA, we will now move to 2.4, Transport Programs Division.

Senator WEST—I notice in the PBS that the Tamworth Australasian-Pacific Aeronautical College funding goes from this year's estimated actual of \$1.45 million to \$0.94 million next year—a reduction of 35 per cent. The following year it increases again. Can somebody let me know what is going on with this particular college? The PBS does say the contributing division is transport programs.

Ms Meakins—Yes. The grant is a total of \$3.6 million to the college over four years. It commenced this financial year and the grant is to provide for infrastructure, aircraft and equipment.

Senator WEST—Why the drop-off this coming financial year and then an increase again?

Ms Holub—I do not have the exact details with me, but it is to do with the establishment phase. There are a lot of up-front costs. I do not have details for the final year.

Senator WEST—I thought the college was already running. There is a facility in Tamworth that is training pilots. I see them take off and land every time I am there, which is reasonably frequently. What is this doing that that is not doing?

Ms Meakins—I believe the college is in existence, but this is basically a capital injection for needed facilities—for example, aircraft, which are obviously large capital items, which they needed to progress further in their goals.

Senator WEST—Yes.

Ms Holub—There is also some infrastructure work with a workshop being built and some of the current accommodation is not suitable for the expansion. Some of the costs are associated with that as well.

Senator WEST—With the expansion, what numbers of aircraft are we talking about, and what sort of aircraft?

Ms Meakins—I am sorry, I do not have that detail with me. I will take that on notice.

Senator WEST—Fine. With that accommodation, I presume you are talking about residential accommodation. Is that right?

Ms Holub—No. It is workshop facilities for the trainees.

Senator WEST—It is not the residential accommodation? I was going to say, ‘What the hell’s wrong with those?’ because they are new blocks?

Ms Holub—No. It is to accommodate the work program that the trainees are involved in, in the workshops.

Senator WEST—Can you assure me that the 35 per cent reduction in this coming financial year is an expected, anticipated and budgeted one; it is not an unexpected one and it is not going to interfere or impede in any way the progress of this project?

Ms Holub—No. I believe the milestones have been set for certain stages of development for the whole establishment.

Senator WEST—And this fund will enable those existing milestones to be met?

Ms Holub—That is correct.

Senator WEST—Thank you.

Senator BUCKLAND—My questions concern the Roads to Recovery program. Why is there no requirement under the program for capital works to be put out for tender?

Mr Hrast—That side of the program was a quite deliberate policy by the government to allow the most appropriate way for a council to decide, at the local level, how best to achieve the program objectives.

Senator BUCKLAND—But if government money is being paid to local authorities, surely there is some audit as to how that money is being spent?

Mr Hrast—Certainly, they have to provide details of what the funds are being used for. As to how they go about it, the deliberate policy decision was to leave it to the local government to decide.

Senator Ian Macdonald—One of the great things about the program is that it has enabled very many small country towns and small shires to retain their permanent work force because they have continuous roadwork that they can do. That has been a very significant part of the huge success of the program since it was implemented. The government takes the view that local governments are responsible; we believe they do a great job. We do not think they mismanage their funds and we think that they will use the funds in the best way possible to get the maximum benefit out of every dollar of their own roads money and the federal government’s Roads to Recovery money. Some of them will choose contractors—I am sure that in some of the major provincial cities and the capital cities contractors will be used—but in many small country towns and shires, where the council themselves do the work, they will use this to supplement their funds. That was a deliberate policy decision of the government.

Senator BUCKLAND—One of the problems is that many of the small local or shire councils do not have that work force now. The tendering process—calling for a contractor to do the work—leaves some questions as to accountability. If it is put out to tender and that tender is audited by the authority providing the funds, surely that is better than letting a local shire or council pick a contractor who is convenient for the day but may not be suitable in the long run.

Senator Ian Macdonald—I see what you are getting at. Councils right across Australia are audited annually by the relevant state auditing rules, so they are audited in any case. As well as that, as I always say with local government, they have the best audit process going: every three or four years, they face the electors. If they have not spent the money wisely or there has been funny business going on with the letting of contracts, then the people are the best ones to

fix that up. Having said that, there are very substantial audit provisions in every state for local authorities.

Senator BUCKLAND—After the work is completed and the funds have been paid to the local authority, is there an inspection of the quality of the work or is it taken on face value when a letter or form comes back saying that they have completed the work? What is the process?

Mr Hrast—It is taken on face value, Senator. We simply do not have the resources to look at the more than 7,000 projects that are currently being funded by Roads to Recovery. A very small area within the department handles the administration of the program. Councils are required to provide audited statements to account for how they have used the funds, but no, there is no inspection of the quality of the work.

Senator BUCKLAND—How is the money paid to the local authority?

Mr Hrast—It is paid directly from the Commonwealth to the bank accounts that they have nominated.

Senator BUCKLAND—Is it money that is paid after the project is complete, or prior to that?

Mr Hrast—It is a combination of the two. Councils are required, each quarter, to tell us how they have spent their money and forecast their expenditure for the next quarter. We pay in advance to allow them to meet their expected expenses during that next quarter.

Senator Ian Macdonald—Again just to put this into perspective: whilst Roads to Recovery was a brilliant new initiative, I say with some pride, it really is on top of other provisions. We already provide them with \$500 million—some large amount of their annual grants goes for road funding. Someone will correct me if I am wrong, but I think we provide about \$1.5 billion annually to local governments, as direct grants from the federal government to the 700 or so local governments around Australia. Part of those grants are grants for roads, and we have normal accountability provisions. Roads to Recovery is on top of that. We have been satisfied for 30 years—or however long those original grants have been going—that councils, by and large, do the right thing. So, in our view, there does not need to be anything additional.

Roads to Recovery was designed to be as hassle-free as possible. What we wanted to do was to get the money out to provide councils, particularly in country areas, with that additional money for works that they knew had to be done but they simply did not have the funds for. They could not raise them through their rates and the state governments have, by and large, cut back on their support for local road funding, and so we wanted to get it out. It is an Internet based application.

I have just been told that last year we provided \$441 million, as part of the financial assistance grants of about \$1.25 billion, for the road component of those grants. So there is already substantial money going and being looked at. That has been happening for 20 years now, I suspect. That just puts it into perspective. I can understand your concern, but when you look at it in perspective with the money we already give them and the situation in place, you would see that there is really no need to look over their shoulders further.

Senator BUCKLAND—I guess it is the looking-over-the-shoulder part that I am looking at. It is public money. Is there any possibility that money could be diverted by the local authority to projects other than that stipulated in their application for funding? How closely does the department watch what happens to that money?

Mr Hrast—The councils are required to provide an audited statement that they have used the funds in accordance with the Roads to Recovery Act. We rely on an independent auditor to say that they have used the funds correctly.

Senator Ian Macdonald—I have some additional information on that. My experience has been that—as I think any local government association will tell you—even the \$441 million we give to councils as part of the FAGS grants every year comprises only a small amount of what they spend on roads. In addition to our money, they are spending other money, so there is really little doubt that they would be spending it on roads. Some of the big city councils might try to divert a bit to the theatre or something like that, but I am sure that, in most councils, it would not even cross their minds.

Senator BUCKLAND—Surely, Minister, if you say that they might shift a bit to theatres or whatever, that is my whole point. Could the money be diverted by an authority to projects other than roads?

Senator Ian Macdonald—That money could not be diverted. But big councils like Brisbane City Council or Townsville City Council—not very well run, I might add—could substitute money: they might have been going to spend some money on roads in four years time but, because of Roads to Recovery, they will use our money for roads and divert their money to a theatre or a social welfare program or something like that. But that would be pretty rare. So the answer is no, they cannot.

Senator BUCKLAND—I do not think that the answer is no, they cannot, because of your own statement that, if big councils could do it, there is scope for movement.

Senator Ian Macdonald—You heard what I just said.

Senator BUCKLAND—I did hear what you said.

Senator Ian Macdonald—They must use the money for roads but some of the bigger councils could cost shift.

Senator O'BRIEN—Like Rockdale.

Senator Ian Macdonald—Rockhampton?

Senator O'BRIEN—No, Rockdale.

Senator Ian Macdonald—That is probably another one that is not quite as well run as it should be. It has a Labor mayor.

Senator BUCKLAND—I do not want you to think I am harping on this for no reason but, when the local government or the local authority say they want money under Roads to Recovery, it is left to them to find who does the work—be it themselves, or they contract out or they get a friend in from across the back fence or whatever. Is there any stipulation that the tendering process must be the cheapest way that they can get the work done? Is there a stipulation that, if it is tendering, it is the lowest price that gets it, or that, if it is in-house, the in-house work has to be cheaper than getting a contractor in?

Mr Hrast—There is no tendering stipulation; it does not say it should be the lowest price.

Senator BUCKLAND—It doesn't. Is it just open-ended?

Mr Hrast—Yes.

Senator Ian Macdonald—I am not an expert on this anymore but I think you will find that most state governments, who legislate for local authorities, have very specific rules on that. They are different in every state—some do allow closed tendering, some do allow preference

for local contractors—but you would really have to look to state governments for those rules. Suffice to say that there are no specific criteria in our program.

Senator BUCKLAND—I think all of the applications are now required to be made by electronic form, through the webpage.

Mr Hrast—There is an option for councils to do it manually, but we would prefer the councils to do it electronically. I think just about all councils are now operating that way.

Senator BUCKLAND—Has that been measured, as to the success of doing it that way as opposed to the paper form?

Mr Hrast—We have not measured it directly but the fact that we were able to manage a program of \$300 million this year with four people probably indicates that we are able to do it more efficiently that way than we would have if it were a manual paper-based system.

Senator BUCKLAND—So the electronic form speeds up the processing of the applications?

Mr Hrast—It does. I have just been reminded that we have had some very positive feedback from councils, on the whole. It works very well from their point of view.

Senator BUCKLAND—If a council or an authority determined they wanted to do it by the older paper method—the one I would probably use—can they still do that?

Mr Hrast—They can. We would certainly encourage them to use the Web if at all possible. I can add that, in setting that up, we had quite detailed discussions with the Australian Local Government Association, which encouraged us to go down this particular path to move some of the councils into the Internet era.

Senator BUCKLAND—Do you know if there is any funding available for them to get themselves geared to use the electronic forms? I have got to say that I do not know who is and who is not using it.

Mr Hrast—The only councils that are not using it at the moment are some very remote councils. They tend to be Aboriginal community councils. Roads to Recovery funding is not available for that, but there are a number of other Commonwealth grants arrangements that I am sure are helping that area. It is not very costly for councils to set up to operate this way.

Senator BUCKLAND—Is there a plan within the department to say that there is a cut-off date for councils or organisations to cease using the paper form of application?

Mr Hrast—No, there is no cut-off date. I think there would be a handful of councils that are not operating electronically.

Senator BUCKLAND—But there would be some who could not because they would not have access—

Mr Hrast—That is correct. They tend to be the smallest councils and we are finding that we are paying out those councils early because there is a provision to pay out the very small councils the full amount early in the program rather than spreading out a small amount over four years. They are in effect going from one side of the ledger to the other, to the fully paid out side of the ledger.

Senator BUCKLAND—After you receive an application for funding over the web site, is there further information sought by the department?

Mr Hrast—Yes. Sometimes we would follow up if it is not clear what the project is. That would usually be done by phone, by fax or by email—but usually by phone.

Senator BUCKLAND—What would not be clear?

Mr Hrast—The location of the work, whether it is an eligible piece of work—the funding is available only for a road, as defined under the act. A car park, for example, would not be eligible.

Senator BUCKLAND—When a project has received funding by local authorities, and then it is posted on noticeboards or whatever to make it known to the community, is there any involvement by the department if objections are raised regarding those projects going ahead? Are the funds withheld until the dispute is heard? Does the department get involved?

Mr Hrast—No, we do not get involved. We would expect councils to go through their own normal planning processes. We run a public web site as well where we post all the projects that are being funded so that the community can check to see what is happening. We have had people ring to say, ‘We don’t particularly like that project,’ but they need to take it up with their council rather than with us. As long as it meets the guidelines for the project, we would approve the project.

Senator BUCKLAND—If there are objections lodged and proceedings come out of that, can the Roads to Recovery money be used in any way for those proceedings?

Mr Hrast—No, the funds are available for the roadworks, not for litigation, disputes or anything like that.

Senator BUCKLAND—And the department is in no way involved in mediation with the parties?

Mr Hrast—Not at all.

Senator BUCKLAND—And it takes no great interest in it?

Mr Hrast—It is beyond our resources to be able to do that at a detailed project level; indeed, it is not part of what the act says for us to do.

Senator Ian Macdonald—Councils operate under state government legislation. I think they all operate very fairly, appropriately and honestly. Occasionally you get an odd council here or there, usually a Labor council, that gets into trouble. We have seen some TV shows about them. But by and large they do a good job. Senator, if you have any specific concerns—if someone has reported to you that a council is not properly using the money or there is some fraud or other activity going on—you should report it to the appropriate authority.

Senator BUCKLAND—It would be reported. I am asking the questions as they have been raised with me. When an application for funding is made by a local authority, is consideration given to what other applications they may have made, or is it prioritised as to how the money is distributed?

Mr Hrast—Each council has an allocation under the Roads to Recovery Act. They can use those funds as they wish, as long as it is on a road as defined within the act, up to the limit of the funding that is available and the cash limits that are available in any one year, which we use to manage the program.

Senator BUCKLAND— I understand that there is a cash limit, but is there a priority list?

Mr Hrast—Once again, it is up to the council to set their own priorities. The whole logic of the program was to give that decision making to the council.

Senator BUCKLAND—Yes, I understand that. I think I may have confused you. The priority that I am talking about is not so much the councils prioritising their own work—

which they do, and do well. Prioritising one council against another council is where I am coming from.

Mr Hrast—Each council has an allocation each year, and they can do as they wish within that overall allocation each year.

Senator BUCKLAND—What are the criteria for setting that allocation?

Mr Hrast—It was set, and has been gazetted as part of the act. It was the same distribution as applies to the financial assistance grants that are identified for roads. So it is the same distribution.

Senator BUCKLAND—Is there a system whereby the outcomes, the results, of the programs are analysed by the department, perhaps on an annual basis?

Mr Hrast—Yes, there is. We require each council to provide an annual report to us—in which the CEO of the council has to certify that he used the funds correctly—as well as the audited statements. In there we also ask them to report on the outcomes that have been achieved. We have got a number of categories so that we can analyse the outcomes. We also do an analysis of the actual types of projects that have been funded.

ACTING CHAIR (Senator Colbeck)—In that analysis, do you do any work on the individual projects? Do you do an assessment of any of the individual projects against any figures that you might have with respect to costings?

Mr Hrast—No, we do not.

Senator BUCKLAND—Regarding local councils that may be using a contractor to do some work in the area, if you have other applications from other nearby councils—and I understand they meet regularly and communicate between themselves—does the department advise a council that their neighbouring council or a council two down the road is having work done, so they may be able to utilise the equipment?

Mr Hrast—No, we do not. Our system is not sophisticated enough to do that.

Ms Meakins—With the projects on the web site, though, councils can check the adjacent councils.

Senator BUCKLAND—But that would not hold the information as to who is doing the work, would it? I think I have only been to it once.

Mr Hrast—No, it would not. It would only say what the work is.

Senator Ian Macdonald—I will say again that these councils are, by and large, responsible organisations. They do roads every day of the year, and have done so every year for the last hundred years. They do not need to be told by the Commonwealth government in Canberra how to work with neighbouring councils. Most of them know that, and they will do it. These are not things for which the Commonwealth is responsible, nor should we be. We trust local government as a full partner in this.

Senator BUCKLAND—I do not think there is a question of trust in it. The point is that if information was available as to contractors, particularly when it comes to paving—

Senator Ian Macdonald—They do talk to each other.

Senator BUCKLAND—or roadworks, that this equipment is in the area, it is cheaper then to move it to the next council so they can start scheduling to have the work done. There have been instances where that has not occurred, and had they known that works were going on, money could have been saved.

