

Chapter 3

Infrastructure and Transport portfolio

Department of Infrastructure and Transport

3.1 This chapter contains the key issues discussed during the 2010-11 additional estimates hearings for the Infrastructure and Transport portfolio. A complete list of all the topics discussed, and relevant page numbers, can be found at appendix 4.

3.2 The committee heard evidence from the department on Tuesday 22 February 2011. The hearing was conducted in the following order:

- Corporate Services
- Major Cities Unit
- Infrastructure Australia
- Nation Building—Infrastructure Investment
- Surface Transport Policy
- Australian Maritime Safety Authority
- Policy and Research (incorporating the Bureau of Infrastructure, Transport and Regional Economics)
- Office of Transport Security
- Aviation and Airports
- Civil Aviation Safety Authority
- Airservices Australia
- Australian Transport Safety Bureau

Corporate Services

3.3 The committee confirmed the appointment of the Commonwealth Coordinator-General, Ms Lyn O'Connell, and sought details about the work and responsibilities of the role. Ms O'Connell explained that:

My role is one of coordinating and dealing with both the state and federal government agencies responsible for delivery of the programs, reporting on the delivery of the programs et cetera, and resolving any issues.¹

3.4 The committee discussed the progress of projects under the Economic Stimulus Plan and expressed concerns about the prospects of completion by the

1 *Proof Estimates Hansard*, 22 February 2011, p. 4.

delivery date on 30 June 2011. Officers advised that there is an ongoing and active monitoring of the program, with currently 97 per cent of major projects commenced and over 73 per cent completed.²

3.5 The department also provided an update on the progress of implementing the 2010 election commitment projects, including the Epping to Parramatta rail link and the Port of Townsville project.³

Major Cities Unit

3.6 The committee sought clarification of the staffing, role and work plan of the Major Cities Unit following its integration into the department. Officers informed the committee that:

Our work falls into a number of streams, the most significant of which is the development of a national urban policy that we are currently out for consultation on. We also have the minister's agreement to continue to produce the *State of Australian cities* report, the first report of which was released in March last year. We also provide advice, through the department and also through Infrastructure Australia, on infrastructure proposals and their merits in terms of cities.⁴

3.7 The committee expressed interest in the *State of Australian cities* report and whether governments have introduced programs or policies stemming from the report. The department indicated that it was not aware of any such programs or policies, but explained the intended purpose of the report:

The *State of Australian cities* report, I believe for the first time, draws together a broad range of statistics and analysis in regards to the Australian city state as an information document. As Ms Ekelund has indicated, it was a base document that we have used to draft the national urban policy document that was released in December of last year as part of an ongoing conversation with the community in terms of the government establishing a national urban policy.⁵

3.8 The committee went on to discuss the National Urban Policy and heard from the department that completion of the policy framework is a priority for the Major Cities Unit in the coming months. Officers advised that the policy will be issued by the government in 2011.⁶

2 *Proof Estimates Hansard*, 22 February 2011, pp 4–6.

3 *Proof Estimates Hansard*, 22 February 2011, pp 10–15.

4 *Proof Estimates Hansard*, 22 February 2011, p. 22.

5 *Proof Estimates Hansard*, 22 February 2011, p. 26.

6 *Proof Estimates Hansard*, 22 February 2011, pp 28 and 30–31.

Infrastructure Australia and Nation Building—Infrastructure Investment

3.9 The committee took evidence about the National Land Freight Strategy discussion paper released on 22 February 2011 and the consideration of climate change issues in the department's work. The department stated that:

...in our current work we are looking at some 80 to 100 major infrastructure projects, and part of the assessment of those projects is to deal with the potential impact of climate change in each of them. We have considered, as part of the National Ports Strategy that the Commonwealth has taken forward, the impacts of climate change. The National Land Freight Strategy discussion paper released today by Minister Albanese is designed to consider some of the impacts of climate change in terms of road versus rail and the pricing arrangements that might go to those things, and it is also present in our work on both urban and regional water strategies, both of which are out in the public domain.⁷

