

INFRASTRUCTURE OPENING STATEMENT (24 FEBRUARY 2009)

FEBRUARY 2009 SENATE ADDITIONAL ESTIMATES HEARINGS

Thank you, Chair; With the agreement of the chairman and senators, I would like to make some opening remarks in respect of the Department of Infrastructure, Transport, Regional Development and Local Government (the Department) that will provide, I hope, some context for today's hearing.

Since the last hearings, Ms Lyn O'Connell joined us from the Department of Immigration and Citizenship, and Ms Stephanie Foster joined us from the Department of Defence filling the two vacant Deputy Secretary positions.

In responding to the Government's priorities in respect of Nation Building, Infrastructure, Northern Australia, Local Government and Regional Development, I have recently made a number of adjustments to the structure of our organisation to ensure that we are well placed to deliver the agenda whilst maintaining our focus on core business.

A summary of the key elements of these changes are:

- Bringing together our Nation Building focus, and the interconnections between infrastructure investment and surface transport policy, and the work of the National Transport Strategy, under the leadership of Ms Lyn O'Connell.
- Bringing all the aviation related responsibilities, including transport security considerations, under the leadership Mr Andrew Tongue, and
- Clearly identifying and separating out our Office of Northern Australia responsibilities, and our Local Government and Regional Development programs, under the leadership of Ms Stephanie Foster.

With the permission of the Chair I would like to table a copy of our new organisation structure chart that should assist the Committee.

On Thursday 5 February 2009 the Infrastructure 2008-09 Portfolio Supplementary Additional Estimates Statements were tabled in Parliament. The statements include four new measures relating to the Government's Nation Building and Jobs Plan. Over the two years 2008-09 and 2009-10, the measures provide \$500.0 million for local community infrastructure, \$150.0 million for maintenance on Australia's national highways, \$150.0 million for the installation of new boom gates at high risk rail crossings and \$90.0 million for the Road Safety Black Spot program.

Turning to the work of individual divisions,

Nation Building – Infrastructure Investment

The Department has been actively working to implement the Government's infrastructure investment agenda. \$3.8 billion has been provided for land transport infrastructure in 2008-09.

This includes \$2.5 billion for national projects up from \$1.8 billion in 2007-08.

On 12 December the Government announced a \$1.2 billion funding injection to the Australian Rail Track Corporation (ARTC) for 17 rail projects, the bring forward of \$711 million of funding to accelerate 14 road projects and an additional \$60 million for the Black Spots Program as part of its \$4.7 billion Nation Building package. The Department is currently working with states, territories and the ARTC to implement these announcements.

On 3 February 2009, the Government announced three new measures as part of its second Nation Building Package. This included \$50 million in 2008-09 for boom gates and other active controls at level crossings; an additional \$30 million Black Spot funding in 2008-09 and \$150 million additional funds for national network maintenance.

The government also announced during the 2008 Budget that it would make an early start on 45 of its election commitment projects. Seven of these

projects have now been given additional funding in the Nation Building package to further accelerate them.

Funding for Black Spots Projects is now \$145 million this year up from \$37 million in 2007-08. Funding for the Roads to Recovery program has also increased from \$262 million in 2007-08 to \$356 million this year.

Memorandums of Understanding (MOUs) covering land transport infrastructure projects for the period 2008-09 to 2013-14 were sent to state and territory Ministers in early February. The Department is currently working with the states and Northern Territory to finalise the MOUs.

The Department has also been actively implementing the \$70 million *Heavy Vehicle Safety and Productivity Program*. The Minister wrote to state counterparts in January regarding projects valued at \$30 million for the 2008-09 and 2009-10 funding round. It is expected that \$10 million will be spent this financial year.

Infrastructure and Surface Transport Policy

A key priority for the coming year will be the work being undertaken to develop a single national approach to maritime safety regulation in Australia, under the banner of the national transport policy. This work was endorsed by the Australian Transport Council (ATC) in July, and work is proceeding on the Regulation Impact Statement to be presented to the Council of Australian Governments later this year.

In addition the Department is working with other Government agencies and industry stakeholders on issues arising from the House of Representatives Standing Committee report into Coastal Shipping, with a view to assisting the Government in framing its response during 2009.

Departmental representatives will continue to play key roles in the development of international regulation of the vehicle industry as well as the maritime sector. This work will continue to focus on improvements in vehicle safety and the establishment of international regulatory measures to deal with maritime emissions.

In line with the legislation establishing the National Transport Commission (NTC), ATC has endorsed a process of review of the NTC. The Department will provide secretariat services to the 3 person panel established to undertake the review.

National Transport Strategy

Since the last Senate Estimates, work has continued on developing Regulatory Impact Statements (RISs) on national systems for each of rail safety regulation, maritime safety regulation and heavy vehicle regulation (including registration and licensing). The Department is currently undertaking an extensive process of industry and public consultation, especially with regards to heavy vehicle regulation. ATC will report to COAG in 2009 on the outcomes of these RISs, the financial implications for the Commonwealth, States and Territories and proposed ways forward.

At the meeting of 7 November 2008, ATC Ministers settled the terms of a draft intergovernmental agreement to underpin the operations of a National Road Safety Council. The draft agreement is to be presented to the Council of Australian Governments (COAG) in the first half of 2009. The Department, subject to COAG endorsement, will work with the Minister to establish the council and provide ongoing administrative and secretariat support.