Senator Ian Macdonald—It is a matter for the council. More often than not, I would be very surprised if they do not know what their neighbouring council is doing, and if they do not then they are at fault. They should know. But my experience has been that they are all very well aware of how to get the best deal out of any dollar.

Senator BUCKLAND—In terms of the key inter-regional roads that councils have responsibility for, Mr Hrast, is there any encouragement by the department for those councils to work together to get those projects completed?

Mr Hrast—Yes, there is. Our guidelines encourage councils to do that. Whenever we talk to councils we always make that point. We have also built that into ministers' speeches whenever they are speaking to councils, to encourage councils to work together and achieve those regional objectives.

Senator BUCKLAND—How is that done if the department does not know what one council is doing as opposed to another?

Mr Hrast—It is purely as an encouragement role.

Senator BUCKLAND—If a local council say they want to do part of a road between two towns—and I will pick one that is known to me, unfortunately, but perhaps not to you, although they are getting funding for their roads: a road between Cowell and Kimba—so if, say, Franklin Harbour has made the application for the funding, would the department then notify the Kimba end of the road that this work is likely to proceed and there could be an advantage in working together?

Mr Hrast—No, we would expect the two councils to be talking to each other.

Senator BUCKLAND—So you take no role in that?

ACTING CHAIR—Perhaps their local senator could do it.

Senator BUCKLAND—How are the councils encouraged to work with the states and territories to ensure a coordinated approach to the development of regional roads and the scope for leveraging each other's projects and getting advantage from each other's projects?

Mr Hrast—We rely on the councils to do that either regionally or directly. We are certainly aware of some instances where Roads to Recovery funding has been used in combination with the state funds to deliver quite significant projects which would be out of the reach of a council.

Senator BUCKLAND—How is the application made for money to do that? It is diverting the funds from one project to another, isn't it—taking it from local roads to more major projects?

Mr Hrast—The Roads to Recovery funds can be used on any category of road. They are not restricted to local roads. The funding is provided to the council to use for roads as they wish, so it is not for a category of roads. The application is made through the normal processes. In the particular one I was thinking of, the council actually approached us and said, 'This is what we're proposing to do'—this was in more detail than just through the normal web site. They were going to enter into a major contract and wanted assurance on funds and so on.

Senator BUCKLAND—So there would need to be a multitude of applications made from each of the councils that could be involved in the project, plus the state authority. Is that right?

Mr Hrast—In this particular case there was one council and the state authority.

Senator BUCKLAND—But there could be a number.

Mr Hrast—There could be, yes.

Senator BUCKLAND—If a local council has used Roads to Recovery money for work on local roads and the Commonwealth is doing roadworks in that area in general—a major highway upgrade, where sealing is taking place and quite substantive road filling work—is the local council advised by the department that the machinery will be in the region on specific dates? I understand they would know; they probably drive over the roads.

Mr Hrast—No, we would not have that detail, even on a national highway, as to when particular machinery will be in a particular location.

Senator BUCKLAND—How would the local authority find that out?

Senator Ian Macdonald—They would go to their local state government. I am telling you the situation. We do not, at Commonwealth level, own graders. We do not have engineers and build roads. We give the money and in all cases the state governments actually spend the money that we provide for the national highway. So if they wanted to know anything, they would go to the state main roads department, or whatever it is called in each state, to see what work is being done on the national highway as it happens.

Senator BUCKLAND—So you are saying that the money is just handed out with no real regard for how that money is utilised—whether you are getting the most for your dollar or not. It stands to reason, does it not, that if you have a major roadworks taking place—you have the paving machines and the plant and equipment in place—you may well get more done on your local roads if you can utilise the existence of that without the additional cost of transporting it?

Mr Hrast—Perhaps I can make a general comment. If a major upgrade of the national highway were going on in some location, it would be quite common for the state road authority to be talking to the local councils to ensure that the connecting local roads are upgraded at the same time to utilise—exactly the point you were making—any equipment that might be on the spot. That will be happening without direct Commonwealth intervention. It will be happening through the state road authority, quite often at the regional level, dealing with the local council.

Senator BUCKLAND—How does the government ensure that there is a balanced funding distribution on the maintenance and upgrading of the rural network of roads servicing farms and properties and of the roads in towns and cities?

Mr Hrast—This is in relation to Roads to Recovery?

Senator BUCKLAND—In relation to road funding.

Senator Ian Macdonald—It might be useful, Mr Hrast, if you explained to Senator Buckland—who, I acknowledge, has not been in the Senate very long—what the road arrangements are around Australia.

Senator BUCKLAND—Minister, I have asked a question. I appreciate you making those comments, but the question is quite valid.

Senator Ian Macdonald—Let me do it for you then. The Commonwealth look after the national highway; we do not look after interconnecting local country roads. The Commonwealth government are charged with responsibility—by arrangement, 10 years or so ago, with the states and local governments, in the time of the previous federal government—of looking after the national highway. States look after major state trunk roads, state arterial roads; local governments look after local roads. We have extended that since the Howard government has been in. We do now contribute, on a fifty-fifty basis, to some roads of

national importance—they are called RONIs. They are roads that really should have been state government funded roads but the states have been dragging the chain, so we have put in 50 per cent of the money.

We also give local government, as I explained before, \$441 million a year for their roadworks. We have also got the Roads to Recovery program. There is one other that we do too—the black spots program, which is Commonwealth funded. Again, they cover some work that the states should otherwise have done. The black spots and RONIs are by application and decision in individual cases. The national highways are worked out by the federal government, but the state governments and state road authorities in every state actually do the project work. They do the planning and construction using our money. That is how it works. The answer to your question is that we do not get involved with country roads unless they happen to be on the national highway.

Senator BUCKLAND—If there are funds being spent from any source for the roads, there must be a balancing to ensure that there is some equity for those little used roads to farms in the country and rural areas as opposed to what is being spent on roads in the city. There must be some formula for the distribution of funds.

Senator Ian Macdonald—We only fund the national highway. Yes, you are right: someone should be doing that, but it is not the Commonwealth. It would be either the state or the local council, and usually the local council would be best placed in the example you used. Yes, you are right, someone should do it. All I am saying is that it is not the Commonwealth, because our responsibility is the national highway—the road between the national capitals—and a few others around Australia as well.

Senator BUCKLAND—Is there ever an audit done to see if there is any fair distribution of the funds?

Mr Hrast—Once again, I will ask the question of which funds are you talking about?

Senator BUCKLAND—It is road funding in general, because there are a number of sources they can gain funding from. Is there an audit to see that it is equitably distributed? This is money that is being paid to someone, be it a state authority or a local authority. You must be a bit concerned if it is not being spent as you might want it to be spent.

Mr Hrast—Perhaps if I go through the various programs and outline how they work, which sort of answers your question. In the case of the national highway, it is an 18,500-kilometre system which the Commonwealth fully funds. The funds there are allocated based on a needs analysis—as to where the greatest needs are for individual projects. In Roads to Recovery, the funding is provided to councils via the formula that we talked about earlier. It is up to those councils to decide the distribution, particularly in rural areas, between the urban centres and the rural roads. We certainly have been subject to a deal of correspondence on that, but ultimately it is a matter for the individual councils. In the case of the black spots program it actually requires a proportion that goes to rural areas. They are the Commonwealth programs that we administer.

Senator BUCKLAND—I just make the comment that it is a concern to me that federal funding is given to someone but there does not seem to be any real audit to see if it is being spent for the purpose it is given. I can understand that most of it is going to roads, or that all of it is probably going to roads, but it does not seem that the Commonwealth really has too much concern about what roads and how.

Mr Matthews—We would not like to leave that impression, because it is not true. In the case of the Roads to Recovery program, a very important accountability measure is the audited statement, which is a declaration—

Senator BUCKLAND—Yes, I was going to come to that.

Mr Matthews—that the money has been used for the purposes that it was meant to be used for.

Senator BUCKLAND—How efficient is the lodgment of the quarterly progress report? Is that done over the web site as well?

Mr Hrast—That is correct.

Senator BUCKLAND—Once you get that, what occurs then? Does someone go through it and audit it? Does that audit take into account someone actually seeing that the work was done, or is it accepted simply because it said it is done?

Mr Hrast—We rely on the information that is provided by the council.

Senator BUCKLAND—I would not like to create the impression that I am questioning councils, although some, I guess, we could. I have it in my mind that, if you are giving money away, you should know these things. Certainly if I was giving money to someone, I would want to know that it was spent where they said it was. I would want to understand what they were getting for the dollars that I gave them. It does not seem to me that the Commonwealth are too concerned about how much value they get for the money they are giving.

Mr Hrast—Certainly on the Roads to Recovery we know where the dollars are being spent. We do an analysis, in general terms, to see how those funds are being utilised. We are asking councils to report on the outcomes that they achieve.

Senator BUCKLAND—In the case of a road upgrade, I would bring to your attention some passing lanes that have been built in South Australia in the last 12 months and then have had to be closed again. I think the weather was the major cause for that—they subsided on the edges. Who pays for those repairs? Does another application have to be made?

Mr Hrast—It would depend on the individual circumstances. I cannot tell from that generalised comment who would have paid for those particular ones. If it was a national highway project, we would be expecting a stake, if they have entered into a contract with a contractor. But it would depend on the circumstances, and it is very hard to generalise.

Senator BUCKLAND—It was a Commonwealth highway?

Mr Hrast—Was it a national highway?

Senator BUCKLAND—Yes, a national highway. Who covers the cost of that? Is that an insurance matter with the contractor? Or is it just funded again?

Mr Hrast—Normally, what happens with a contract arrangement is that there is a maintenance period at the end of a contract where, if there are deficiencies, it is the contractors responsibility. It would depend on the particular contract and the particular projects. If you tell us the details, we would get back to you with some more information.

Senator BUCKLAND—They were the passing lanes between Port Augusta and Port Germein. I think there were three that were closed again after completion.

Mr Hrast—We will check those out and get back to you on that.

Senator BUCKLAND—I would appreciate it, if you would, because questions have been asked regarding that, as to who is paying for it. Once the progress report has been lodged with

you on the web site, how long does it take to process that and then acknowledge that you are satisfied?

Mr Hrast—The web site for entering this information is open through to 15 of the month for that report. Our aim is to pay by the end of that month, and so it is usually a fortnight.

Senator BUCKLAND—Is there scope for late reporting?

Mr Hrast—Our practice has been to usually give the councils a few days leeway. Even though our guidelines say we close on the 15th, we have usually stayed open for a few more days after that.

Senator BUCKLAND—Is there feedback given to the councils on the nature of their reporting and on what has been occurring?

Mr Hrast—The quality of what they have submitted?

Senator BUCKLAND—The quality of report and your understanding of the manner in which the funds were spent.

Mr Hrast—It is more by exception rather than as a general report. If we have any difficulties, we would get back to a councillor and ask further questions.

Senator BUCKLAND—So who exactly is it that audits the local government reports?

Mr Hrast—Who provides the audited statements? That varies a little from state to state depending on the state legislation. It would either be the state Auditor-General or a private auditor.

Senator BUCKLAND—Does the Commonwealth audit those at all?

Mr Hrast—No, it does not.

Mr Matthews—Except that all programs at the Commonwealth level are subject to Australian National Audit Office oversight. At some point the Roads to Recovery program, like all the road programs, will be audited. In fact the road programs seem to be frequent subjects for audit.

Senator BUCKLAND—I was more concerned about the reports.

Mr Matthews—I understood that. In a normal audit, there would be a spot check, a survey of the quality of the documentation, including a sample of those audit statements.

Senator BUCKLAND—Have there been any occasions when the Commonwealth has questioned the expenditure, after the work has been completed? That is upon receiving the report.

Mr Hrast—We have certainly queried councils on the projects they have put forward as to whether they meet the conditions under the act. We have raised the issue of councils saying to us that they are going to spend so much in the next quarter, and then not achieving that expenditure or not doing any spending at all. We have raised those sorts of issues with councils.

Senator BUCKLAND—What about after the work is complete?

Mr Hrast—I am not quite sure what you are getting at.

Senator BUCKLAND—After the work is completed, are there any questions asked of councillors to justify what they have done or comments made that perhaps the work has not been satisfactory?

Mr Hrast—No, we are not in a position to do that.

Senator BUCKLAND—If a council made application within a short period to do the same work again, would there be questions asked regarding that?

Mr Hrast—That would be the sort of question we would ask, yes. That would show up in our records saying, ‘You’ve sealed Smith Street and you want to reseal Smith Street six months later.’ We would notice that and ask the question, yes.

CHAIR—I thought we had been told previously that, as councils completed their projects, there was not an inspection but a report came in saying, ‘We’ve completed that part of our project,’ and that there was monitoring in that sense.

Mr Hrast—That is part of the normal quarterly reports. They would say, ‘This project is now complete,’ but that is as far as it would go.

Senator BUCKLAND—So if you got one of these instances where Smith Street been done and they put a second application in, what would be the types of questions asked on that? Would it be an email to say, ‘What do you want the money for again’—

Mr Hrast—Something like that, or more likely a phone call. We would follow it up that way to find out what the story is. I cannot recall an instance like that to date.

Senator BUCKLAND—In the Roads to Recovery document there is an appendix 4. There is a process of key outcomes. How do you measure those outcomes?

Mr Hrast—Those outcomes are part of the annual report that a council is required to provide to the Commonwealth. It is a self assessment by the council—and it is a subjective one—as to how they rate the outcomes from the use of the Roads to Recovery funding. Some of those would be quite difficult to do in a very objective way.

Senator BUCKLAND—I am sorry but, after preparing this, I could not find where I had read it. The term ‘unincorporated areas’ is used and the unincorporated areas are receiving \$4 million in funding. What are these unincorporated areas?

Mr Hrast—They are areas of New South Wales and South Australia and also a small part of Victoria that are not actually part of any council. The roads there are the responsibility of the state government. In South Australia they form quite a large part of the state.

Senator BUCKLAND—So those funds would go straight through to state government to use on those projects.

Mr Hrast—That is correct.

Senator BUCKLAND—What is the method of ensuring that that is where the money is going? Is it again reliance on the application through the web site?

Mr Hrast—That is correct.

Ms Meakins—The unincorporated areas would also cover the Indian Ocean territories.

Senator BUCKLAND—Thanks for that. I am sorry that I cannot take you to the reference where I saw it but I think the figure was right. With the recent budget cut of \$100 million to road funding, what action has the Commonwealth government recommended to ensure local authorities will not suffer financial hardship as a result of the cut?

Mr Hrast—There are two distinct actions we are taking. We have a small buffer of funds for next financial year and we are using that to protect the smallest councils, those councils that are receiving up to \$600,000 funding in total over the life of the program, from any cut. We also ask councils that are experiencing any problems to get in touch with us, because we

may be able to use some of that small buffer to help them, particularly if they have contractual commitments or something like that.

Ms Meakins—The other point is that the money rephased out of next financial year will be reinstated in financial year 2004-05. Over the life of the program, councils will get the full amount of money set out in the legislation.

Senator BUCKLAND—Why was it cut back on this occasion?

Senator Ian Macdonald—Senator, could I just correct your terminology. The program has not been cut. There has been no \$100 million cut, as you are saying. That is quite wrong, and it is mischievous of you or anyone else to suggest it, because it is simply not the fact. The Roads to Recovery Program is legislated for, and each council in Australia has, in the act, an amount of money listed next to it. The only way that council cannot get that money is if we change the act.

Senator BUCKLAND—But there is a shortfall—

Senator Ian Macdonald—The government will not be promoting that bill, and I am not aware that the Labor Party would be. So the money will go to each of those councils. What has happened is that the program has been extended over another year.

Ms Meakins—No, the life of the program is the same. It is just that money has been moved from next financial year to what was always the final year of the program.

Senator Ian Macdonald—That is even better. It will still be a five-year program. I am glad someone is here to make me aware of what it is. It is only in the 2002-03 year that the \$100 million has been moved from that year into a later year of the program. It has not been cut.

Senator BUCKLAND—I understood the answer I was given, and I appreciated the answer I was given by Ms Meakins. There is a contingency fund there for smaller councils, who have got contractual arrangements, to cover those contracts?

Senator Ian Macdonald—For the next financial year.