3.10 There was some discussion about the work of Infrastructure Australia following recent natural disasters. The department was questioned about deferrals to Queensland infrastructure projects to fund flood recovery, as well as assistance provided to Queensland and Victoria in restoration projects.⁸

3.11 The committee enquired about the high-speed rail study announced in October 2010 and heard that a formal reference group has been established.⁹

3.12 In addition, the department provided the committee with updates on various infrastructure projects in New South Wales, Queensland, Tasmania and Western Australia.¹⁰

3.13 The committee sought information about the Commonwealth government commitment to build new truck stops over 2010-11 and 2011-12. Officers explained the process for identifying priority truck stop areas:

...submissions are received from state and territory governments identifying priorities for funding, and are also received from interest groups, such as the Australian Livestock Transporters Association, Australian Logistics Council, Australian Trucking Association, Linfox, NatRoad Ltd, National Transport Commission, Queensland Transport Association and Toll Group. So the minister receives submissions, and approval of funding is based on the submissions and adequate project documentation and state's agreement to the terms of the funding and reporting requirements.¹¹

7 *Proof Estimates Hansard*, 22 February 2011, p. 36.

8 *Proof Estimates Hansard*, 22 February 2011, pp 33–34.

9 *Proof Estimates Hansard*, 22 February 2011, pp 50–51.

10 *Proof Estimates Hansard*, 22 February 2011, pp 35–36, 41–42, 45 and 49–51.

11 *Proof Estimates Hansard*, 22 February 2011, p. 52.

3.14 Further questions were asked relating to the black spot funding program and applications from regional authorities. The department explained the process for assessing applications:

In regard to the criteria that relate to it, it has to have a history of at least three casualty crashes over a five-year period at that particular point for it to be eligible for the black spot program. It needs to be able to demonstrate a benefit-to-cost ratio of at least two to one. There are some sites which are eligible for consideration as a result of a road safety audit. Road safety audits do not require a crash history or a casualty crash history, but only 30 per cent of the program can be allocated on the basis of a road safety audit, as opposed to one which has a crash history.

When those are nominated, there is a desktop review, if you like, conducted by the particular road safety authority—so, in the case of New South Wales, it is the RTA—and all of those submissions are brought to the state or territory consultative panel...They then go through a process of looking at the allocation of funding for that year. They will then produce a list of black spot projects—or potential black spot projects, really—which is then put to the minister for approval.¹²

Surface Transport Policy

3.15 The committee requested an update on the national heavy vehicle reforms and was advised that progress is underway with a view to enact a single national heavy vehicle regulator in January 2013.¹³ The department indicated that it is working to achieve agreement and uniformity across the Australian jurisdictions, with currently about five remaining areas of divergence in the various regulatory models.¹⁴

3.16 The committee expressed significant concern that the Regulation Impact Statement (RIS) to examine the case for adopting an international standard on pedestrian safety may include the banning of bull bars on Australian vehicles.¹⁵ Officers emphasised through extensive discussions that such a ban was not envisaged:

The proposal in the RIS is emphatically not to ban bull bars. What the proposal actually does is propose standards to improve the pedestrian safety of vehicles by increasing the energy absorbency of the front of the vehicles.¹⁶

3.17 It was further clarified that under the RIS proposal, standards are to be phased in from 2013 to 2019 and will only apply to new vehicles. Moreover, the department noted that the proposal as a whole is currently still open for public comment.

12 *Proof Estimates Hansard*, 22 February 2011, p. 54.

13 *Proof Estimates Hansard*, 22 February 2011, p. 53.

14 *Proof Estimates Hansard*, 22 February 2011, p. 55.

15 *Proof Estimates Hansard*, 22 February 2011, pp 56–61 and 70–80.

16 *Proof Estimates Hansard*, 22 February 2011, p. 57.