Aviation and Airports

The Department continues to assist the Government in developing Australia's first ever comprehensive national aviation policy statement or White Paper to help guide the industry's growth over the next decade and beyond. On 2 December 2008, the Aviation Green Paper was launched by the Minister. The Green Paper outlines proposed policy initiatives for the future of Australia's aviation industry. Interested parties have been invited to provide submissions and comments on the proposed policy initiatives it contains by 27 February 2009. Following this second round of consultation, the Government will finalise the White Paper in late 2009.

Office of Transport Security

A comprehensive range of aviation security issues for consideration by government through the aviation white paper process were included in the Aviation Green Paper published in December of 2008. Issues addressed included costs of security, enhancement of security for the air cargo chain, passenger screening and industry aviation security training needs.

Our engagement with multilateral institutions and influential international partners has continued as we seek to shape preventive security agendas at both the regional level and the global level. Last port of call airport security assessments have commenced to assess the potential threats to Australian interests at key locations within our region. In the maritime sector, we will continue trialling whole of port risk assessments and the current arrangements for the Maritime Security Identification Card are being reviewed.

Through the Office of Transport Security, the department will deliver a range of transport security projects and programs that improve incident response capacity, security capability and deterrence. The department will consult with stakeholders about minimising traveller disruption while ensuring effective security arrangements are in place.

Development of an enhanced communications strategy to improve the travelling public's understanding of and willingness to comply with regulated security measures has commenced and a web-based information system for travellers will be in place by June of this year.

Australian Transport Safety Bureau

The Australian Transport Safety Bureau will continue to focus a significant proportion of its resources on investigations that are likely to deliver the greatest safety benefits and to ensure that any critical safety issues are identified so as to encourage relevant safety action to be taken promptly. The ATSB is progressing two very complex accident investigations involving Qantas aircraft – one involving an exploding oxygen cylinder and the other involving a malfunctioning Air Data Inertial Reference Unit, commonly referred to as an 'ADIRU'. A multi-disciplinary team of ATSB and international experts have been assigned to each investigation. Interim Factual Reports for both investigations are currently being finalised and are scheduled to be released later this month.

At the request of the Queensland Government, the ATSB is also chairing separate independent investigations into two recent fatal level crossing collisions between trucks and scheduled passenger train services. As part of the Indonesian Transport Safety Assistance Package, the ATSB continues to contribute to investigation capacity building including the recent deployment to Indonesia of a senior ATSB marine safety investigator to provide advice and assistance to the Indonesian National Transportation Safety Committee in relation to the capsizing of an inter-island ferry during bad weather which resulted in a large number of fatalities. Following the release of the Aviation Green Paper on 2 December 2008, the ATSB is working with the Corporate and Aviation and Airports divisions of the Department on a transition to become a separate statutory agency with a Commission structure from 1 July 2009.

Local Government and Regional Development

The inaugural meeting of the Australian Council of Local Government (ACLG) was held in Parliament House on 18 November 2008. At this meeting, to which all of Australia's mayors and shire presidents were invited, the Prime Minister announced a funding initiative of \$300 million for the Regional and Local Community Infrastructure Program (RLCIP).

The RLCIP includes a \$50 million competitive strategic projects component for which applications are presently being assessed. The other \$250 million has been allocated among all local governments according to criteria announced at the time of the ACLG meeting. Implementation of the \$250 million Regional and Local Community Infrastructure Program is currently underway.

On 13 February 2009, the Government announced an additional \$500 million to the Regional and Local Community Infrastructure Program – Strategic Projects (RLCIP-SP) program. Councils will have until 6 March 2009 to submit a new or revised application under the RLCIP-SP program.

A centre of excellence for local government at a major Australian University or Universities was also announced by the Prime Minister at the ACLG

meeting. Arrangements for the implementation of this initiative are presently underway.

The Division continued to provide advice to the Government on establishment of the Regional Development Australia (RDA) network which replaced the Area Consultative Committee (ACC) arrangements on 1 January 2009. This included negotiations with all states and territories about closer relationships between the RDA and their own regional development networks.

Office of Northern Australia

On 12 December 2008, as part of the Nation Building initiative, the Prime Minister announced that the Australian Government would contribute up to \$195 million towards an East Kimberley Development Package. The contribution will be matched by the Western Australian Government. The Commonwealth's contribution is conditional on a joint assessment by the Commonwealth and WA Government of the most effective infrastructure investments to meet the social and economic development needs of the region. The Office of Northern Australia (ONA) has been supporting the Hon Gary Gray MP, Parliamentary Secretary for Regional Development and Northern Australia, who is leading the Australian Government's participation in that joint assessment.

Bureau of Infrastructure, Transport and Regional Economics

The Bureau of Infrastructure, Transport and Regional Economics is working to underpin the department's delivery against the Government's key priorities for the portfolio. In particular, the bureau's research program is aimed at informing policy directions for infrastructure cities, transport reform, local government and regional development. The bureau also leads Australia's engagement with the International Transport Forum, a policy forum of the transport ministers of 51 countries. Australia is co-chairing development of the 2009 forum, with the theme of 'Transport for a global economy: new challenges and opportunities'. In addition a climate change task force will continue to lead portfolio engagement with the government's climate change policy agenda.

Conclusion

I hope that these comments will assist the committee in terms of providing a context for the range and diversity of activities undertaken by the department. We look forward to addressing questions from the Senate committee. Thank you, Chair.

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