Senator BUCKLAND—Then the remainder of that, the amount I called a cut, has been put back to the final year?

Ms Meakins—That is right.

Senator BUCKLAND—That is what I was asking.

CHAIR—What sort of feedback have you had in terms of the suitability, from the point of view of the local shires, of this program and its distribution out through the local councils and what have you? Do they regard it as a better way of allocating money, particularly to remote areas in states like Western Australia?

Mr Hrast—The only feedback we have had has all been very positive about the program. The councils like both the flexibility they have and also the quite simplified administration that we have. The electronic arrangement we have has settled down—after some initial teething problems, I have got to acknowledge—and councils are now finding that it works very effectively.

CHAIR—I would like to make two points. One is that, in terms of local government and remote area country people, in my 12 years in parliament it is the most popular program I have seen from anywhere or from any government. The thing that is always stressed to me by the local governments and the local government associations is that they are getting the pot of money—whatever it is—in their shire. They have got it, and they actually get the amount of

money allocated out of Canberra. It does not go on a round route where they lose a little bit through the state authorities and everywhere else. They always argue the case that the shire councils do not take any fees or what have you, so apart from their small operation, which most shires have, particularly in country areas, they only lose a little bit off the top and it all actually 'hits the ground running' on the roads. I would like to put that on the record because this will be my last time at estimates. It is very important, and it is a thing that future governments should look at, in my view, in terms of allocating money, because it seems to be very efficient.

Senator McLUCAS—On the issue of that buffer fund, or contingency fund, how much is in it?

Mr Hrast—The figure is about \$3.4 million. We are just finalising our payments for this financial year, and there may be some councils that have not fully utilised their funds this year, so we might actually be able to boost it by a little bit.

Senator McLUCAS—So you use some of the current year's unexpended money and put it into that buffer fund?

Mr Hrast—Yes, that is right.

Senator McLUCAS—How will you judge those councils that are in need? What are the criteria to be able to access those funds?

Mr Hrast—That is a fair question. We have not settled that yet. It is going to depend to some extent on how many councils actually approach us as to what criteria we use, but we will certainly use things like whether they have got contractual commitments, whether it will put people out of work or whether it will mean a project cannot be completed. Those will be the sorts of criteria we use. We have not settled those yet, nor have we not settled the weightings on those.

Senator McLUCAS—Have you advised local government that this contingency fund exists?

Mr Hrast—Yes, they are aware of that.

Senator McLUCAS—Will you publish those criteria?

Mr Hrast—Yes, when we have settled on them. But, as I say, it depends to some extent on how many councils actually approach us with problems.

Senator Ian Macdonald—Mr Anderson has indicated that, if any council is in real problems, they should get in touch with him and, as best he is able, he will help. So if you do come across any council that finds itself in some difficulty by the re-profiling of the money, get them to get in touch with Mr Anderson.

Proceedings suspended from 6.32 p.m. to 7.33 p.m.

Senator McLUCAS—Can you explain briefly, in general terms, what is involved in assessing a road for roads of national importance status?

Mr Hrast—It is not a clear process, but normally it would have a state nominating a project, and then we would assess that particular project against a set of criteria that we have set out in the notice of administration for the program.

Senator McLUCAS—And those criteria just briefly?

Mr Hrast—They include economic assessment, environmental assessment. If you like, we could provide those criteria for you in detail. I do not have them with me but we could.

Senator McLUCAS—Basically economical and environmental?

Mr Hrast—Yes.

Senator McLUCAS—Are there others?

Mr Hrast—No, they are the main ones.

Ms Meakins—I have the guidelines so I could add to that. They include access to major centres of economic activity—for example, manufacturing, mining, tourism and access to ports. They also include improving links to the national highway, encouraging interregional and international trade in goods and services and improving national competitiveness. You pick up the strong economic flavour in the guidelines.

Senator McLUCAS—Thank you. Are they always on a fifty-fifty basis with the states?

Mr Hrast—There is no set ratio.

Senator McLUCAS—Thank you. Has the department done any analysis of the Peninsula Development Road as a RONI?

Mr Hrast—The Peninsula Development Road was nominated as a RONI during the last election campaign. Some funding has been provided for it in this current budget.

Senator McLUCAS—The question was: has any analysis been done of its suitability as a road of national importance?

Mr Hrast—At this stage, we are waiting for some documentation—we call a project proposal report—from the Queensland government.

Senator McLUCAS—So you have done no analysis yourself?

Mr Hrast—No specific analysis, that is correct.

Senator McLUCAS—I understand there was some analysis done between 12 and 15 November last year.

Mr Hrast—I am not aware of that.

Senator McLUCAS—It was between the Queensland government and DOTRS people.

Mr Hrast—I am sorry, I am not aware of that.

Senator McLUCAS—So you have done no analysis of its suitability?

Mr Hrast—It may have been raised. I was not in this particular chair at that time. It may have been raised in one of our normal discussions that we have regularly with Queensland.

Senator McLUCAS—I am trying to get to the point of whether or not the department has done any analysis of the whether the PDR, in fact, fits those criteria that we earlier spoke of.

Mr Hrast—At this stage, we have very little information on it, and I do not think we have done any analysis.

Senator McLUCAS—You have a current application from the Queensland government, I understand.

Mr Hrast—No, not a formal submission from the Queensland government.

Senator McLUCAS—It is different from the information I have from the Queensland government. I understand an application was made in late December 2000.

Mr Hrast—States annually submit to us what we call a forward strategy which includes a number of bids for funding and it may well have been included in that bid for that particular year.

Senator McLUCAS—No, I understand this is a separate application for a road of national importance status for the Peninsula Development Road.

Mr Hrast—I think we will have to check that one, Senator.

Senator McLUCAS—I will appreciate you coming back to me as soon as possible, as to whether or not you have received an application from the Queensland government for RONI status for the PDR. So, at this time, from the point of view of the Commonwealth, the Peninsula Development Road has not been declared as a road of national importance. Is that correct?

Mr Hrast—That is correct. It has not gone through that formal process.

Senator McLUCAS—What would the formal process be?

Mr Hrast—It requires a declaration by the minister under the relevant section of the ALTD act—the Australian Land Transport Development Act.

Senator McLUCAS—What would the layperson expect to see? There is not going to be a sign, I imagine, but what will we expect to see?

Mr Hrast—For the declaration?

Senator McLUCAS—Yes.

Mr Hrast—It is a formal document signed by the federal minister.

Senator McLUCAS—Sent to the state. Is that correct?

Mr Hrast—Yes, it would be sent to the state.

Senator Ian Macdonald—It does require the states to commit matching funding, does it not?

Senator McLUCAS—No. I understand, minister, that the officer has advised earlier that that is not the case.

Senator Ian Macdonald—That is not the case? I am learning.

Mr Hrast—There is no specific provision requiring any particular ratio of Commonwealth and state funding.

Ms Meakins—The most common arrangement is for matching funding, but there are a number of exceptions to that.

Senator McLUCAS—Yes. I understand the exceptions are growing.

Ms Meakins—I would have to check on that.

Senator McLUCAS—Thank you. So we have a situation where the Commonwealth has done no analysis of the road as being appropriate to fit the criteria that we have already decided. I believe the Commonwealth is going to find out whether or not there has been an application from the state for the PDR but we have a situation where the government has allocated funds in the last budget, ostensibly for a road of national importance for the Peninsula Development Road. Is that all correct?

Mr Hrast—That is correct.

Senator McLUCAS—The amount of money allocated to the PDR at the last budget was \$800,000. We have not declared the road as one of national importance. Has the Commonwealth done any work in trying to ascertain whether or not a section of the road could be declared as a road of national importance.

Mr Hrast—No. It would be no different from the road as a whole.

Senator Ian Macdonald—Can I clarify that? The status of this road at the moment is that it is a state road?

Senator McLUCAS—That is correct, minister.

Senator Ian Macdonald—And that the state has been responsible for it since it was first gazetted, I guess. If we declare it a road of national importance, do we declare it on certain conditions? Do we declare it that the state must accept some responsibility? How does that work?

Mr Hrast—The declaration of a road as a road of national importance allows it to become eligible for funding as a road of national importance. That is what the declaration is required for.

Senator Ian Macdonald—It allows it to become eligible for that?

Mr Hrast—Sorry. It makes it eligible for that.

Senator Ian Macdonald—Then it is a separate step to allocate money for it?

Mr Hrast—That is correct.

Senator Ian Macdonald—That separate step depends on what arrangements are made with the relevant state government?

Mr Hrast—That is correct.

Senator Ian Macdonald—The Portsmouth Road in Cairns was a RONI, was it not—a few years back?

Mr Hrast—It was a road of national importance at one stage. The declaration has subsequently been changed to make it part of the national highway.

Senator McLUCAS—I think they regazetted the road and changed it from the Bruce Highway across Portsmouth Road. It would seem, from what you have told me, that in fact we have the money but no declaration. Is that correct?

Mr Hrast—The money is shown in the budget. None of the money can be provided for that road until that declaration has actually happened.

Senator McLUCAS—How long will the declaration need to take? What do you have to do to go through this assessment of the road, in terms of the criteria?

Mr Hrast—From the Queensland government, we would be looking for what we call a project proposal report. That describes the work, the costs of the works, environmental clearances—all that sort of material. It could take six months, or it could take 12 months. It depends on the quality of the proposal put by the state government.

Senator McLUCAS—How is it in the announcement from the minister, post the budget, he could say on what portion of the road the money is going to be spent? How could he know that, if we are waiting for something from the state?

Mr Hrast—It comes out of the election commitment that was made earlier on.

Senator McLUCAS—I am just trying to get the process right.

Mr Hrast—I think I said, right at the start, that the process is not a nice, clear, defined process. It varies from project to project.

Senator BUCKLAND—Are there any guidelines you can supply to the committee on how it works?

Mr Hrast—For guidelines, we have those criteria for what roads of national importance are. We have notes on administration which set out our requirements, what a project proposal report should include. The step-by-step process does not always follow, where B follows A et cetera. It can vary a little.

Ms Meakins—The criteria for the roads of national importance are on our web site.

Senator McLUCAS—The budget allocates a program of over three years. Would roads of national importance money usually be allocated over a period of time for the completion of the works that would recognise the importance of that road?

Mr Hrast—That would usually be the case. In the case of a long road such as the Peninsular Development Road, the funding may not cover the full cost of upgrading the road. It might be a contribution to that road.

Senator McLUCAS—So we are looking at the federal government not contributing to the whole road but to a portion of the road?

Mr Hrast—It could be a portion or a contribution to some projects on that road.

Senator McLUCAS—That is fine.

Mr Matthews—The announcement of \$800,000 in the budget year was to start planning and design work on upgrading it. There is, I think, a \$5 million commitment over the following two years.

Senator McLUCAS—That is correct. It is a three-year program.

Mr Hrast—That is right.

Mr Matthews—So \$800,00 in the first year for planning and design is a conservative and achievable rate of expenditure.

Senator McLUCAS—I think ‘conservative’ is a very well used word there, given the length of the road. So we have an allocation that is going to be used in a portion of the road from Split Rock to Laura, which is 16 kilometres of a road that is 530-something kilometres long. Is that correct?

Mr Hrast—That is where the \$5 million was identified for the upgrade from Split Rock to Laura. Yes, that is correct.

Senator McLUCAS—By reading the budget papers, we can surmise that the commitment from the Commonwealth is for, over three years, a total of \$5 million which will be spent on the road between Split Rock and Laura. Can I read that out of the budget?

Mr Hrast—I think that is correct, yes.

Senator McLUCAS—So I can also expect that there is no commitment from the federal government to any other part of the road.

Mr Hrast—That is correct.

Senator McLUCAS—Is the whole road going to be declared a road of national importance, or is the road from Split Rock to Laura going to be declared a road of national importance?

Mr Hrast—I think a decision is still to be taken as to whether the whole road will be declared as a road of national importance or just a portion of it. We have, in history, instances of both—the full length of a road or just a section of road.

Senator McLUCAS—Who will make that decision?

Mr Hrast—That will ultimately be a decision for the minister.

Senator McLUCAS—To come back to the criteria that you described, we are looking at the portion from Split Rock to Laura as being the part we are going to spend the money on. I can see the economic benefit of the development of the Peninsular Development Road and I can see the economic benefit for the road from Split Rock to Laura. However, in a national context, it might be harder—comparing, say, the Gladstone Port Road to the road from Split Rock to Laura—to equate those two roads. Would you like to comment on those?

Mr Hrast—Both those projects that you mentioned, if they meet the criteria for roads of national importance, can be funded.

Senator McLUCAS—If they meet the criteria; which we have not done yet. We have got the criteria, but we do not have a notion of what the Commonwealth is attempting to achieve by listing the road as a road of national importance. Is that part of the process of analysis of its suitability as a RONI?

Mr Hrast—It will be, yes.

Senator McLUCAS—So we do not know what we are going to achieve by the investment of federal funds to this point?

Mr Hrast—We have not done that analysis, as we indicated earlier on.

Senator McLUCAS—Finally, we have got a program for three years. You made the point earlier that you would expect that a RONI road would be fully funded in the out years—the sort of work that you would expect; a road of national importance would be a complete program—and you expect to see an outcome of that in the forward years and an end to that funding line. Can I assume then that there is no further commitment from the Commonwealth, other than the \$5 million over the next three years that has been allocated?

Senator Ian Macdonald—No, you cannot assume that. Governments can make commitments at any time, and can do that annually at budget time. We made a commitment before the election, I think—I am not quite sure what it was—in relation to the Peninsula Development Road. I think there was a commitment. So those commitments can be made at any time. You will see from this year's budget that all of our commitments have been met—a refreshing change, but it has been done.

Senator McLUCAS—A commitment for \$5 million?

Senator Ian Macdonald—All of the commitments that we made in the election, across all areas.

Senator McLUCAS—The commitment that was made—and I need to get this on the record—was that the Peninsula Development Road was going to be recognised as a road of national importance. That has not occurred. We have got \$800,000 for a bit of road between Split Rock and Laura. That is a very important piece of road, but so is the rest.

Senator Ian Macdonald—So is the rest. It is a state road, and what has the state government and the state minister, who I understand represents the area, ever done about the road in recent years?

Senator McLUCAS—They have spent \$45.77 million over the last five years.

Senator Ian Macdonald—That is excellent, but I would have to see—

Senator McLUCAS—It is excellent.

Senator Ian Macdonald—It is a state road. It is not part of the national highway—

Senator McLUCAS—And we have got \$800,000 from the Commonwealth.

Senator Ian Macdonald—We have made a commitment to the Peninsula Development Road. It is four months since the government got back in office. If it was committed to be a road of national importance, it will be. The fact that it has not happened within the first four months—

Senator McLUCAS—No analysis has been done, Minister.

Senator Ian Macdonald—As I was explaining to Senator Buckland, we do not have engineers, project managers—

Senator McLUCAS—That is contrary to what your officers have just reported.

Senator Ian Macdonald—So we do have engineers and project managers and design consultants.

Ms Meakins—We do have a small number of engineers.

Senator Ian Macdonald—So we do this work, do we?

Ms Meakins—The bulk of the work is laid out before us in the project proposal report from the state government.

Senator Ian Macdonald—Have we got that yet?

Ms Meakins—No, we are waiting for that from the Queensland state government.

Senator McLUCAS—But we do do that analysis of that, and that work has not been done.

Senator Ian Macdonald—But we have not got the submission yet, so how can we do work on the analysis if it has not been received?

Senator McLUCAS—It is not an analysis of the submission. It is an analysis of whether the road fits the criteria for a road of national importance status.

Senator Ian Macdonald—But this has to be progressed when the state government—isn't that what you said?

Ms Meakins—The next step is for us to receive the project proposal report from the Queensland state government. Regardless of whether or not the submission was lodged two years ago, we would still be asking for that more detailed project proposal report to take it to the next stage.

Senator McLUCAS—Do you tell the state government what area you are going to fund when you request that project proposal? For example, would you ask what the works program for the PDR over the next five years is going to be, or would you say that you intend to fund Split Rock to Laura to the tune of \$800,000—in terms of planning—and that the rest of the \$5 million would be spent over the next two years? Can you tell me what the works proposed are going to be?

