

Senate Budget Estimates Hearing

Opening Statement

25 May 2011

Chair

I would like to make some opening comments in relation to key portfolio developments since we last appeared before the Committee.

Budget Decisions and Implications

The Budget included a number of significant measures for the portfolio.

The Government has released its National Urban Policy which sets out its objectives and priorities for improved planning and investment in our 18 major cities.

The final framework sets out ways to:

- better connect infrastructure with jobs and where people live;
- develop high quality public transport and infrastructure systems;
- reduce the carbon footprint of our cities and adapt them to the consequences of climate change; and
- improve urban planning and design.

Of importance is the establishment of two new programs as part of the Sustainable Australia initiative: \$20 million has been provided across two years to help improve the capacity of regional cities to undertake strategic planning for urban renewal in line with the COAG agreed criteria; and \$61.4 million has been provided across three years under the Managed Motorways program to fund smart infrastructure technology to reduce traffic congestion and improve traffic demand management.

Additional initiatives of note are the provision of \$750 million of new money for the duplication of the Pacific Highway to bring the total additional commitment of the Australian Government to some \$1 billion for this project.

In addition, \$133 million has been brought forward to fund the work on the Moreton Bay Rail Link.

Savings measures in the Nation Building Program to fund natural disaster recovery and rebuilding efforts, totalling some \$1 billion across the forward estimates have been brought to account in this Budget, though previously announced earlier this year. Due to forecast savings in the delivery of projects relating to the Ipswich Motorway Upgrade and the Bruce Highway, five Bruce Highway projects totalling \$285.4 million that were to have been deferred have been reinstated. A further \$150 million has been deferred to 2015-16 for the F3 to Sydney Orbital feasibility study.

The budget confirmed the Government's commitments to the Regional Infrastructure Fund. Funding for two RIF projects has also been brought forward to 2010-11: \$9.5 million for the Mackay Ring Road and \$1.8 million for the Scone Level Crossing.

The commitment to aviation programs has continued with the extension of funding for the Regional Aviation Access Program for a further two years at a cost of \$28 million. In addition, increased funding has been provided for the new round of contracts for Airport Building Controllers, which will be cost recovered through an increase in the building application fees paid by developers at airports.

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By: *Mr Mike Mudrak*

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Progress towards establishing national transport regulators will continue with additional funding provided to the Australian Maritime Safety Authority, Australian Transport Safety Bureau and the state based project management offices.

Infrastructure Australia has been moved to a more sustainable footing, with a 40 per cent increase in its funding from \$6.5 million to \$9.5 million per year. This increased funding has been matched with greater clarity about the role and expectations of Infrastructure Australia with the release of the Statement of Expectations.

Significant developments - ASIC and MSIC ANAO Audit

The Australian National Audit Office released its report on the management of the Aviation Security Identification Card and Maritime Security Identification Card schemes on 5 May 2011.

The ANAO report provides positive comments in relation to a wide range of activities undertaken by this Department and the Attorney-General's Department in relation to these schemes.

The Department has begun addressing the report's recommendations, including:

- a generic risk and vulnerability assessment;
- an environmental scan of current security card features and technologies;
- refinements to the ASIC and MSIC audit process;
- proceeding to serve infringement notices for non-compliance with ASIC and MSIC display requirements at airports and seaports; and
- implementing enhancements of visitor management at airports.

The Department is also working closely with the Attorney-General's Department to address discrepancies between the AusCheck database and issuing body registers.

The Department will also examine, in consultation with industry stakeholders, union bodies and government agencies, whether the current functional model and operating structures of the ASIC and MSIC schemes can be further improved.

Nation Building – Infrastructure Investment

The Department is administering \$32.2 billion over the six year period ending 2013-14, to fund nationally significant projects on rail, road and port infrastructure.

About \$4 billion of land transport infrastructure funding will be administered by the Department in 2011-12. Major projects due to commence in 2011-12 include:

- improving the freight rail network through Sydney's northern suburbs to Newcastle;
- improving rail access to the Altona Intermodal facility;
- realigning and widening the Bruce Highway through Cairns' southern suburbs; and
- widening the Great Eastern Highway from four to six lanes between Kooyong Road and the Tonkin Highway.

Surface Transport Policy

The Council of Australian Governments has agreed that national regulators for maritime safety, heavy vehicles and rail safety will be fully operational by 2013. The Australian Transport Council met last week and considered national agreements for these three reforms. ATC agreed to support forwarding to COAG for signature, the Intergovernmental Agreements to establish the national maritime regulator, the national rail safety regulator and investigation system and the national heavy regulator. These national regulatory systems will come into effect from 1 January 2013.

The Australian transport ministers recently launched the National Road Safety Strategy following careful consideration of the large number of submissions received during the consultation process. This is an important national initiative for road safety in Australia and it also demonstrates Australia's support for the United Nations Decade of Action on Road Safety.

The Department is also continuing to work on consultations and policy development for coastal shipping reforms. The reference groups established by the Minister are continuing to work through the regulatory, taxation and training issues.

The re-write of the *Navigation Act 1912* is also continuing alongside the work on coastal shipping reforms. We are working towards release of exposure draft legislation later in 2011.

Major Cities Unit

As well as progressing implementation of the National Urban Policy, the Department continues to work with the COAG Review Council on its consideration of the Capital City Planning Systems, and will this year prepare the 2011 State of Australian Cities report.

Office of Transport Security

The Department continues to implement the Strengthening Aviation Security Initiative package, which provides funding of \$132.9 million over four years, to introduce a range of measures consistent with the National Aviation Policy White Paper and in response to emerging security threats.

Policy development work to underpin the implementation of an air cargo regulated shipper scheme, together with an enhanced cargo screening capability for industry is underway.

The Governor-General recently approved changes to the aviation transport security regulations, to implement enhancements to the Aviation Security Identification Card, and strengthen visitor management arrangements. This will provide increased security outcomes at our security regulated airports. These regulations will come into effect on 21 November 2011.

The Department continues to work with industry to refine security measures for cruise ships, and passenger and vehicle ferries. Work with the offshore oil and gas sector continues to focus on enhancements to security coordination and communication between government and industry stakeholders.

Closing

In closing, I trust that these comments will assist the committee, in terms of providing context for the range and diversity of activities undertaken by the Department.

We look forward to addressing the questions from the committee.

With your permission, Chair, I will table this opening statement for the Hansard record.

Thank you.