3.18 The committee also engaged in discussion about the draft National Road Safety Strategy and the target reduction rate for road fatalities over the next decade.¹⁷

Australian Maritime Safety Authority (AMSA)

3.19 The committee discussed recent incidents involving maritime transport vessels and sought clarification on the jurisdiction of AMSA over port activities. Officers explained that:

...the jurisdiction under the Navigation Act that we work is currently a voyage based jurisdiction. So, for example, we have jurisdiction over a foreign flagged vessel coming into that port from an international voyage. Should there be, for example, an incident in that port between a foreign flagged vessel and a vessel such as the tug under state jurisdiction, again we would have jurisdiction over the seaworthiness of the foreign flagged vessel, but it is generally the state authorities who have actual waterways management control within that port.¹⁸

3.20 The committee also sought specific information about the *Shen Neng I* incident in the Great Barrier Reef and the *Pacific Adventurer* oil spill in Moreton Bay.¹⁹

Policy and Research (incorporating the Bureau of Infrastructure, Transport and Regional Economics)

3.21 The committee enquired about research into regional issues following the establishment of the Department of Regional Australia, Regional Development and Local Government. Officers advised that regional research staff are still employed in the department to provide research to the new department.²⁰ The department also indicated that it is involved in discussions with the Australian Bureau of Statistics to standardise a definition of 'regional Australia'.²¹

3.22 The department provided the committee with road death statistics for recent years and explained the analysis of a decrease in fatality rate:

So from the data itself I guess we look at the breakdown of what is happening and there has been a decline over time, very positively, in the number of people in the 17 to 25 year age group. The number of fatalities in that group has declined over the last five years. In fact, across the whole range of different categories there has been a decline. The only real exception is people riding motorcycles and that is in part due to the fact that

17 *Proof Estimates Hansard*, 22 February 2011, pp 62–63.

18 *Proof Estimates Hansard*, 22 February 2011, p. 65.

19 *Proof Estimates Hansard*, 22 February 2011, pp 64–68.

20 *Proof Estimates Hansard*, 22 February 2011, p. 80.

21 *Proof Estimates Hansard*, 22 February 2011, pp 80–81.

more people are riding motorcycles. We have also just published an analysis of the major things over the last 40-odd years that have had an impact on road fatalities. We have got quite a good analysis that shows cause and effect. The three biggest things that have made a difference over the last 40 years are the introduction of seatbelts, random breath testing and speed cameras.²²

3.23 The department advised that further research is being undertaken to improve measures as part of the National Road Safety Strategy.²³

Office of Transport Security

3.24 Regarding the introduction of body scanner technology at airports, the committee noted concerns from the community on privacy issues and potential health impacts of exposure to the X-ray technology. Officers explained that, at this stage, the department is engaging with the Australian Radiation Protection and Nuclear Safety Agency (ARPANSA) to analyse the types of body scanner technology available with consideration of potential health effects. If the X-ray technology is considered further, the Radiation Health Committee will be required to make recommendations for its approval or otherwise.²⁴

3.25 The department is also working with the manufacturers to develop the technology so that images of passengers are reduced to simplified graphic representations with an automatic threat detection capability to highlight areas on the body of potential safety concern.²⁵

Aviation and Airports

3.26 The committee questioned officers regarding the Australian Competition and Consumer Commission (ACCC) Airport monitoring report 2009-10. Specific issues discussed included monopoly pricing at Sydney airport and the allocation of landing slots for regional airlines under the Sydney Slot Management Scheme. Officers advised that the ACCC report will be considered as part of the Productivity Commission inquiry on the economic regulation of airport services which is currently in the process of inviting submissions.²⁶

3.27 The committee also enquired about the regional airline subsidy scheme for en route navigation charges. Officers confirmed that the scheme will be phased out after 30 June 2012 but will continue for air ambulance operators.²⁷

22 *Proof Estimates Hansard*, 22 February 2011, pp 82–83.

23 *Proof Estimates Hansard*, 22 February 2011, p. 83.

24 *Proof Estimates Hansard*, 22 February 2011, pp 83–84.

25 *Proof Estimates Hansard*, 22 February 2011, p. 84.