Senator Ian Macdonald—I have not got the election commitment, but I see Mr Anderson's budget statement says that we are committed to spending a total of \$5 million upgrading the road. I would assume that whatever comes in, and whatever the cost is, the Commonwealth would be looking to the state to provide the balance.

Senator McLUCAS—Coming back to the project proposal, does the Commonwealth say to the state, 'Please provide us with details of what you intend to do over a portion of this road with the money that we are going to allocate,' or do they say, 'Give me the plan for the road for the next three years'?

Mr Hrast—We would be looking for the proposal for that particular piece of road.

Senator McLUCAS—So you will be asking for the works that are intended to be done on the piece of road between Split Rock and Laura?

Mr Hrast—Yes.

Senator McLUCAS—So you first decide where the money is going to be spent, and then you tell them to send you a project proposal?

Mr Hrast—In this particular case, that is the way it would appear.

Senator McLUCAS—Is that unusual?

Mr Hrast—No.

Senator McLUCAS—I think I have completed that issue. Thank you very much for your time.

Senator O'BRIEN—While we are on the subject of National Highway and Roads of National Importance, I want to go back to the macro. The PBS, on page 40, shows a reduction of 10 per cent in funding for those initiatives for 2002-03, down to \$980,747,000. Can you tell me which projects have been cut to make this reduction? Effectively, I am asking for a list of projects that have been rescheduled.

Mr Hrast—We would have to take that on notice to give you the details of that. I can comment generally. It is not quite as straightforward as identifying the projects that have had reduced funding because some of those may have had reduced funding because of different rates of expenditure and so on. So we can provide some details about those that have had a reduction in expenditure but, equally, some have had an increase in expenditure and there is a balancing between the two.

Senator O'BRIEN—So there is a whole list of those. Will you be able to set out the total expenditure, the projects, how much each are getting, and what they have actually lost or gained?

Mr Hrast—Yes, we can do that.

Senator O'BRIEN—On page 6-51 of Budget Paper No. 1 there is a description of how \$300 million has been rescheduled. It says:

Expenses fluctuate from 2001-02 to 2005-06 mainly due to rescheduling of projects in the National Highway and Roads of National Importance Programme, and the Roads to Recovery Programme. This rescheduling reduced expenses by \$200 million in 2002-03 and \$100 million in 2003-04, with an increase in expenses of \$300 million in 2004-05. The significant decline in expenses in 2005-06 reflects the rescheduling of projects and the conclusion of the Roads to Recovery Programme in 2004-05.

That means that that is the end of the Roads to Recovery program? There are no plans to continue it past that point?

Mr Hrast—The program has a definite life; the legislation goes for fixed period. Whether there will be a continuation beyond that period is going to be a decision for the government at the time.

Senator O'BRIEN—If this program were to end, they would have to initiate another program with new legislation, would they?

Mr Hrast—The legislation comes to an end in 2004-05 so, yes, it would.

Senator O'BRIEN—Can you confirm that, in 2002-03, the \$200 million rescheduled comprised \$100 million from national highway RONI funding and \$100 million from Roads to Recovery?

Ms Meakins—That is correct.

Senator O'BRIEN—And, in 2002-03 and 2003-04, in which national highways and roads of national importance are rescheduled, there is \$200 million worth of rescheduling over two years that has been taken out and is going to be rescheduled, respent or something in 2004-05?

Ms Meakins—That is correct.

Senator O'BRIEN—So all the money that has been deferred will be expended in 2004-05?

Ms Meakins—Yes, I think that is correct.

Senator O'BRIEN—Is that able to be broken down on a state by state basis?

Ms Meakins—Not at this stage.

Senator O'BRIEN—Has the work been done? I mean, you have some idea of projects.

Mr Hrast—We have developed a roads budget over those years. We would be able to go back and compare the old budget with the current budget.

Ms Briggs—Some of that may be improvements. I think it is important to appreciate that some of this money has not been committed—it is uncommitted moneys—so we would be giving you a false picture if we were to do that.

Senator O'BRIEN—So some of the \$100 million in each of those two years that has been rescheduled was not committed anyway?

Ms Briggs—Yes.

Senator O'BRIEN—There was no commitment to spend that money in the first place, so it has not been rescheduled. Is that right?

Ms Briggs—Yes, that is what I am saying: some of it is uncommitted.

Senator O'BRIEN—How much of it is uncommitted?

Ms Meakins—We would probably have to take that question on notice but, of the money rephased out of next financial year and the following financial year, some would be committed to projects, some would be for projects where the work is already contracted and some would be uncommitted. Obviously, the amount that would be uncommitted next year would be much smaller than that in the following financial year, given the nature of roads funding.

Senator O'BRIEN—So rescheduling some of the money will have no impacts on projects, because it was not already allocated to projects.

Ms Meakins—In some cases, yes.

Senator O'BRIEN—Some of the money in some cases? I think we are both qualifying and that is an overqualification! Mr Hrast, can you give us a breakdown of where it was committed. If it is not going to be spent, where some more money might have been given to a particular project. That will tell us what the pool of money is that was uncommitted in each of those years?

Mr Hrast—We will be able to show a comparison of what last year's budget was, what we said we were going to spend on projects in the coming year and what we are spending. Some will have gone up; some will have gone down.

Senator O'BRIEN—On a project by project basis?

Mr Hrast—Yes.

Senator O'BRIEN—Has that work already been done? Have you already made those decisions?

Mr Hrast—Yes, we have.

Senator O'BRIEN—Is the rescheduling able to be broken down on a state by state basis? I think I asked that question before; I just want to be sure what the answer is.

Mr Hrast—We will do it project by project. We could identify in which state those projects are.

Senator O'BRIEN—How was the rescheduling of \$100 million for the Roads to Recovery program broken down across the states and territories?

Mr Hrast—It was a proportional cut across all councils, apart from those councils that have already been fully paid out their allocation. The smaller councils—those that are going to receive total funding over the life of the program of less than \$600,000—have been exempt from that rescheduling.

Senator O'BRIEN—Those that were getting less than \$600,000 over the life of the program will continue to get their money. So is there a higher proportionate cut for the others?

Mr Hrast—No; they still only receive a one-third rescheduling. We had a small buffer of funds from the councils that were already fully paid out that allowed us to quarantine the smaller councils from that rescheduling.

Senator O'BRIEN—How many of those were there?

Mr Hrast—There were 90 councils.

Senator O'BRIEN—Can you give us a list of the changes to funding by council? Is that easy?

Mr Hrast—Yes, we could do that, but it would be a very long list. There are 700-odd councils.

Senator O'BRIEN—I am sure the computers can handle it, if it is easy for you.

Mr Hrast—Yes, we can do that.

Senator O'BRIEN—So councils that have already received their allocation are not going to be cut, irrespective of size. They have obviously got their money.

Mr Hrast—That is correct; they have got their money.

Senator O'BRIEN—How many of those are there?

Mr Hrast—There are 71.

Senator O'BRIEN—So 161 of the 700 councils suffer no reduction or deferral.

Mr Hrast—That is correct. Sorry: 75 have already been fully paid.

Senator O'BRIEN—Okay, 165 then. I understand the minister has written a number of letters to councils since the budget, trying to smooth the implementation of this cut or

rescheduling. Is that a standard letter or have individual letters been written to individual councils?

Mr Hrast—It was a standard letter to councils. There were two forms of that letter: one to the councils that were not going to receive the rescheduling—the ones at less than \$600,000—and a variation of the letter to the remainder of the councils.

Senator O'BRIEN—Can we have copies of the framework of the letter—obviously not the individual councils' letters, but the two form letters?

Mr Hrast—Yes, we will provide those.

Senator O'BRIEN—Has there been any analysis of the impact on employment, by region, of these rescheduling exercises?

Mr Hrast—No.

Senator O'BRIEN—On budget night, or soon after, the minister writes to each state and territory transport minister outlining the budget implications for their road budget. That is what happens, isn't it?

Mr Hrast—That is the normal practice.

Senator O'BRIEN—Could the committee see copies of each of these letters?

Mr Matthews—I would have some reservations about that because it was a letter from a minister to another minister, so I would be uncomfortable with that.

Senator O'BRIEN—I understand that the letter also attaches a document that provides the funding estimate for each project which we have been talking about.

Ms Meakins—That is correct.

Senator O'BRIEN—Is there a problem getting a copy of that document by state?

Senator Ian Macdonald—We had better take that on notice and refer it to Mr Anderson.

Senator O'BRIEN—My understanding is that it probably deals, at least in part, with some of the matters that we already have undertakings about to supply information. It may be that supplying that will answer a lot of the questions.

Senator Ian Macdonald—That could well be, but I had better take it on notice and get Mr Anderson's approval.

Senator O'BRIEN—Within the RONI program, could you please advise me of the roads of national importance component, total and by state and territory?

Mr Hrast—It would probably be best if we provide that on notice in the form of a table.

Senator O'BRIEN—Okay. I am looking for that information over the year profile contained in the PBS, which will be meaningful with the rephrasing component.

Mr Hrast—Yes, we can do that.

Senator O'BRIEN—Could someone identify the component in the budget for widening and rehabilitation works on national highways for each state and territory?

Mr Hrast—We can certainly do that. That will form part of the overall budget.

Senator O'BRIEN—Can you identify those by some method to say which are widening and rehabilitation work projects?

Mr Hrast—Yes.

Senator O'BRIEN—Can you tell me generally what type of works this part of the program funds? I think I have an idea, but let us be sure.

Mr Hrast—That type of funding is directed particularly at the more remote rural roads where there may be a narrow seal. The seal may have reached the end of its life and needs to be rehabilitated—reconstructed in effect—and it makes good economic sense at the same time to widen it out to the full standard width.

Senator O'BRIEN—Was there any change to this program in the budget? It is a fairly standard part of the program, isn't it?

Mr Hrast—There is no change in the concept of it. I think there were some variations in the levels of funding but that reflects the program of works in any one year.

Senator O'BRIEN—Has it been affected otherwise than by the rescheduling and year by year budgetary needs?

Mr Hrast—No, not for next year.

Senator O'BRIEN—So you are going to let me know the figures in that general document you are going to give me?

Mr Hrast—Yes.

Senator O'BRIEN—By state and territory as well?

Mr Hrast—That is correct.

Senator O'BRIEN—What about the safety and urgent minor works program? What is this program money used to fund?

Mr Hrast—As its name suggests, it is aimed at safety works or urgent minor works that may have come up because of some sort of flood or whatever other reasons a road is damaged. That is the purpose of that program.

Senator O'BRIEN—Can that be identified in this document that you are going to give me?

Mr Hrast—Yes, it can.

Senator O'BRIEN—It has been suggested that the formula for allocating this program has been changed. Can you shed any light on that?

Mr Hrast—Yes. We have applied a formula that relates to road length and vehicle kilometres to more accurately reflect the needs for those types of works across the system.

Senator O'BRIEN—Can you supply us with a copy of the formula?

Mr Hrast—Yes, we can do that.

Senator O'BRIEN—In relation to the Scoresby Freeway, during the last estimates Mr Hrast referred to a working group from the Victorian government that is preparing a business case for the Victorian share of the funding of the freeway. The Commonwealth is represented on that working group. Is that correct?

Ms Meakins—That is correct.

Senator O'BRIEN—What is the current position? Has that working group finalised their business case?

Ms Meakins—We are expecting the business case shortly. A meeting was scheduled for next Tuesday. We have just heard today that that meeting has been postponed, but the business case, we presume, is very close to finalisation.

Senator O'BRIEN—Is it going in the right direction?

Ms Meakins—We are waiting to see the final version of the business case, Senator.

Senator O'BRIEN—Is it intended that the business case will be made public?

Ms Meakins—We are not sure; we would have to check with the Victorian government on that.

Senator O'BRIEN—Will that determine their attitude to the project going ahead or how it is funded?

Ms Meakins—More the latter, Senator.

Senator O'BRIEN—Will it address issues such as toll collection?

Ms Meakins—The memorandum of understanding we have with the Victorian government on the Scoresby Freeway is that there will be no direct tolling of motorists.

Senator O'BRIEN—Without discussing what is in that, how would you levy an indirect toll on a road such as that?

Ms Meakins—Are you asking how you would collect a direct toll or an indirect toll?

Senator O'BRIEN—Indirect.

Ms Meakins—There are a number of possible mechanisms to collect a shadow toll ranging from lane availability and vehicle usage. There a number of different models available to be used for implementing shadow tolling.

Senator O'BRIEN—Could you remind me what the federal government's contribution to this project is by year? For example, how much is committed in the coming financial year?

Ms Meakins—The funding committed is \$68.4 million.

Senator O'BRIEN—Has that been reduced by 10 per cent?

Mr Hrast—No. That was the figure that Victoria sought as being the appropriate level of contribution for the coming year.

Senator O'BRIEN—The Pakenham bypass project was an election commitment. Can you tell me what years that funding is allocated for?

Mr Hrast—If we could take that one on notice, we will be able to give you the details. That would be covered in the big document we are preparing for you.

Senator O'BRIEN—How quickly can we do this document? I do not want to wait three months.

Mr Hrast—In the normal time frame of answering the question.

Senator O'BRIEN—Do you mean within the time frame that is set aside or the time frame that is sometimes met? We set a date. Are you saying that we can have it within the parameters of the date that the committee has set?

Ms Meakins—Yes.

Senator O'BRIEN—Is that what you are saying, Mr Matthews?

Mr Matthews—We will do our very best. We always do.

Senator O'BRIEN—Yes. I would like the commitment because sometimes things get in the way. This is an off-road question: has the Australian government a record of participation in International Labour Organisation meetings on maritime labour standards?

Ms Briggs—We will need to take that on notice. I do know that a person from the shipping industry attended a recent meeting, but I am not sure whether our Department of Employment and Workplace Relations has been attending those meetings. I would need to check that.

Senator O'BRIEN—My understanding was that we had been, but it is not this department.

Ms Briggs—No. It is not our responsibility to attend the ILO.

Senator O'BRIEN—So we should refer any questions on that matter to DEWR?

Ms Briggs—Yes.

Senator O'BRIEN—When the Prime Minister was recently in Albury, it was reported that he attended meetings on the issue of the Albury-Wodonga road bypass. Who did the Prime Minister meet with to discuss the road issue?

Mr Hrast—We believe that it was the local councils.

Senator O'BRIEN—Were there submissions made to the Prime Minister?

Mr Hrast—We were not party to the meetings, but we understand there were proposals put by the councils to the Prime Minister.

Senator O'BRIEN—Have they been communicated to the department?

Mr Hrast—Not directly.

Senator O'BRIEN—Do you know who organised the meetings for the Prime Minister?

Mr Hrast—No, I do not.

Senator O'BRIEN—Was there consultation with the department about the Prime Minister's attendance?

Mr Hrast—The normal practice when the Prime Minister is to visit any area, such as Albury, is to ask for a brief on issues to the area. We provided a brief on the roads issue.

Senator O'BRIEN—Did the department make any suggestions to the office of the Prime Minister about whom he should meet to discuss that issue with?

Mr Hrast—No.

Senator O'BRIEN—I take it that no officer of the department attended those meetings?

Mr Hrast—That is correct.

Senator O'BRIEN—In the interview with the media that the Prime Minister did on 10 May, he said in relation to his meetings with the mayors:

Well all of them put a view to me about the road issue, and I've agreed to consider what they've put to me. And they've put a very strong and calm case for a somewhat different approach to the issue. I've undertaken to examine it and see if there isn't merit in what they've put. I need to discuss it with John Anderson and when I've done that I might have more to say or he might have more to say.

Can you tell us what that 'different approach' is?

Mr Hrast—I do not know what it is.

Senator O'BRIEN—Has the department received any request from the Prime Minister or his office or, indeed, the Deputy Prime Minister to review or assess any alternative proposal?

Senator Ian Macdonald—I do not know that departmental officials should be asked to indicate what they might have advised their minister or the Prime Minister.

Senator O'BRIEN—No.

Senator Ian Macdonald—You just did before. You said, ‘Did you advise the Prime Minister?’ and the officer said, ‘No.’

