

Rural and Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Additional Budget Estimates February 2010
Infrastructure, Transport, Regional Development and Local Government

Question No.: AAA 01

Division/Agency: Aviation & Airports

Topic: Sydney Aviation Capacity Steering Committee

Hansard Page/s: 12 (09/02/10)

Senator Macdonald asked:

Senator IAN MACDONALD—That is very good. Perhaps, on notice, you could give me the full list of that and the cost of the review to date—people being paid. I understand that public servant people on it will not be being paid, but what are the costs of that?

Answer:

The members of the Steering Committee are:

Mr Mike Mrdak

Mr Sam Haddad

Mr Les Wielinga

The Hon Warwick Smith AM

Ms Jennifer Westacott

Dr Warren Mundy

Mr Chris Brown

As at 9 February 2010, the cost to date of the non-Government members of the Steering Committee is \$6,600 including GST.

Rural and Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Additional Budget Estimates February 2010
Infrastructure, Transport, Regional Development and Local Government

Question No.: AAA 02

Division/Agency: Aviation and Airports

Topic: Brisbane Airport Curfew

Hansard Page/s: 132 (09/02/10)

Senator Macdonald asked:

Senator IAN MACDONALD—Have there been complaints about the noise, apart from the member for Griffith? Is it something that you get a lot of complaints about?

Mr Doherty—My understanding is that noise has been an issue in Brisbane over a long period of time.

Senator IAN MACDONALD—Not according to the Premier of Queensland, Anna Bligh, who has condemned the suggestion that there should be any curfew. Does the minister, Senator Conroy, have any view on whether he agrees with Premier Anna Bligh or agrees with the member for Griffith on these things?

Senator Conroy—I will happily take that on notice and see if the minister has anything he would like to contribute on that.

Answer:

Chapter 14 of the Australian Government's Aviation White Paper sets out the Government's commitment to a review in 2012 of whether or not there is a need for a curfew at Brisbane Airport.

Rural and Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Additional Budget Estimates February 2010
Infrastructure, Transport, Regional Development and Local Government

Question No.: AAA 03

Division/Agency: Aviation and Airports

Topic: Funding For Regional Aviation Infrastructure

Hansard Page/s: Written Question

Senator Nash asked:

Funding for regional aviation infrastructure

Further to point above, the White Paper does not contain any assistance for the smaller regional airports to enable them to sustain such infrastructure into the future. Such schemes as the RASS are perpetuated and work well to assist the very remote parts of Australia but many airports that serve small isolated communities are now deteriorating and local Councils often struggle to find the funding to maintain them.

Does the Government intend to provide any necessary funding for these smaller regional airports that are essential regional infrastructure that should be viewed as important as roads, highways, bridges or rail lines?

Answer:

As outlined in the Aviation White Paper, the Government provides targeted support for remote airports through the Remote Aerodrome Safety Program and the Remote Aviation Infrastructure Fund. It also provides financial support to local governments through untied Financial Assistance Grants and through the Regional and Local Community Infrastructure Program.

Rural and Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Additional Budget Estimates February 2010
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Question No.: AAA 04

Division/Agency: Aviation and Airports

Topic: Funding for SACF Aviation Community Advocate Position

Hansard Page/s: Written Question

Senator Nash asked:

In January 2010 the DITRDLG wrote to the Chair of the Sydney Airports Community Forum (SACF) in response to questions that were raised about funding of the now terminated Aviation Community Advocate (ACA) position. The advice from the Department concluded that the residual monies from the Airport Noise Levy could not be used to fund the ACA position. The Department has indicated that it sought legal advice on this matter.

1. Will the Department provide a copy of that legal advice to the Committee?
2. Why is funding of the ACA position from the Sydney Airport Noise Amelioration Program not possible when monitoring and community consultation were specific components of the then Transport Minister Laurie Brereton's media release dated 1 November 1994?
3. Has the Department considered any variations to the role of the ACA in order for it to be funded out of monies collected under the Noise Levy Act?
4. If not, why not?

Answer:

1. No.
2. The levy was collected to cover the cost of implementing the Sydney Airport Noise Amelioration Program. The ACA's role was not part of the implementation of the program.
3. & 4. No.

Rural and Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Additional Budget Estimates February 2010
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Question No.: AAA 05

Division/Agency: Aviation and Airports

Topic: Sydney Airport Noise Amelioration Program (SANAP)

Hansard Page/s: Written Question

Senator Nash asked:

The 2008-09 and 2009-10 Budgets included appropriations for Implementation of noise amelioration for Sydney Airport. This has been a continuation of the Sydney Airport Noise Amelioration Program (SANAP) begun in about 1994. Several variations were made to the duration and cost of the program. Several works were accelerated and the overall duration extended to June 2000. The areas benefiting from the program were extended to those affected by aircraft movements under the Long Term Operating Plan for Sydney (Kingsford Smith) Airport.