26 *Proof Estimates Hansard*, 22 February 2011, pp 90–92.

27 *Proof Estimates Hansard*, 22 February 2011, p. 92.

Civil Aviation Safety Authority (CASA)

3.28 The committee's questioning of CASA, Airservices Australia and ATSB included a number of matters currently before the Rural Affairs and Transport References committee in its inquiry into Pilot Training and Aircraft Safety. The committee agreed to pursue these matters in greater detail at its public hearing in Canberra on 25 February 2011. Other issues considered by the committee are outlined below.

3.29 The committee followed up an issue from the previous supplementary estimates hearing regarding a potential conflict of interest in the approval of safety devices where approval authority has been delegated to a self-administering organisation. CASA assured the committee that in this particular case of delegated authority to the Australian Parachute Federation, the approval decision is made by a technical advisory group rather than an individual officer.²⁸

3.30 CASA was questioned about the performance based navigation system trial at Brisbane airport, including aircraft operations during the Queensland floods. Officers explained that measures were put in place in some Queensland airports to enable emergency service operations, although no special provision was required for Brisbane as it is already within controlled airspace.²⁹ The committee also engaged in discussion about the transition towards new aircraft equipment such as the ADS-B surveillance technology.³⁰

3.31 The committee revisited the evidence of Mr John McCormack, Director of Aviation Safety, at the previous budget and supplementary estimates hearings with respect to circumstances surrounding the resignation of the former Industry Complaints Commissioner, Mr Michael Hart.³¹ Mr McCormack apologised and corrected his earlier comments to the committee to reflect that, after the hearings, he did recall receiving a letter of resignation from Mr Hart as well as a subsequent conversation with Mr Hart about it.³²

3.32 Mr McCormack has since written to the committee to apologise for the delay in formally correcting his earlier comments upon realising that his advice was incorrect. He also sought to clarify aspects of his statements at the additional estimates hearing, and emphasised that he had no intention at any of the hearings to misrepresent the information provided to the committee.³³

28 *Proof Estimates Hansard*, 22 February 2011, pp 96–97.

29 *Proof Estimates Hansard*, 22 February 2011, p. 97.

30 *Proof Estimates Hansard*, 22 February 2011, p. 98.

31 *Proof Estimates Hansard*, 22 February 2011, pp 102–106.

32 *Proof Estimates Hansard*, 22 February 2011, p. 103.

33 Correspondence from Mr John McCormack, Director of Aviation Safety, CASA, to the Chair of the Senate Rural Affairs and Transport Legislation Committee, 8 March 2011.

Airservices Australia

3.33 The committee received an update on the staffing situation for tower staff at Launceston Airport, following an incident a couple of years ago where aircraft landed at the airport after tower hours. Officers reassured the committee that the issue has been settled and that services are operating effectively.³⁴

3.34 The committee was provided with information on the Airservices Australia recruitment and training program through the centralised learning academy in Melbourne.³⁵

Australian Transport Safety Bureau (ATSB)

3.35 The committee made reference to the 164 stick-shaker incidents reported since 2005, and questioned the ATSB about what processes it has in place to review and reduce the incidence rate. Officers explained that the ATSB reviews the circumstances of stick-shaker incidents and investigates where there are cases of genuine and significant safety concern:

We are focusing on those where it does generally seem to indicate a potential safety issue. The majority of them are not in that category. As for the trend itself, we are thinking, given that most of them are signalled by automatic reaction to turbulence and so on, that we are not yet seeing a systemic problem.³⁶

3.36 Other air safety issues were also explored with the ATSB, including safety education measures and the investigation of potential safety risks.³⁷

Senator Glenn Sterle Chair

34 *Proof Estimates Hansard*, 22 February 2011, p. 108.

35 *Proof Estimates Hansard*, 22 February 2011, p. 108.

36 *Proof Estimates Hansard*, 22 February 2011, p. 109.

37 *Proof Estimates Hansard*, 22 February 2011, pp 109–110.