Senator O’BRIEN—I do not think I said that. When did I say ‘Did you advise’?

Senator Ian Macdonald—Three questions ago.

Senator O’BRIEN—No, I was quoting what the Prime Minister was reported to have said. The question was: ‘Can you tell us what that “different approach” is?’

Senator Ian Macdonald—No, two questions before that.

Senator O’BRIEN—Was the question: ‘Did any officers from the department attend those meetings?’

Senator Ian Macdonald—One question before that.

Senator O’BRIEN—‘Did the department make any suggestions to the office of the Prime Minister about whom he should meet to discuss the issue with?’

Senator Ian Macdonald—Exactly. That is advice by the department to the Prime Minister and, as you would well know, it is not the sort of thing that you ask officers here. Regrettably, the officer answered it, but he should not have because we all should know that officials are not expected to give evidence here on what they may or may not have advised their minister or the Prime Minister or anyone in government.

Senator O’BRIEN—I think it is a fine line. There is no point in having a debate about; it is long gone. Has the department been asked to review or assess any alternative proposal?

Senator Ian Macdonald—Mr Anderson may have asked them to do lots of things, but that is not really a matter for this committee. That is advice that this department provides to their minister.

Senator O’BRIEN—If I was asking them if they were asked to review a particular proposal, maybe, but if they have been asked to do work on an alternative proposal, given the state of play in this, I do not think that that is at all improper and I am not asking for particulars of the advice given.

Senator Ian Macdonald—I am indicating to you that, in accordance with the conventions of the Senate, we will not be answering on matters of advice.

Senator O’BRIEN—That is not in accordance with the conventions of the Senate.

Senator Ian Macdonald—It is from my view, quite clearly.

Senator O’BRIEN—We will take it up in the chamber.

Senator Ian Macdonald—Good.

Senator O’BRIEN—The RASS program shows a 47 per cent increase on estimated actual expenditure in 2001-02 and the budget estimate for 2002-03. Does this represent an underspend in 2001-02 or something else?

Ms Holub—The government enhanced the RASS scheme with an additional \$5.2 million over four years from June 2000. Some of that is just flowing through because we had to go out through a tender process and negotiate the contracts.

Senator O’BRIEN—So some money has been carried forward, has it? I am not sure what you mean by ‘just flowing through’.

Ms Holub—While that decision was made in June 2000, it has taken some time to implement through the actual contracts.

Senator O'BRIEN—Can you provide the actual funding profile for this program since its inception?

Ms Holub—I do not have with me figures that go back that far.

Senator O'BRIEN—How far back can you go?

Ms Holub—I have only got this current financial year, not backdated figures. We can provide those.

Senator O'BRIEN—If you could go back for the past five years and look at how that profile fits with the PBS figures, that would be good.

Ms Holub—Yes.

Senator O'BRIEN—In the last estimates, we discussed the \$378 million budgeted for the upgrade of the mainland interstate railway tracks. There was a total of \$37.8 million appropriated last year for New South Wales crossing loop projects in the Wodonga bypass program. The Wodonga bypass program involved a \$20 million capped Commonwealth contribution. Has all of that work been completed?

Ms Briggs—That is the question you asked in the afternoon session, and I explained that \$15 million was expected to be spent in 2002-03 and \$5 million in the following year.

Senator O'BRIEN—Thanks for reminding me. What was the actual amount set aside for the New South Wales crossing loops? Is that included in those figures?

Ms Briggs—No, as I indicated this afternoon, that was the \$32 million we were talking about.

Senator O'BRIEN—In relation to the Tasmanian Freight Equalisation Scheme, there is a reduction of 2 per cent between 2001-02 and 2002-03. The lower amount of \$71 million for the scheme is also in each of the estimate years to 2005-06. Can you explain this reduction?

Ms Holub—I understand that there was some additional funding after an enhancement to the scheme several years ago. That is now essentially stabilised, and the estimates are pretty level.

Senator O'BRIEN—What are you saying the actual expenditure on the scheme will be this current financial year?

Ms Holub—We anticipate \$72.3 million at this stage.

Senator O'BRIEN—So why will it go down to \$71.1? What factors will see this reduction to \$71 million?

Ms Holub—What we try to do is estimate based on the movements that we know, but they vary up and down, and that is our best estimate for the next few years.

Senator O'BRIEN—I am just trying to understand on what basis you would make an estimate for reduction in expenditure. Is there some reduction in trade or some aspect of the scheme? I do not quite understand what you mean.

Ms Holub—It is uncapped and demand driven. We may get to that \$72.3 million but at the moment, from what we have been able to analyse, \$71 million is pitching about right.

Senator O'BRIEN—So it is nothing to do with any temporary aberration in the scheme which has now gone away; it is to do with what you expect would be the historic performance of the scheme, and that is all.

Ms Holub—Essentially, yes, and we can adjust any fluctuations as we need to.

Senator O'BRIEN—I know you have answered some of Senator West's questions in relation to the Tamworth Australasian-Pacific Aeronautical College, but what was the total amount of funds under this program in the years for which funds were committed?

Ms Holub—The total is \$3.6 million dollars over four years, commencing this financial year and going through to 2004-05.

Senator O'BRIEN—The PBS shows a reduction of 35 per cent between this year and next year. Was that the funding profile advice to the college when the funding was announced?

Ms Holub—My understanding of the funding profile is that it is based on the developments at the college, so it is not actually a reduction. We have milestones that have to be achieved over the life of the project, and the funding is based on those milestones. That was the spread of \$3.6 million over that period of time.

Senator O'BRIEN—Are there any other programs that commit money to expanding aircraft maintenance engineering training in regional Australia?

Ms Holub—I am not aware of any. I do not know the answer to the question; I will have to check that out.

Ms Briggs—We will take that on notice.

Senator O'BRIEN—The government's election commitment was to \$4.1 million over four years for expanding aircraft maintenance engineering training in regional Australia, so I wonder where the remaining half a million dollars is going to be spent. Does that mean there has been a reduction in the commitment to Tamworth?

Ms Briggs—Senator, we will have to take that on notice.

Senator O'BRIEN—So far as the department was concerned, was there ever any program to fund this project for an amount greater than that which is contained in the budget papers?

Ms Holub—I have to take that on notice. I do not have a historical background in the project.

Ms Briggs—Senator, I think we are clearly entering the realm of earlier questions today where we do not have the particular experts concerned. If you have more questions on this issue, it may well be sensible to put them on notice.

Senator O'BRIEN—If I need to I will, thank you. Is it correct that the responsibility for overseeing the Federal Road Safety Black Spot Program has shifted from ATSB to somewhere else in the department?

Ms Meakins—Yes, Senator, that has moved to the Roads Programs Branch.

Senator O'BRIEN—When was the transition finalised?

Ms Meakins—It was part of a departmental restructure that came into effect on 2 January.

Senator O'BRIEN—Was that your decision, Mr Matthews, or the minister's decision?

Mr Matthews—That was my decision, though I discussed the whole reorganisation with the minister.

Senator O'BRIEN—What benefits have been identified in having the Department of Transport and Regional Services' Roads Programs Branch overseeing this program rather than ATSB?

Mr Matthews—We have tried to co-locate like functions and sometimes there are some judgment calls that need to be made, but the whole concept of reorganisation is to have

lessons learnt in policy spread among policy people, lessons learnt in regulations spread among regulation people and program delivery likewise. We are starting to see some evidence of that as well. Whereas we had had programs separately administered throughout the department, by having them in the same area, people can share ideas, sometimes find economies, and do things better—share best practice. That is the concept.

Senator O'BRIEN—Have any changes being made to the process by which black spot projects are determined, due to the change in responsibility within the department?

Mr Hrast—No.

Senator O'BRIEN—How many people are involved in black spot consultative panels?

Mr Rheese—The approximate answer is eight but, if you wanted exact numbers, we could give you a list of member organisations involved in each of the states. It would be eight in each of the states and territories.

Senator O'BRIEN—That would be good. How were those organisations chosen?

Mr Rheese—When the program was first established in 1996, after consultation with key stakeholder groups, including the state and territory roads authorities and the Australian Local Government Association together with the minister for transport at the time, it was determined that a consultative process involving representatives of each state road authority, the federal government, local government and key community and road user groups would assist the process of project selection, and this requirement was written into the program's notes on administration. So the minister specifies that membership will be drawn from those interest groups, and then the state road authorities nominate the individual members for ministerial endorsement.

Senator O'BRIEN—So which of the representative panels makes all the decisions for their state or territory?

Mr Rheese—The role of the panels is to consider and comment on all proposals for black spots within that state or territory. It is the role of the minister or the parliamentary secretary, Senator Boswell, to approve programs of works within a state or territory.

Senator O'BRIEN—In a media release following this year's budget, Senator Boswell said that each panel is chaired by a person appointed by the parliamentary secretary. What process is involved in choosing a panel chair?

Mr Rheese—That is entirely at the discretion of the parliamentary secretary and the minister.

Senator O'BRIEN—What is the process undertaken to assess each application for Black Spots Roads Program funding?

Mr Rheese—Any person or organisation may nominate a site for consideration. The program's notes on administration outline criteria by which proposals will be considered eligible. In a nutshell, there are two sets of criteria. On one side we have a crash history basis, together with a cost-effectiveness assessment, a benefit/cost ratio greater than two. Alternatively, proposals may be considered on the basis of an official road safety audit recommendation. A nomination that is made by an individual is referred in the first instance to the state road authority for technical assessment, where it goes through that process of checking against the public record of crashes, cost-effectiveness of a treatment proposal, if it is eligible on the basis of crashes and then all proposals are ranked in order of benefit/cost ratio and referred to the panel for comment.

Senator O'BRIEN—Are any particular resources made available to each panel to test the appropriateness, veracity or suitability of each application?

Mr Rheese—That varies. I guess theoretically the panels have at their disposal the resources of this department in terms of the black spot unit. We attend as advisers. Likewise, the state and territory road authorities make regional managers, for example, available to discuss proposals in detail. I point out that it is not the role of the panels to make technical assessment on proposals, although they can query that in whatever detail they see fit. The role of individual panel members is to represent their individual constituencies and comment on proposals on that basis.

Senator O'BRIEN—So presumably, where there are two applications which fit the same criteria, the panel would assess the applications equally and it would come to the minister or the parliamentary secretary to make a decision.

Mr Rheese—That's right.

Senator O'BRIEN—If it were the choice between which of them were funded, that is.

Mr Rheese—If two proposals passed technical assessment on exactly the same basis and let us say had exactly the same benefit-cost ratio of 5.0 or whatever, and were otherwise equal, yes, the panel would comment as it sees fit and those comments would be passed on to the parliamentary secretary.

Senator O'BRIEN—Are the views of the members of the panel required to be unanimous?

Mr Rheese—No, they generally operate by consensus.

Senator O'BRIEN—And if they don't, would you know?

Mr Rheese—To the extent that we attend each of the panel meetings, yes.

Senator O'BRIEN—I heard you say you attended meetings. I wasn't sure if you meant all of them.

Mr Rheese—We certainly attend each of the panel meetings.

Senator O'BRIEN—Is there documentation following a meeting which outlines the consideration given to individual applications?

Mr Rheese—Generally speaking, although it is not a requirement of the program, notes of meeting proceedings will be distributed to panel members afterwards. Again, they tend to be fairly broad, rather than a detailed discussion of individual project proposals.

Senator O'BRIEN—Is there any reason a particular proposal could not be submitted year after year even though it had been regularly rejected or perhaps regularly assessed as less worthy than many others?

Mr Rheese—Generally speaking, a proposal which is unsuccessful, perhaps, in one year but is eligible for consideration for funding would be returned to the pool and resubmitted. Again, generally speaking, it would undergo assessment again in a new round of funding. So theoretically it could be resubmitted for a number of years.

Senator O'BRIEN—The Bureau of Transport Economics released a report last August entitled the *Black spot program 1996-2002: an evaluation of the first three years*. One of its key findings was that the program was not uniformly effective in reducing the number of casualty crashes. What specifically were identified as shortcomings in the program by BTE?

Mr Rheese—That refers in particular to the effectiveness of different treatments. I am not sure that it would be most accurately described as a ‘shortcoming’ of the program but simply the nature of the animal. It is well-known in the academic literature that various treatments have different effects. The BTE on this occasion particularly studied the effectiveness of alternative countermeasures, for example traffic lights location versus roundabouts. In particular, one of their findings related to improvements to lighting in urban areas where, in regard to the projects that had been funded, of which there were a relatively small number, the returns were not as great as we might have expected from previous research. They highlighted that we should continue to be vigilant in the choice of the treatments that are applied to address particular crash types in particular situations.

Senator O’BRIEN—What road engineering treatments made up the top 10, as it were, in regard to the awarding of projects? What sorts of treatments were the most popular of the projects that were awarded?

Mr Rheese—By far and away the most popular treatments under the program, are the installation of traffic lights, the installation of roundabouts, modifications to traffic lights—for example, to include control left or right turn phases in the signals. Then—I would not be sure of the ordering after that—there are things like median islands for channelisation at intersections, installation of guard railing, shoulder sealing and so on. I think the top three probably account for much more than 60 per cent of treatments under the program.

Senator O’BRIEN—Was any evidence uncovered in the report that indicated any particular road treatments derived or provided little benefit or were counterproductive?

Senator Ian Macdonald—Senator, I just have a hesitation about your asking an officer for an interpretation of what I recall is quite a lengthy report. It might be better if we made the report available to you, and you could make your own assessment. If the officer reads the report he might remember some things—I am not sure if he has it in front of him. With a big report, you are really asking him to select bits and pieces that are his interpretation. It might be better if we just gave you a copy of the report and then you could make your own assessment. Your assessment may be different to mine, and different to the officer’s.

Senator O’BRIEN—Yes, it may be. I guess this is the provision of new funds in the budget for this program for this coming year and the out years, where there were none before. In terms of how the money is going to be spent, how the department sees the lessons would be important, given that they attend the committee meetings and will be providing advice, no doubt.

Senator Ian Macdonald—They will certainly be providing advice but, as I heard them before, they were saying that Senator Boswell makes the decision, not them.

Senator O’BRIEN—Obviously, but in the end I am sure Senator Boswell would want the panels to be as well-informed as they could be in making their recommendations.

Senator Ian Macdonald—I am sure they would, and I have no doubt the panel have read these reports too and understood the shortcoming. I just think it is a bit difficult—

Senator O’BRIEN—Perhaps we can proceed in a different way. What changes have been made to the criteria checked against an application in the light of these findings?

Senator Ian Macdonald—The first thing is: have there been changes to the criteria? If the answer is yes, then perhaps that would follow.

Senator O’BRIEN—I was more economical. He could answer both questions at once in my question. But I am happy if you want to ask the first one.

Senator Ian Macdonald—Have there been changes to the criteria?

Mr Rheese—In the notes on administration there are proposals for changes; however, they have not been endorsed by the parliamentary secretary as yet. The answer is, at this point in time, there has been no change.

Senator Ian Macdonald—So that is your advice to the parliamentary secretary—which, again, we would not be asking for here.

Senator O'BRIEN—When does the process commence for the panels to review applications for next financial year's funding?

Mr Rheese—The process has already commenced. Panel meetings for three states have recently been conducted for the next financial year. This is largely a process that is determined by the state road authority according to the size of the works program.

Senator O'BRIEN—Have they been advised that there may be a need to consider matters differently from how they were considered previously, subject to whatever you advise the parliamentary secretary or the minister and whatever they determine?

Mr Rheese—They have been put on notice of that.

Senator O'BRIEN—Have they been advised of the areas under consideration for change?

Mr Rheese—Yes.

Senator O'BRIEN—Is there a timetable to finalise that matter, that is, whether there will be change or not?

Senator Ian Macdonald—I assume it would be as soon as Senator Boswell has had time to consider the advice and come to a conclusion. I would imagine it would not be long.

Senator O'BRIEN—Have the BTE report's suggested modifications been implemented?

Senator Ian Macdonald—Have the recommendations by the BTE for change been implemented? Do you know if that is the case?

