

**Rural & Regional Affairs and Transport Legislation Committee**  
ANSWERS TO QUESTIONS ON NOTICE  
Additional Budget Estimates February 2014  
**Infrastructure and Regional Development**

**Question no.:** 177

**Program:** 2.4 Air Transport

**Division/Agency:** (AAA) Aviation and Airports

**Topic:** Airservices Australia Waypoint Conference – Speech by Assistant Minister Briggs

**Proof Hansard Page:** 29 (24/02/2014)

**Senator Conroy asked:**

**Senator CONROY:** Apologies, Mr Mrdak, this might be slightly out of left field: are you familiar with a speech given by assistant minister Briggs in November where he said—and I am quoting him, I think: 'When you look at GFC infrastructure spending by the then Labor government, only 14 per cent was focussed on improving the economic infrastructure'? I think he said that at the Airservices Australia Waypoint Conference on 6 November. Are you familiar with this speech?

**Mr Mrdak:** I am familiar with that speech.

**Senator CONROY:** What was the department's involvement in verifying that claim?

**Mr Mrdak:** The department would have verified the figures used by the minister.

**Senator CONROY:** So you did calculate the firm sign-off or have involvement in this assertion?

**Mr Mrdak:** I think the speech was certainly prepared. If not, the figures would have been checked by the department pre-delivery. I will take that on notice.

**Senator CONROY:** You stand by them? You think they are an accurate statement?

**Mr Mrdak:** I will take it on notice. Normally with the minister's speeches, we do have the opportunity to look at figures to make sure that they are verifiable. I will take notice the process that was gone through and also the veracity of that number.

**Senator CONROY:** Do you know if the department created that number, or is that just a number that the minister sought your assistance on confirming?

**Mr Mrdak:** Again, I will take it on notice, if you do not mind, Senator. I am not familiar with the details of how that number was arrived at.

**Senator CONROY:** Also, when you are taking that on notice, could your department provide the working assumptions that underpin such a calculation?

**Mr Mrdak:** Certainly, I will take that on notice.

**Answer:**

The figure of 14% was derived by the Coalition Government and was published in a number of pre-election policy documents including Coalition 2013 Election Policy – Better Infrastructure Planning. The Department was not asked to verify the figure in the speech.

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**Program:** 2.4 Air Transport  
**Division/Agency:** (AAA) Aviation and Airports  
**Topic:** CASA and Regulatory Oversight  
**Proof Hansard Page:** 57 (24/02/2014)

**Senator Xenophon asked:**

**Senator XENOPHON:** ... Given Mr McCormick's answer in relation to that, does the department acknowledge that the information given, the provision of weather information to pilots, is an important aspect of aviation safety and the fact that CASA does not have an jurisdictional or any regulatory oversight of that is something that ought to be looked at?

**Mr Mrdak:** I agree. I think everyone would agree that the provision of accurate weather information to the airlines and to the operating authorities is critical.

**Senator XENOPHON:** I should preface it and say 'accurate'.

**Mr Mrdak:** The issue that you have raised and I think is emerging from the ATSB analysis of that incident would lead to some significant questions about the nature of the regulatory requirements being imposed. That is a short answer to say that I think we do need to look at it. We will probably take that—

**Senator XENOPHON:** Perhaps, take on notice whether the government is actually looking at a process of providing CASA with some regulatory oversight or authority. Relying on goodwill, as Mr McCormack said, is all well and good but it is not quite the same as having regulatory oversight.

**Mr Mrdak:** As I said, I think the ATSB work on this—and Mr Dolan spoke about it in November—leads one to have a serious look at this issue.

**Senator XENOPHON:** So, perhaps if I can get something more on notice from you on that?

**Mr Mrdak:** Yes.

**Answer:**

The safety investigation by the Australian Transport Safety Bureau (ATSB) into the *Weather related operational event involving B737s VH-YIR and VH-VYK at Mildura Airport, Victoria on 18 June 2013* is underway. ATSB released a preliminary report on the incident on 18 July 2013 and a final report is expected to be publicly released by August 2014.

The ATSB also convened a safety forum on 31 March 2014 to discuss the provision of operational information to flight crews in this occurrence and more generally. The forum was attended by representatives from the Civil Aviation Safety Authority (CASA), Airservices Australia (Airservices), the Bureau of Meteorology (BOM), the operators of the aircraft, and other relevant parties.

The ATSB is also carrying out a research investigation into the reliability of aviation weather forecasts which is expected to be completed in August 2014.

The results of the ATSB's report, the safety forum and the research investigation will provide a basis for Government aviation-related agencies to consider the need for changes to the current arrangements for the provision of weather information, including the need for any changes to existing regulatory arrangements.

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**Division/Agency:** (AAA) Aviation and Airports

**Topic:** ALOP Deeds

**Proof Hansard Page:** 81 (24/02/2014)

**Senator Fawcett asked:**

**Senator FAWCETT:** So, for a leaseholder on an airport that was in local government ownership under the deed and has now transferred to a third party, if a GA operator who has signed a lease for—I think it was 258 square metres of land—is told by the owner that they cannot renew it unless they now include unusable land around them to increase it to nearly 800 metres, and hence a significant increase in their cost because they are paying per square metre, or they will be evicted, is that kind of conduct something that the department is comfortable with or is that something that, as the holder of the original head of power of that deed, you would be seeking to protect those leaseholders given that they have no other option to go and run an aviation business.

**Mr Doherty:** The example you are talking about is not within the Airports Act structure, but under the ALOP deeds. In that case, our area of intervention has been much more limited and has been preserved at maintaining the operation of the site as an airport. In relation to behaviour by the airport operator, which could be abuse of its position of power as the operator about the terms of commercial arrangements on the lease, we would see that more as a matter for the ACCC to operate and not something that we would regularly be involved in under the deed arrangements.

**Senator FAWCETT:** My understanding is that the deed required owners to continue to provide fair and equitable access to the business and their operations as long as they met their payments and they complied with all regulations. If an airport owner said that somebody who wanted to start up a flying school in a region where there was no ability to learn to fly, is it your expectation that the company should be able to do that or is it your expectation that the owner could say, 'No, we do not want a flying school at the airport.'

**Mr Doherty:** I am not sure that that is an area that we could get into under the provisions of the deed, to that level of detail.

**Senator FAWCETT:** Could you take that on notice? Because my reading of the deed indicates that if they are compliant with the aviation regulations and they are meeting the terms of payment for their lease that they should be able to run a bona fide aviation operation at an airfield.

**Mr Wilson:** We will take on notice the issue associated with our powers associated with the deed in a specific case as you have indicated. I would not like to answer it without actually going back and looking at the deed.

**Senator FAWCETT:** I am happy to take that on notice. What I am also putting on notice is that I am concerned about the future viability of the GA sector at a number of airports where, for commercial reasons, they are being squeezed by the owners and, given that, unlike any other business where you cannot just relocate down the block, the airport is the only place you can run your business, that appears to be unconscionable conduct in flying against the head lease or deed under which those airports were actually devolved from Commonwealth ownership.

**Answer:**

Aerodrome Local Ownership Plans (ALOP) Transfer Deeds generally do not provide for the Department of Infrastructure and Regional Development to intervene in commercial disputes involving the aerodrome.