1. It is understood that the current budget provides an appropriation of \$575,000 towards the implementation of noise amelioration for Sydney Airport and a further \$575,000 in 2010-11. Is this correct?
2. When were the noise amelioration projects for Sydney Airport finalised?
3. What has been the purpose of the appropriations that have been made since the completion of the project works in about 2007?
4. Is it correct that appropriations are associated with warranties connected with such works (window and air-conditioning insulation)?
5. What is the Commonwealth's exposure to any liability associated with these works and do the manufacturers/installers have an obligation to manage their own warranties?
6. Despite there being appropriations made to this program for the current budget and 2010-11 budget, no expenditures have been made in the current Financial Year. Why has no expenditure been made in current financial year?
7. Why does the Government intend to return the combined budgeted amounts (\$1.15 million) to consolidated revenue? This is stated in the Department's letter of 19 January 2010.
8. For the duration of this program have these funds been held in a "Special Account" as defined under Section 20 of the Financial Management and Accountability Act 1997?
9. If not, why not?
10. Is the Department aware of any legal obligations that prevent the use of monies collected under the Aircraft Noise Levy Collection Act 1995 for other purposes as would be contemplated if returned to consolidated revenue?
11. Is the Department aware of any similar issues with the Aircraft Noise Amelioration Program at Adelaide Airport?
12. Have amelioration projects at Adelaide been completed?
13. Is there any residual funds associated with the Adelaide Airport program?

Rural and Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Additional Budget Estimates February 2010
Infrastructure, Transport, Regional Development and Local Government

Answer:

1. Yes.
2. All projects were completed by the end of 2008.
3. Warranties; program management contract; audit and relocation of files.
4. In part yes. The final batch of warranties expired in January 2010.
5. Nil as all warranties have expired.
6. Nil costs incurred.
7. All eligible properties have been insulated and the funds are not required for implementation of SANAP.
8. No.
9. Not required.
10. Use of any monies returned to consolidated revenue would be subject to an appropriation by Parliament.
11. No.
12. No, work on two eligible Churches is continuing.
13. The extent of residual funds, if any, will not be known until projects are completed and the warranties have expired.

Rural and Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Additional Budget Estimates February 2010
Infrastructure, Transport, Regional Development and Local Government

Question No.: AAA 06

Division/Agency: Aviation and Airports

Topic: Refining the payment scheme for Airservices Enroute charges / Targeting the Enroute Scheme at Uneconomic Routes

Hansard Page/s: Written Question

Senator Nash asked:

The Government proposes to use the “Australian Standard Geographical Classification – Remoteness Areas” to determine routes that will qualify for the subsidy. It is stated that “overall the funding of the scheme will remain the same”. Does this mean that each airline will still receive the same quantum of subsidy but that the subsidy will be allocated to the remote routes in its network?

It must be understood that remote routes by definition have very few services and so consume very little of the current en route subsidy and if the overall funding were to remain, this would mean that the remote routes would be allocated a subsidy that goes beyond mere recovery of the airservices enroute charges.

Further the Government in an earlier statement said that operators were given ample advanced warning so that they could adjust for the removal of the rebate in 2012. However it appears that the change will now be in July 2010 which is just a few months away. This appears to be going back on an earlier made promise.

Answer:

As discussed in the National Aviation Policy White Paper, the Government recognises the need for support for services to remote areas.

To better reflect this objective, the guidelines for the Enroute Scheme will be amended with new guidelines to come into effect from 1 July 2010. Details of the new guidelines will be communicated to relevant airlines prior to that time.

The Government remains committed to current funding levels for the Scheme through to 30 June 2012.

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Question No.: AAA 07

Division/Agency: Aviation and Airports

Topic: CASA Regulatory Fees

Hansard Page/s: Written Question

Senator Nash asked:

CASA Cost Recovery

Given that the initial Aviation Green Paper acknowledged that the regional aviation industry was struggling and the Government gave a commitment to reduce the regulatory burden on smaller operators, it is concerning that the White Paper does not address this issue. The system of Cost Recovery in CASA is a burden on the Regional Airline industry and yet the White Paper simply caps future increases at CPI for 5 years and does not address the unfairness and excesses in the current system.

Does the Government propose to review the current system of Cost Recovery in CASA with a view to making it fairer for the regional industry?

Answer:

The principles underpinning CASA funding are set out in the Aviation White Paper. These include the cap on the sum of CASA's regulatory fees, subject to adjustment for CPI increases, for at least five years.

Rural and Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Additional Budget Estimates February 2010
Infrastructure, Transport, Regional Development and Local Government

Question No.: AAA 08

Division/Agency: Aviation and Airports

Topic: Long-Term Funding Strategy for CASA

Hansard Page/s: Written Question

Senator Nash asked:

I note that the Aviation White Paper discusses the resource base of CASA. The Paper states, in Chapter Six, page 103, that:

To provide a more stable and certain fiscal outlook, the Government is reviewing this resourcing base and is developing a long-term funding strategy for CASA.

1. What is this review?
2. Who is conducting it?
3. It is just departmental?
4. When will the review be concluded?
5. What are its terms of references?

Answer:

The long-term funding strategy for CASA will be considered by Government in the current Budget context.