Mr Rheese—To the extent that formal notes on administration have not been promulgated as yet, the answer at this point is no.

Senator O'BRIEN—What plans are there for an evaluation of the six-year program following its completion?

Mr Rheese—The program is currently scheduled for next evaluation in 2005.

Senator O'BRIEN—In terms of the program and your section's administration of it, where does the funding for administration of the program come from?

Mr Rheese—\$44.5 million has been provided for the implementation of black spot projects, and \$0.5 million is provided for program administration, promotion and evaluation. That is reflected in the PBS.

Senator O'BRIEN—So your unit has a budget of \$500,000 per year for the life of this program; is that right?

Mr Rheese—That includes payment for the evaluation also and the engagement of external consultants from time to time, for things such as updating the program notes on administration and technical information.

Senator O'BRIEN—How many staff are there in the unit?

Mr Rheese—About four.

Senator O'BRIEN—That does not sound like a number you should be uncertain about. Is it four?

Mr Rheese—At this moment it is four. We would normally have five on board.

Senator O'BRIEN—What is your expected staff complement for the life of the project? Are you going to average five or 4.5—

Mr Rheese—Five.

Senator O'BRIEN—Has there been a determination as to how the black spot funding will be allocated by state and territory?

Mr Rheese—The funding has been allocated to this point on the basis of a three-year average of proportion of population in casualty crashes in each of the states. That formula will be retained for the new funding, and updated, of course.

Senator O'BRIEN—Can you tell us what, in dollar terms, that means by state and territory? You could tell us now or on notice, whichever is more convenient.

Mr Rheese—Yes. I do have the figures here now, if you wish to run through them.

Senator O'BRIEN—Yes, that is fine.

Mr Rheese—The figures are stable over the four years. They are: New South Wales, 14.287; Victoria, 10.428; Queensland, 8.923; Western Australia, 14.982; South Australia, 3.490; Tasmania, 1.116; ACT, 0.602; Northern Territory, 0.672. The total is 44.5.

Senator O'BRIEN—The report that I referred to earlier, by BTE, states:

There are some statistically significant differences in the number of fatal crashes and the number of fatalities by various measures across States and Territories. The Northern Territory's very poor road safety performance relative to the rest of the country suggests this issue needs further investigation.

I am not sure, on your recounting of the formula, whether that factor is taken into consideration. Can you help me there?

Mr Rheese—You may note from the figures I just read out that the Northern Territory, despite being smallest in population terms, is receiving an allocation of black spot funding slightly higher than the ACT. That reflects the higher proportional casualty crash rate within the Northern Territory.

Senator O'BRIEN—So if I work that out as a proportion or a percentage of 44.5, it will tell me what its ratio of the funds is. Would I be able to compare that with the funding over the period 1996 to the end of the current financial year and see how much the movement was?

Mr Rheese—You could, yes.

Senator O'BRIEN—Can you tell me what it is?

Mr Rheese—I would have to take that on notice, although I can confirm there was a very small change over that period of time. The proportions of both population and casualty crash rates are fairly stable over time.

Proceedings suspended from 9 p.m. to 9.18 p.m.

Senator O'BRIEN—Following the announcement of the extension of the project in the recent budget, Senator Boswell announced in a press release that half the program funds would be reserved for reducing road trauma in rural areas. How are rural areas defined?

Mr Rheese—There is an outline provided within the program's notes on administration. Rural areas are defined based on ABS statistical divisions of population centres of 100,000 or

fewer. Basically, the major metropolitan centres, including areas like Sydney, Newcastle, Wollongong, Brisbane and the Gold Coast are all urban.

Senator O'BRIEN—So New South Wales has to spend \$7.1435 million outside the areas where population centres exceed 100,000 people?

Mr Rheese—That is correct.

Senator O'BRIEN—Which parts of Queensland will be excluded from the rural component? Obviously, Brisbane and the Gold Coast will be.

Mr Rheese—Brisbane and the Gold Coast are certainly excluded. I would have to take on notice the detail of which other centres within Queensland are regarded as urban.

Senator O'BRIEN—So it is over the whole program, but state by state?

Mr Rheese—That is right, with the exception of the ACT, the Northern Territory and Tasmania. The urban-rural criterion is not applied within those states.

Senator O'BRIEN—Does that mean that half of the program funds are reserved for non-rural areas?

Mr Rheese—Yes, it is approximately half.

Senator O'BRIEN—Excluding that state and those territories?

Mr Rheese—That is right.

Senator O'BRIEN—Will the panels be charged with making recommendations on rural and non-rural funding?

Mr Rheese—The panels are required to work within the terms of the program's guidelines and policy, so the panels are aware of the urban-rural requirement and are conscious of that in commenting on proposals.

Senator O'BRIEN—Thank you. I move to the Ansett ticket levy. At the last hearing, we were advised that the Ansett ticket levy was collecting an average of \$11 million per month. Is that still the rate of collection, or has it increased?

Ms Holub—That is still the rate, on average.

Senator O'BRIEN—If it was \$32 million at the end of December, at the end of May it is going to be \$87 million?

Ms Briggs—The figures that I have show that we had over \$60 million at 30 April. I am looking to Ms Holub for more up-to-date figures.

Ms Holub—I have a figure of \$75 million to 24 May.

Senator O'BRIEN—Page 529 of Budget Paper No. 1 records revenue from this levy out to 2005-06 at a rate of \$98.4 million per annum, \$393.6 million between 2002 and 2003—I presume that is commencement and 2005-06 is the end.

Ms Briggs—As you will recall, the legislation limits the maximum amount that can be collected under the levy to \$500 million. So if \$500 million is needed, it might go beyond that period of the forward estimates—but it may not be needed.

Senator O'BRIEN—So at this stage, the government is indicating, through the budget measures, that it intends to keep that measure in place.

Ms Briggs—Yes. As you know, the policy is that the policy stays in place until such time as the payouts to the Ansett employees have been fully covered, together with administration costs.

Senator O'BRIEN—I might be wrong, but I thought there was some other potential expenditure at the minister's discretion, under the legislation.

Ms Holub—If the minister is satisfied that more levy has been received than is needed for the purposes for which the act is in place, there is a mechanism, to be prescribed by regulation, whereby the minister can distribute the excess funds. That provision is there if needed, if it is not turned off in time and we know what the results of the assets sales are.

Senator O'BRIEN—What is the process for turning it off?

Ms Briggs—It is a gazettal, Senator. In other words, it can be done pretty quickly.

Senator O'BRIEN—That depends on how long the drafting takes.

Ms Briggs—Yes.

Senator O'BRIEN—It would not be hard to draft that one, though, would it?

Ms Briggs—You could probably do it in under 24 hours.

Senator O'BRIEN—So there would not be any obvious reason for you to have an overrun, assuming that you get to a point where you know in advance what you are collecting.

Ms Briggs—That is exactly right.

Senator O'BRIEN—If we suddenly find that we have overcollected, then we have done it.

Ms Briggs—The complication in this is the sale of the Ansett assets, and the share of that that is distributed. We cannot predict with any accuracy at all what the time frame will be, unfortunately.

Senator O'BRIEN—Is there any data being collected by the department which would indicate how much is domestic and how much is international, or how much by airport or airline?

Ms Holub—Yes, we have that information collected; we have it by each airline. I am not sure that we have it by airport—I would have to clarify that—but we certainly have it by airline. I am not sure whether the Qantas data is broken up for international and domestic.

Senator O'BRIEN—I would appreciate it if that could be supplied to the committee.

Ms Holub—Yes, I think that is possible.

Senator O'BRIEN—Do you have a figure on what the total liability will be for employee entitlements under the SEESA scheme?

Ms Holub—No. That would be a matter for the Department of Employment and Workplace Relations; they administer the SEESA scheme.

Senator O'BRIEN—Do you collect the money? Does it come to the Department of Transport and Regional Services, or does it go back into consolidated revenue?

Ms Briggs—It is paid to us, but it goes through us into consolidated revenue.

Senator O'BRIEN—You know how much has come in but you do not know how much the entitlement is. Who is going to pull the levers on this?

Ms Briggs—We do not know the final entitlement. What we do know is how much money has been paid out under the arrangements to date.

Ms Holub—To the end of April, 11,663 Ansett group employees have been able to receive their entitlements and that amounted to \$291.1 million.

Senator O'BRIEN—Okay. Is there any estimate on the value of the Ansett assets?

Ms Holub—Not that I am aware of.

Mr Matthews—The administrators have published their estimate and that has been to the committee of creditors. That is available through the administrators.

Senator O'BRIEN—Is the Commonwealth aware of that figure?

Mr Matthews—It is available to all creditors. I think it would be a public document. It is not ours; it is theirs.

Senator O'BRIEN—In the context of this exercise, I suggest that it is the Commonwealth's information to share or not to share as it sees fit.

Mr Matthews—I do not think we need to be at all precious about this. If we have that document, we can make it available. The point I was making is that it is readily available, but it is their document, not ours.

Senator O'BRIEN—Okay. In relation to the levy moneys collected, so far as this debt payment exercise is concerned, is it earning interest as it is being held?

Ms Briggs—It certainly is not accruing any interest for this department. It is paid through us into consolidated revenue.

Senator O'BRIEN—What is the current situation with the superannuation of the former employees? Is that situation known to the department?

Mr Matthews—I suggest that this belongs in the aviation and airports discussion under 2.5 where we have people who are more familiar with the process of the administration. What we are discussing here is simply the program to raise money through the ticket levy. This is the programs area.

Senator O'BRIEN—Not a problem. I take it that at this stage no moneys have been forwarded by the administrator to creditors.

Mr Matthews—Again, could we take that when we are discussing the administration of Ansett?

Senator O'BRIEN—Okay. Given the sale of Ansett's Sydney terminal rights and sales of property in Melbourne and Canberra, does the government have a view on its likely term, enabling it to make an estimate of when the levy will be able to be ceased?

Mr Matthews—We have not made an independent estimate of the liquidation value of the assets. We certainly have had people look at those sorts of issues, but we have not been basing this program on any sort of estimated number. There is a good reason for that. Any creditor does not know—even the administrators do not know—precisely what the value of all the assets will be. They have been refining that for months. We cannot know; they do not know. As I said, the best based estimate is the estimate of the administrators themselves, which they have taken through the court and through several meetings of committees of creditors. If we needed to base any of our work on a number, that would be the number that I would choose.

Senator O'BRIEN—In relation to the imposition of the levy, at the last hearing we were told that diplomats and children travelling in the arms of an adult are exempt. I presume that remains unchanged.

Ms Holub—That is right; there has been no change.

Senator O'BRIEN—What is the story with air marshals? Is there any collection from their travel?

Senator Ian Macdonald—Is there a levy collection when they board a plane?

Senator O'BRIEN—That is what I want to know.

Ms Briggs—Senator, there is no specific exemption for that group.

Mr Matthews—There are two groups. Air marshals pay; sky marshals do not. I am sorry.

Ms Briggs—Forgive him: it is his advanced age.

Senator O'BRIEN—And that is in the *Hansard*, too. In relation to the Rapid Route Recovery Scheme, how much is left in this fund?

Ms Meakins—The final expenditure will not be known until all contractual obligations have ceased, around June this year. To date, \$11.6 million has been expended.

Senator O'BRIEN—Is this the fund that any support for buyers of Hazelton and Kendell would come from, given that media reports suggest the government may contribute up to \$5 million to the preferred bidder for that combined airline?

Ms Holub—It could be canvassed under this scheme.

Senator O'BRIEN—I take it that no decision has been made on that.

Ms Holub—No. I understand that there has been no request.

Senator O'BRIEN—Those Ansett subsidiaries to date have received \$11.6 million. Are we able to break it down between Hazelton and Kendell?

Ms Holub—Sorry, Senator, that funding under the Rapid Route Recovery Scheme was not just for Ansett subsidiaries; it was for airlines that picked up routes that were not able to be undertaken by Ansett or its subsidiaries.

Senator O'BRIEN—They have not received any of the money? I am a bit confused now.

Ms Holub—Kendell and Hazelton?

Senator O'BRIEN—Yes. How much have they each received?

Ms Holub—They have both had loans under the scheme. Kendell has had a loan of \$3.5 million and Hazelton was \$3 million.

Senator O'BRIEN—Which airlines are still receiving assistance under the scheme?

Ms Holub—No airlines are currently receiving assistance under the scheme.

Senator O'BRIEN—When was the last assistance under the scheme paid?

Ms Holub—Actually paid? I would have to look specifically at when a payment occurred. If you mean for when services were provided, again I do not have that level of detail here, but I would be able to provide that. We have that for every service.

Senator O'BRIEN—That is what I want.

Ms Holub—So the question is specifically about when the last service was supported under the scheme?

Senator O'BRIEN—Yes. The PBS shows that for 2001-02 the estimate of expenditure was \$30 million, with no funding in 2002-03, and that \$11.6 million has been expended. Is it expected that any more will be expended in this financial year?

Ms Holub—There are a couple of final payments to be made, but that is just a matter of processing. For all intents and purposes we have finalised.

Senator O'BRIEN—Does the remaining amount, roughly \$18 million, go back into consolidated revenue?

Ms Holub—Yes, that is correct, it would.

Ms Briggs—It is returned to the budget, Senator.

Senator O'BRIEN—Whose budget?

Mr Chandler—It simply remains. The funds lapse, so it sits within the Commonwealth budget.

Senator O'BRIEN—In the PBS, on page 40, under the heading 'Operating expenses—administered programmes' there is a line item 'Sydney West airports—land acquisition and works' showing expenditure of \$100 million in 2001-02, with no expenditure estimated in 2002-03. Can you tell me what the \$100 million was paid for, and to whom?

Ms Briggs—We will have to take that one on notice, I am afraid. Do you have a bit more detail that can help one of our officers to find it?

Senator O'BRIEN—It is on page 40 of the PBS, and it is the second last line item.

Ms Meakins—Part of our problem is that responsibility for this does not fall within this division.

Senator O'BRIEN—It is not an aviation program?

Ms Meakins—It is not a program.

Senator O'BRIEN—Not a program?

Ms Meakins—It was not a program transferred to this division.

Senator O'BRIEN—Mr Matthews, can you help us?

Ms Briggs—I think the confusion arose because you said \$100 million, and none of us were familiar with a figure of \$100 million.

Senator O'BRIEN—It is \$100,000.

Ms Briggs—We are trying to find out.

Ms Addison—As Ms Briggs pointed out, it was the \$100 million that threw me there.

Senator O'BRIEN—It would. I put a few extra noughts on the cheque!

Ms Addison—The payment relates to resolution of compensation payments associated with the land acquisition. The funding at this stage would expire because we would expect the finalisation of the compensation claims.

Senator O'BRIEN—The funding would expire because—

Ms Addison—There is a finalisation of the compensation claims associated with the acquisition of properties.

Senator O'BRIEN—What is the total amount of money paid by the Commonwealth to date for land at Sydney West airport?

Ms Addison—From what I understand, there has been a process ongoing in terms of acquisition of properties in that particular vicinity for some time. The amounts that are identified in the PBS relate to some final properties that have been acquired. I do not have the full details in terms of total payments that have been made. I understand we have acquired some 132 properties in that area, but I would have to take on notice the amounts that were paid for the total number of properties.

Senator O'BRIEN—Does the Sydney West airport site include any land that was already Commonwealth owned?

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

Senator O'BRIEN—Does the title simply sit in the hands of the Commonwealth, or in the hand of the department?

Ms Addison—The title is with the Commonwealth, but the department manages the properties.

Senator O'BRIEN—Does the site have a market value which has been assessed, or a book value?

Ms Addison—It does certainly, but I do not have that figure with me.

Senator O'BRIEN—Does the Commonwealth retain any options or other caveats on land around the Sydney West airport site?

Ms Addison—Apart from these particular properties, which related to the payments in the portfolio budget statements, I am not aware of any. I will check and come back to you on that.

Senator O'BRIEN—The PBS, at page 40, has a line 'Compensation payment to SACL for the sale of Sydney Airport land', at \$2 million, with no expenditure for the coming financial year. What is the purpose of the payment?

Ms Addison—The New South Wales RTA sought to acquire a parcel of land for the M5 extension. A development agreement was signed between the RTA and SACL, Sydney Airports Corporation Ltd, some five or six years ago. When the project came to fruition—you might be aware that the project and the road was completed in December last year—an agreement was determined between the Commonwealth, Sydney Airports Corporation and the RTA related to compensating Sydney Airports Corporation Ltd for the land that was acquired for the M5.

The RTA, under the terms of the tripartite agreement, are currently assessing or surveying the land to determine exactly how much land is to be compensated for. Under the terms of that agreement, that would determine the amount to be paid. The amount that is in the portfolio budget statement is the estimate of what the Commonwealth expects to receive from the RTA as compensation. It then forwards that to SACL. The reason it is not there for future years is that it is a one-off payment associated with the acquisition of the land.

Senator O'BRIEN—That makes sense. The same page has 'Upgrade of Canberra Airport to international wide-bodied jet standard', at \$5.625 million. Has that all been spent?

Ms Addison—No. My last spend was at 31 March, and \$4.923 million of that \$5.625 million had been expended. The expectation is, however, that the amount of \$5.625 million will be fully expended by 30 June.

Senator O'BRIEN—The 2001-02 PBS was showing \$8.8 million.

Ms Addison—That is the total—\$3.175 million was expended in 2000-01.

Senator O'BRIEN—So, by the end of this financial year \$8.8 million will have been spent?

Ms Addison—Yes.

Senator O'BRIEN—So the expenditure was completely in line with the budget parameter?

Ms Addison—Yes.

Senator O'BRIEN—Have you any idea how many wide-bodied jets have landed at the airport since the works were completed?

Ms Addison—I am aware that most recently the Japanese Prime Minister flew in. Two 747s were able to fly into Canberra Airport due to the upgrade. My understanding is that these were the first wide-bodied planes that have landed since the upgrade. I will make absolutely sure and correct it if that is not completely accurate.

Senator O'BRIEN—There is a limitation, isn't there, on how many heavier aircraft can land on the airport per year?

Ms Addison—I am not sure whether there is a limitation per year. What the upgrade did not provide for was extra strength and length to enable 747s to fly directly from overseas destinations. There are some engineering and technical limitations.

Mr Matthews—Yes, there is a limitation in addition to what Ms Addison has been saying. It is not a rigid one. In other words, there can be flexibility over a period of months, but over the longer term there is a limit to the number of wide-bodied aircraft that can use it.

Senator O'BRIEN—The same page of the PBS shows \$21.576 million to be spent on noise amelioration for Adelaide Airport in 2003-04 but nothing in 2004-05. Does that mean the program is scheduled to finish in a year?

Ms Addison—I will hand over to my colleague, Ms Holub, on that one.

Ms Holub—While I am riffling through my papers I have an answer to an earlier question that you asked in relation to the Rapid Route Recovery. You asked when we funded the last service. The information I have available with me tonight indicates it was up to 21 April this year. Are you asking whether the funding that goes through to 2003-04 will see the conclusion of the insulation?

Senator O'BRIEN—Yes.

Ms Holub—I believe that is the expectation.

Senator O'BRIEN—How many houses and public buildings will have been finalised by the end of the program?

Ms Holub—There will be 550 homes and four public buildings over the life of the program.

Senator O'BRIEN—How many have been completed this year?

Ms Holub—I have all sorts of breakdowns, but not for those completed so far this financial year.

Senator O'BRIEN—What have you got?

Ms Holub—I have the various phases in relation to home owners being briefed, scoping visits being undertaken, and the scoping work being agreed by home owners and how much of that scoping work has been issued for tender. I have not got a completed year to date figure.

Senator O'BRIEN—According to the PBS you are going to spend \$13.41 million this year. Perhaps you can take it on notice to let us know how many outcomes will get to that \$13.41 million in terms of completed home or public building insulation projects.

Ms Holub—I have a figure of 187 properties being completed, but I am not sure that it is for this year.

Senator O'BRIEN—Can you check that out and advise us during the estimates rather than on notice. In regard to the noise amelioration program for Sydney airport—this item apparently received some media attention—the budget allocation of only \$9 million in 2002-

03 would mean renegeing on commitments to individuals and organisations about building insulation. That is what has been reported. Is that correct?

Ms Meakins—My understanding is that all financial commitments for insulation work will be honoured, but at this stage planning work on a number of buildings has been placed on hold.

Ms Holub—We have some advice currently before the minister about some strategies for dealing with the outstanding houses and public buildings.

Senator O'BRIEN—I was going to say that there was a report in the media that the minister's office has reportedly said:

Residents, a church and a school under the Sydney airport flight path, who were told noise insulation under the federal Government's \$45-million-a-year jet aircraft levy would not go ahead, would now have the work done.

John Anderson's office said yesterday that everyone who had been promised the noise insulation as part of the final phase of the \$500 million project would have their homes and buildings soundproofed.

What is the extra cost of meeting that commitment, if that, indeed, is the commitment the minister made?

Ms Holub—I do not have with me that level of detail for individual houses and public buildings.

Senator O'BRIEN—Can you provide it on notice?

Ms Holub—I should be able to.

Senator O'BRIEN—Can the committee be advised, given that it is not a line item in the budget, where the money would come from?

Ms Holub—We will provide the information we can.

Senator COLBECK—Going back to the Peninsula Development Road, can we be told exactly what the coalition commitment was with respect to that project and whether it will be met?

Senator Ian Macdonald—The coalition did make a commitment to the Peninsula Development Road before the last election. It is probably important to recapitulate that roads of national importance, the candidates roads, must generate economic benefits for the nation as a whole and therefore be considered an important part of the Australian economic infrastructure. Obviously, the coalition consider that to be the case in relation to this area. The criteria also provide that the federal government will provide funding to states and territories on a cost sharing basis for construction projects but not for ongoing maintenance on roads that demonstrate national character. It is also important to note Commonwealth funding is conditional upon the relevant state or territory having allocated all the Commonwealth provided untied road grants to roads in the state or territory and maintaining—and I emphasise that—the existing level of funding commitment to the road declared to be a road of national importance. Against that background, prior to the election the coalition did commit to spending \$5 million to start upgrading the Split Rock to Laura section of the Peninsula Development Road in Far North Queensland. We committed that the \$5 million would be provided under the roads of national importance program to enable work to start on upgrading the 16 kilometre section of the road. The criteria for roads of national importance also state that the government's election commitments will have priority in that program.

As Mr Anderson indicated in his budget press release, you do not build roads instantly. So the funding is spread over the budget years to match the likely works programs with the first

allocation of \$800,000 to take the first steps on planning and design. When construction starts in earnest, the money is there. However, Mr Anderson did point out quite rightly that a matching commitment of funds from the Queensland government for this \$800,000 first instalment has yet to be announced, let alone a commitment from the Queensland government for the \$5 million. The Commonwealth has met its election commitment with the allocation of \$5 million, but we require the Queensland government, as we indicated before, to do certain things. One of those things is to provide their share over and above the existing level of funding commitment to the road. That may clarify the issue for you.

Senator COLBECK—Thank you. On page 40 of the PBS is an item of \$830,000 for the ABT Railway Federation Fund project, which the parliament is administering on behalf of PM&C. Have all payments been made to the Tasmanian government on that project?

Ms Holub—No, all payments have not been made. There is one final payment to be made on completion of the project.

Senator COLBECK—What reporting process is in place for the state government to claim funds from the Commonwealth?

Ms Holub—The project has a deed of grant with milestones, like many projects. The final payment is contingent upon completion of the project and a report to that effect.

Senator COLBECK—Do you have from the state government in Tasmania an anticipated completion date?

Ms Holub—We do not have a definite date but they are hopeful that it will be completed within coming weeks.

Senator COLBECK—Is the department aware of the issues that currently surround completion of that project?

Ms Holub—Yes, we are aware of safety issues and are in frequent contact with the officials in Tasmania checking on progress on those safety concerns.

CHAIR—I thank the officers at the table for all their answers to questions and for their endurance.

[10.08 p.m.]

Aviation and Airports Policy Division

Senator O'BRIEN—Can anyone tell me the current situation in regard to superannuation of former Ansett employees? Do those funds have enough money to make full payments to Ansett workers?

Mr Dolan—The department represents the Commonwealth on the committee of creditors for the Ansett administration. Through that, it has access to a range of information under the normal arrangements under the Corporations Law which means that we are actually under some constraints in terms of what we can make publicly available because of the interest of other creditors.

The whole matter of the administration of Ansett obviously cuts across several departments, and particularly us and Employment and Workplace Relations. I do not have specific information on the current state of play with the superannuation, nor am I sure how much of it—in terms of our presence on a committee of creditors—I could release. I can undertake to take it on notice and supply you with such information as is available to us.

Senator O'BRIEN—In terms of the air marshal situation, can you outline the extent to which this department was involved in the development of the aviation security policy on air marshals?

Mr Turner—This department's role with regard to the air security officers is policy coordination with other departments. The other principal participant is the Australian Protective Service, within the Attorney-General's portfolio, who have the day-to-day operation of the program and are responsible for the recruitment of the air marshals and so on. So we have been involved in organising the indemnities for the airlines but not the day-to-day operations.

Senator O'BRIEN—So it is justice and customs minister?

Mr Turner—The Minister for Justice and Customs is the minister responsible for the day-to-day operations program. Several other departments have some interest but they do that.

Senator O'BRIEN—Can you answer questions about the industry contribution to air marshals?

Mr Turner—In general terms?

Senator O'BRIEN—Yes.

Mr Turner—The contribution that the industry make is really the tickets.

Senator O'BRIEN—So the industry is picking up the cost of the tickets for the air marshals?

Mr Turner—Yes.

Senator O'BRIEN—The industry, therefore, is also paying the Ansett levy on those tickets?

Mr Turner—That is my understanding.

Senator O'BRIEN—Is there a cap on the contribution from the airlines to this program, in terms of number of flights, or value of fares?

Mr Turner—There is no financial figure. The number of officers provides a cap on the number of flights that they can be on, but there is no numerical cap as such.

Senator O'BRIEN—Did the government impose particular criteria on the seats it needs for the air marshals, or is it up to the airline to put them where they like?

Mr Turner—I would rather not discuss that aspect in public for security reasons.

Senator O'BRIEN—Is the goods and services tax payable on tickets that the airlines provide for the air marshals?

Mr Dolan—If I could, perhaps we are characterising it wrongly. It is not a matter of the airlines providing tickets; it is the matter of the airlines providing seats as required. In those circumstances, GST is, in my understanding, not payable but we will need to confirm that. The issue of the Ansett levy, on the other hand, is driven by the number of passengers occupying seats.

Senator O'BRIEN—What about noise levies?

Mr Dolan—I am not sufficiently familiar with the details of the noise levy legislation to give you an answer on that. I would like to take it on notice. Mr Matthews has reminded me that the noise levies at Sydney and Adelaide are driven in terms of aircraft weight, and therefore are an expense to the airlines, in terms of planes that come in and out, as I

understand it. The airlines themselves attribute it to passengers and to a ticket price. If we need further clarification, I am happy to provide that.

Senator O'BRIEN—I would like an update on the work of the aviation policy task force. When we last had an update, the task force was comprised of Mr Fisher and his executive assistant, and the agenda seemed a little fuzzy.

Mr Dolan—The aviation task force, as I indicated the last time we discussed this, consists principally of Mr Roger Fisher, who is given project teams of staff from my division to carry out particular projects. The focus of the task force has been on providing policy advice to the government on a range of matters subsequent to the events of September last year, September 11 and the Ansett collapse, and focusing particularly on matters of economic regulation. The key work to date has focused on regional airlines, and particularly the administration of Hazelton and Kendell, issues of airport pricing and the economic regulatory regime for airports, and a general assessment in terms of policy advice to government of the range of matters that need to be considered over time, in the light of the events of September last year. It is work that is still in progress.

Senator O'BRIEN—So the minister announced his explicit reform agenda in a press release on 15 February, and at the last estimates hearing, it was unclear on how each of these are directed to the aviation policy task force. Did you just say it is in your—

Mr Dolan—In terms of the aviation reform agenda, as announced by the minister that as I think I indicated at additional estimates, it is explicitly within the province of my division, rather than the aviation policy task force.

Senator O'BRIEN—So which of these are within your division: the corporatisation of Airservices Australia?

Mr Dolan—Yes.

Senator O'BRIEN—That is in?

Mr Dolan—Yes.

Senator O'BRIEN—The future responsibility for rescue and firefighting services, terminal navigation and tower air traffic control service?

Mr Dolan—That is again within my responsibility.

Senator O'BRIEN—The establishment of an air standard task force to complete the reform of the aviation regulations?

Mr Dolan—That is a matter that, in effect, is jointly being undertaken with my division and CASA. Or in fact, no I am sorry, I characterised that wrongly—the CASA chair, as commissioned by the minister.

Senator O'BRIEN—The chair of CASA? Is he in control of that one?

Mr Dolan—I am sorry?

Senator O'BRIEN—Did you say the chair of CASA was in control?

Mr Dolan—In June last year, on his appointment, Mr Ted Anson was asked, as well as taking on the role of chair of CASA, to undertake a review of a range of issues relating to the governance and administration of CASA. So the matter you raised has some overlap between that activity and the work of my division.

Senator O'BRIEN—Okay; we will come back to that. A review of the structure and reporting requirements of CASA—

Mr Dolan—The same issue, Senator.

Senator O'BRIEN—So in relation to the corporatisation of Airservices Australia, which is your division, what is happening? Where is it up to?

Mr Dolan—We are currently working with Airservices Australia to scope out what would be required in terms of legislation and other administrative change to achieve the corporatisation of Airservices in accordance with the government policy.

Senator O'BRIEN—Can you remind us of the purpose of the corporatisation?

Mr Dolan—It is to enable Airservices to continue its focus on providing air services in a businesslike and effective way, to continue with the government's wish to have Airservices deliver its services in the way a business should.

Senator O'BRIEN—So the criticism is that Airservices is not doing that now?

Mr Dolan—No. It is just to move further down that track, Senator, to more explicitly make Airservices a corporation and to subject it to those sorts of requirements.

Senator O'BRIEN—What is the proposed time frame to achieve this outcome?

Mr Dolan—The minister has indicated that it is a priority in terms of his aviation reform agenda. Since any change is going to require legislation to be put in front of, and considered by, the parliament we are to a considerable extent in the hands both of the legislation program and of the parliament. But we would hope that something potentially will be available in the spring sittings of parliament for the parliament's consideration.

Senator O'BRIEN—I didn't quite hear the start of that.

Mr Dolan—We would hope—although we can't guarantee because of other legislative priorities—that something might be available to the parliament for its consideration in the spring sittings.

Senator O'BRIEN—In the spring sittings.

Mr Dolan—I cannot guarantee that, Senator, because I don't control the legislation program of the government.

Senator O'BRIEN—What is involved with the corporatisation?

Mr Dolan—That is the work that we are currently scoping out, so we can get that into place, get the policy advice to the minister and to government.

Senator O'BRIEN—What impact will it have on the operation, work force and work force size of Airservices?

Mr Dolan—It is hard at this point to give a comprehensive answer on that. I think the clearest indication at this point is that there will need to be an explicit separation in terms of the government's general approach to corporatisation between the current core regulatory and policy responsibilities of Airservices and their business activities, which the minister has characterised as in effect the setting up of an airspace authority. How that split of work would happen and, therefore, the impact that would have in terms of where staff were located between those two potential organisations is part of what we are working through at the moment.

Senator O'BRIEN—With regard to the future responsibility for rescue and fire fighting services, terminal navigation and tower ATC services, where are the draft regulations up to that will facilitate these changes, if any?

Mr Dolan—The regulations have been drafted and are currently being considered by the minister.

Senator O'BRIEN—What form do those regulations take?

Mr Dolan—They take the form of a civil aviation safety regulation about the necessary standards for those services.

Senator O'BRIEN—I suppose the time frame is subject to the minister, but what is your understanding of the intended time frame for promulgation?

Mr Dolan—I do not have any formal indication of the time frame for consideration but, again, this is a matter that the minister has indicated is a priority.

Senator O'BRIEN—If the prerequisite regulations are passed, what happens next?

Mr Dolan—If the regulations are put in place, that transfers responsibility for achieving standards to operators. Various bodies would need to determine—airports, in particular—the most cost-effective way of meeting those standards. At the moment those services are all provided by Airservices. Over time there is a potential that other providers may be able to provide an alternative cost-effective service.

Senator O'BRIEN—Are any other legislative changes needed to facilitate this policy change?

Mr Dolan—We would have to take a look fully to understand that. There would certainly, for example, need to be changes to the Airports Act in relation to rescue and fire fighting services.

Senator O'BRIEN—Has the department considered potential job losses with this policy and the location of those shops?

Mr Dolan—I certainly haven't given explicit consideration to that at this point, Senator.

Senator O'BRIEN—Has the department been approached by any organisations interested in providing the services—be they airports themselves or other contractors?

Mr Dolan—I am not aware of any formal approaches. I have had, and I believe some of my colleagues have had, conversations with a range of airports or their representatives and potential alternative providers who are attempting to understand what the future framework may look like. So there certainly has been informal interaction.

Senator O'BRIEN—Can you identify those organisations for the committee?

Mr Dolan—I am trying to recall the basis on which approaches were made and whether there were any sensitivities in terms of the commercial position of those involved, and I would have to refresh my memory on that. Could I take that one on notice and get back to you?

Senator O'BRIEN—In relation to the establishment of an air standards task force, is this the one that was subsequently established including Dick Smith?

Mr Dolan—No, Senator. The Aviation Reform Group that was established that involved Mr Ted Anson, Mr John Forsyth and Mr Dick Smith originally required additional members and was set up primarily for the purpose of pursuing low level airspace reform. The task force is a matter that is still being worked through but, in terms of its design, it tended to be a group that will assist CASA to move forward with its regulatory reform agenda. The details of that are still under consideration.

Senator O'BRIEN—So it has not started work?

Mr Dolan—No, which is not to say that there is not considerable work going on in CASA on a range of existing consultative and other arrangements to support a regulatory reform program.

Senator O'BRIEN—Does the review of the structure and reporting requirements of CASA fall into the same category?

Mr Dolan—That is the review I referred to that is being undertaken by Mr Ted Anson, who has been asked to report to the minister by the end of June. As I indicated, there is an overlap of roles. In our policy advisory role we would expect that the minister would seek our views on such an arrangement.

Senator O'BRIEN—Is the department assisting Mr Anson in his task?

Mr Dolan—The department has discussed with Mr Anson the department's understanding of possibilities or scenarios, but the clear responsibility for the review is with Mr Anson.

Senator O'BRIEN—Is Mr Anson taking submissions from interested persons and organisations?

Mr Dolan—Not that I am aware of.

Senator O'BRIEN—Will the department have any role prior to announcement of his findings?

Mr Dolan—As I indicated, I have an expectation—which may not necessarily be supported—that the minister would seek our advice before his response to the report is finalised. But that is obviously a matter for him.

Senator O'BRIEN—What is the department's view on the return of regulatory drafting responsibility and function to the department?

Senator Ian Macdonald—I do not know that that is a fair question to the officers. The government has obviously asked them to do it. I am sure they would say they would always agree with what the government said, but if they do not it is a bit of embarrassing to put those sorts of questions to them. I do not think that is the purpose of estimates committees, Senator.

Senator O'BRIEN—I certainly was not asking the question to embarrass them. If they are embarrassed, then they do not need to answer it.

Mr Dolan—I do not feel any embarrassment, but I would prefer not to answer the question.

Senator O'BRIEN—Mr Toller did not have any problems expressing a view on the matter.

Senator Ian Macdonald—Perhaps I was not awake then.

Senator O'BRIEN—You may not even have been there, Minister. I would not 'fess up to falling asleep during estimates. It is on page 310 of the *Hansard*, if you feel inclined to see what you missed.

Senator Ian Macdonald—I think I could be forgiven for falling asleep at times.

Senator O'BRIEN—Minister, that is not appropriate, given your responsibilities.

Senator Ian Macdonald—I am not saying I did, but I feel I could be excused if I did. These things do get rather tedious, to put it politely.

Senator O'BRIEN—Thanks for the compliment.

Senator Ian Macdonald—I was not meaning you, nor Senator Colbeck nor Senator Crane. Your questions are always entertaining and exciting, Senator. The senators I was talking about are not here to defend themselves.

CHAIR—I think if you could ask questions in your dreams it would be most entertaining. It is even better if you can reply to them in your dreams.

Mr Matthews—He certainly was not talking about the answers, that is for sure.

Senator O'BRIEN—Mr Anson's appointment is for three years from 1 July 2001. Is that right?

Ms Chilvers—I would have to clarify that. I think so, but I am not 100 per cent sure. We could answer that tomorrow.

Senator O'BRIEN—That is fine. It is not going to change between today and tomorrow, I am sure. I will not lose any sleep over it. The topic of airspace reform was included in a media release of the minister's of 15 February but a probably more detailed development was announced on 13 May, the day before the budget. I want to get a better understanding of it. Did the minister make the announcement at a conference, or a special forum, or was it just a media release?

Mr Dolan—In terms of an announcement, it was in a media release.

Senator O'BRIEN—The special Aviation Reform Group was established on 22 February, comprising Messrs Smith, Anson and Forsyth, as I understand it. Is it fair to assume that these people were appointed on the basis of their positions—that is, as chairs of CASA and Airservices—or, in the case of Mr Smith, personal individual experience?

Senator Ian Macdonald—I am sure Mr Anderson appointed them because they were the best people available.

Senator O'BRIEN—Perhaps you could take that on notice for Mr Anderson to answer.

Senator Ian Macdonald—Okay.

CHAIR—What is the question? Is it why these were people appointed?

Senator O'BRIEN—No, I asked for the basis of their appointment. They were appointed to a very high-powered committee. I am saying that the presumption that I make is that they were appointed because they were the chair of CASA and Airservices and, in the case of Mr Smith, because of personal experience. He does not hold any particular office that I am aware of.

Senator Ian Macdonald—We will have that clarified.

Senator O'BRIEN—Is it significant that the department has no representative on that group?

Senator Ian Macdonald—I was going to say we could not find anyone good enough in the department, but I have just been told that Mr Matthews has also been appointed, so we must have found someone. For the record, I am only joking there. Any one of our departmental officers would have been a good appointment. Perhaps Mr Dolan should go on and say what he was going to say before I interrupted.

Mr Dolan—The Aviation Reform Group, as the minister announced in his latest press release, now consists of five members: Mr Matthews as the chair of the group, Air Marshal Angus Houston and the three gentlemen that you previously referred to, Senator.

Senator O'BRIEN—When was that announcement made?

Ms Chilvers—That was on 13 May.

Senator O'BRIEN—When was the decision made to add Mr Matthews and Air Marshal Houston?

Mr Dolan—The addition of Air Marshal Houston was made in early March. The addition of Mr Matthews was at the point at which the minister announced the future of the group and the preferred model for future low-level airspace reform.

Senator O'BRIEN—I did not hear the dates you referred to.

Mr Dolan—Early March for Air Marshal Houston and the date of the press release, 13 May, for the employment of Mr Matthews.

Senator O'BRIEN—Have any of the individuals any direct experience in air traffic control?

Mr Dolan—Not that I am aware of.

CHAIR—Can I ask the questioner and the answerers to speak a little louder. Everything is turned up as loud as we can get it at the back. It is very hard to hear.

Senator O'BRIEN—The minister's release said the ARG would be supported by an executive officer appointed by the Airspace Reform Group and located in the Department of Transport and Regional Services. Has that appointment been made?

Mr Dolan—Yes.

Senator O'BRIEN—Who has been appointed?

Mr Dolan—I am the executive officer.

Senator O'BRIEN—How long has this panel got to report to the minister?

Mr Dolan—The group has reported to the minister. It reported to the minister at the end of March. The minister has now commissioned the group to oversee the implementation of the NAS system for low-level airspace.

Senator O'BRIEN—It is the Dick Smith model that has been adopted by the ARG?

Mr Dolan—It is a model that Mr Smith was influential in developing that draws largely on North American airspace.

Senator O'BRIEN—How different is it to the system we have in place as we speak?

Mr Dolan—It is substantially different to the current system.

Senator O'BRIEN—Can you describe the system for me and indicate where it is different?

Mr Dolan—Not at any level of technical detail. I could certainly on notice provide you with the key characteristics of the system and how they differ from existing low level airspace arrangements. It is not something I have a detailed briefing on here.

Senator O'BRIEN—What about you, Mr Matthews?

Mr Matthews—I think that would be a much more comprehensive way of doing it. If either of us tried to do it extemporaneously it will be an incomplete job. We are quite happy to provide a summary in a written form of the significant differences.

Senator O'BRIEN—Without holding you to that, I accept your offer to do it on notice. What are the key differences?

Mr Dolan—From the point of view of a pilot, and this is oversimplifying it considerably, the key differences are in terms of the use of radio communication in airspace and entry into that airspace.

Senator O'BRIEN—The minister's press release said that the second model was developed by the airspace working group model called the LAMP, Low Level Airspace Reform Plan. Who in the airspace working group developed that model?

Ms Chilvers—The aviation working group which developed the LAMP model comprised representatives from Airservices, AOPA, Qantas, Ansett, Defence, some of the regional airlines, the regional airspace users advisory committees and various other parties. I do not have them all here.

Senator O'BRIEN—The minister's media release of 22 February announced that the ARG was given a very specific range of principles to be taken into account when comparing the two systems:

- (i) the cost effectiveness of each of the competing proposals;
- (ii) the degree of industry support for each proposal and the comments of the industry stakeholders on the merits of LAMP and NAS;
- (iii) the ability to implement each proposal within a reasonable time frame;
- (iv) the degree to which each proposal is in accordance with ICAO airspace classifications;
- (v) which proposal is more closely harmonised with international best practice; and
- (vi) other substantive issues that the ARG considers relevant to an informed recommendation.

ARG recommended its preferred proposal was met by 25 March 2002, and it met that timetable.

Mr Dolan—Yes.

Senator O'BRIEN—Did the department develop those criteria or were they developed in the minister's office?

Mr Dolan—The department was involved in advising the minister on the development of those criteria.

Senator O'BRIEN—Why were criteria such as the safety of the travelling public, industry workers and those living under the flight path absent from the points in comparing the two models?

Mr Dolan—To the extent that they were not picked up, the clear understanding was that there were a range of regulatory hurdles that needed to be met by either proposal in its implementation, which would address safety and related issues.

Senator O'BRIEN—The first point was a comparison of cost effectiveness. The second popularity with industry. The third how quickly each could be implemented. Point four is a question about the degree to which it complies with ICAO rules. The fifth is about harmonisation with international practice, whatever that means. The sixth is a bit of a catchall.

Mr Matthews—The record needs to show, as Mr Dolan has been saying, that the process of implementing this new airspace model will give very high importance to the question of safety. Before it can be implemented there needs to be a satisfactory safety arrangement. You are looking for that in terms of the criteria for selection. Safety is delivered through the process of adopting it. It will need to move through the CASA process in a way that satisfies CASA.

Senator O'BRIEN—It will go through an MPRM?

Mr Dolan—No, Senator. There is a procedure which effectively is developing a safety case for the implementation of the system so that CASA can satisfy itself that it meets the appropriate safety standards. It is not about CASA making new rules; it is testing the proposed arrangements under its existing rules.

Senator O'BRIEN—What role does Mr Anson play with CASA while they perform an assessment of a proposal which he has presented to the minister?

Mr Dolan—That gets back to one of your earlier questions. Mr Anson's membership of the Aviation Reform Group is in his personal capacity, not in his role as chair of CASA. That is explicit in his letter of appointment.

Senator O'BRIEN—So he is personally committed to it, but as chair of CASA he is not committed to it. I am not sure what that means. Frankly, I do not see how you can differentiate; that is the point. I would like you to explain how you can differentiate on the basis that the chair of CASA, in whatever capacity, has recommended this to the minister.

Mr Dolan—In his personal capacity, Mr Anson has been part of a process that recommended to the minister a preferred model. That model, in its implementation, needs to pass all the regulatory rules and arrangements set in place by CASA.

Senator O'BRIEN—His organisation needs to vet it.

Mr Dolan—It needs to discharge its regulatory function, yes.

Senator O'BRIEN—Did the ARG provide the minister with a detailed assessment of any further work required before an implementation safety case can be provided for endorsement by CASA?

Mr Dolan—The ARG reported to the minister against the terms of reference that the minister had commissioned from them.

Senator O'BRIEN—So they did provide such a detailed assessment?

Mr Dolan—Yes.

Senator O'BRIEN—Did they provide a schedule of implementation including training, education and tax system change requirements?

Mr Dolan—The report proposed to the minister a process of implementation that was the way of moving forward on those issues, including, as the minister has accepted and announced in his press release, the setting up of an implementation group.

Senator O'BRIEN—What is the time frame specified to achieve the full implementation?

Mr Dolan—That is a matter on which the Aviation Reform Group, in its role of overseeing the implementation, will come to a conclusion and advise the minister.

Senator O'BRIEN—So that has not yet been conveyed to the Deputy Prime Minister?

Mr Dolan—No, that is a matter that the implementation group and the ARG will consider and work through as part of their continuing responsibilities.

Senator O'BRIEN—I thought that was supposed to be provided by 25 March.

Mr Dolan—As I think I indicated, a process was put forward to the minister in terms of how to move forward with that.

Senator O'BRIEN—Will a copy of the ARG report be made public?

Mr Dolan—I cannot comment on that. It was a report to the minister, requested by the minister, and I would have to refer that to him.

Senator O'BRIEN—You may have told me, but just to clarify: when did the minister receive the report from the ARG?

Mr Dolan—On 25 March.

Senator O'BRIEN—Was that before you were appointed, Mr Matthews?

Mr Matthews—That is correct. I was appointed on 13 May.

Senator O'BRIEN—The date of the announcement of the decision.

Mr Matthews—That is right.

Senator O'BRIEN—What will your role be now?

Mr Matthews—I will chair the group in the period of its oversight of the implementation process that Mr Dolan has been talking about.

Senator O'BRIEN—In the media release, the minister says that the model was developed by Dick Smith and Qantas. Can you tell me the extent of Qantas's involvement?

Mr Dolan—My understanding—and I was not closely involved at that point—was that an individual employed by Qantas assisted Mr Smith, but that Qantas as an organisation did not have an involvement in the development of NAS.

Mr Matthews—We are not talking about a model which was developed by Mr Smith or by Mr Smith plus Qantas or any other formulation; what we are talking about, rather, is the North American model with a very small number of adaptations for Australia. It is a well-established model which has been in operation in the busiest airspace in the world and which is the basis for an internationally approved—ICAO approved—airspace model. I make this intervention to make the point that what we are dealing with here is a very well-founded, well-established and internationally well-understood airspace model, not something that has been developed, as it were, by a small team of two people.

Senator O'BRIEN—With some changes, I take it.

Mr Matthews—With, deliberately, the very minimum of changes to adapt for conditions peculiar to Australia.

Senator O'BRIEN—Can you tell me what the differences are between the NAS program and the US model?

Mr Dolan—As I think we indicated, rather than make a possibly inadequate attempt to describe the key details, we prefer to take that on notice. Perhaps, as well as explaining the key differences between NAS and the existing arrangements, we could expand it to take account of your further question.

Senator O'BRIEN—So you will take that on notice with the other one?

Mr Dolan—Yes.

CHAIR—It is 11 o'clock. Do you want to finish this now?

Senator O'BRIEN—No, we will come back in the morning.

Mr Matthews—Could we just table a paper which was called for earlier?

CHAIR—Certainly.

Mr Chandler—In response to a question from Senator O'Brien last night in which he sought information in relation to the costs of the certified agreement with the department, I would like to table a one-page summary of the costs, which assumes a positive vote for the certified agreement. That process is still to be concluded, the estimates for 2001-02 being based on an assumption for certification on 1 June this year.

Committee adjourned at 11.00 p.m.