

INFRASTRUCTURE OPENING STATEMENT (17 OCTOBER 2008 DRAFT)

OCTOBER 2008 SENATE ADDITIONAL ESTIMATES HEARINGS

Thank you, Chair;

With your agreement and that of the senators, I would like to make some opening remarks in respect of the Department of Infrastructure, Transport, Regional Development and Local Government. *These remarks* will provide some context for today's hearing.

Since the last hearings, the Department's organisational structure has been bedded in support implementing the Government's Policies and Programs.

Senior staff changes have taken place.

In March, Deputy Secretary **Mike Mrdak** transferred to the Department of the Prime Minister and Cabinet with Deputy Secretary **Susan Page** transferred to the Department of Finance and Deregulation last week.

I am pleased to be able to advise the Committee that both of these positions have now been filled with **Ms Lyn O'Connell** joining us from the Department of Immigration and Citizenship, and **Ms Stephanie Foster** joining us from the Department of Defence.

Lyn and Stephanie will commence with the Department in early November.

The Department's 2007-08 Annual Report is scheduled as required to be tabled in Parliament on or before 31 October.

The annual report provides details in respect of the performance information published in the 2007-08 Portfolio Budget Statements, under the Government's revised Outcome and Output structure that the Department has effectively been working to since March 2008 and as formally published in the 2008-09 PBS. *It is*

Turning to the work of individual divisions:-

Local Government and Regional Development

On 18 September 2008 the Prime Minister and Minister Albanese announced the establishment of the **Australian Council of Local Government** in accordance with the Government's election commitment.

The inaugural meeting of the Council will be held in Parliament House on 18 November 2008.

The Government announced in the May budget the conclusion of the *Regional Partnerships and Sustainable Regions* programs.

Consistent with the conclusion of these programs, the Government reduced the funding for the administration of the programs.

Following the Budget, the Government also offered all local government and not-for-profit organisations with an approved but uncontracted Regional Partnership project, the opportunity to finalise contract negotiations.

There were 56 projects, valued at \$21.3 million that successfully met the conditions of the Government offer and were able to finalise contract negotiations and sign a contract.

In the 2008-09 Budget, the Government provided funding of \$176 million for 105 election commitment projects under the Better Regions program. The Better Regions guidelines and administrative arrangements to implement these election commitment projects were finalised in August 2008 and published by the Department in September.

These arrangements have been developed to ensure that the implementation is consistent with all relevant requirements of the FMA Act, and they reflect ANAO Administration of Grants Best Practice Guide and the recommendations from the ANAO Audit of the *Regional Partnerships* program.

Advice is being developed for a new regional and local community infrastructure program for consideration in the 2009-10 budget context.

- Consultations are underway with Area Consultative Committees, state governments and other Australian Government agencies.

On 20 March 2008, Minister Albanese announced in Parliament that the network of 54 Area Consultative Committees would transition to become local **Regional Development Australia committees**, effective at 1 January 2009. This year's Budget provided \$17.9 million for the new network for 2008-09.

The 54 committees have been consulting with their communities on improving regional engagement and have now provided submissions on the future role of Regional Development Australia to the Government.

Parliamentary Secretary Gray met with the Interim Board on 15 September 2008 at Parliament House to discuss their consolidated response.

The work of the Office of Northern Australia has progressed with Parliamentary Secretary Gary Gray conducting consultations with key stakeholders from Queensland, the Northern Territory and Western Australia.

The terms of reference and membership for the revitalised **Northern Australia Land and Water Taskforce** were announced by Parliamentary Secretary Gray on 26 September 2008 with the first meeting scheduled to be held in Canberra in November.

## Australian Transport Safety Bureau

In 2007-08 the **Australian Transport Safety Bureau's** safety investigation reports and recommendations resulted in important safety action being taken by a range of stakeholders.

- These included significant actions by major airline manufacturers, rail operators, regulators, and marine port authorities.

A particular **Australian Transport Safety Bureau** focus was given to the improvement of rail level crossing safety following a number of serious accidents between passenger trains and heavy road vehicles.

Internationally the ATSB has provided considerable assistance to Indonesia as part of the **Indonesia Transport Safety Assistance Package**, including assistance on the high profile Garuda and Adam Air investigations.

The ATSB has also played a leading role in the adoption by the International Maritime Organization of a new code for **marine safety investigations** which is expected to come into effect on 1 January 2010.

In all, the bureau is currently progressing more 100 aviation investigations but it will continue to focus a significant portion of its resources on high profile investigations to ensure that any critical safety issues are identified, so as to enable relevant safety action to be taken promptly.

## Office of Transport Security

The **Office of Transport Security**, will continue to invest effort in domestic and multilateral institutions and relationships to influence the preventive security agendas at both the regional level and the global level.

During 2008-09 last port of call airport security assessments will be conducted by OTS staff from Australia.

In the maritime sector,

- we will continue trialling whole of port risk assessments and
- the current arrangements for the Maritime Security Identification Card will be reviewed.

In delivering on a range 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.

A communication strategy to improve the travelling public's understanding of and willingness to comply with regulated security measures will be implemented and will include the development of a web-based information system for travellers.

## Aviation and Airports

In relation to aviation, a major area of work has been on developing the national aviation policy statement foreshadowed by the Minister earlier this year.

The statement is scheduled to be released as a government white paper in 2009. A green paper setting out proposed directions for the policy statement is being finalised for release in the coming period, providing a basis for further comment from industry and the public before final details are settled.

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There is a high degree of industry interest in this exercise, with some 280 submissions lodged in response to the initial discussion paper.

The department has undertaken a range of **bilateral air services negotiations** this year commencing with

- the signing of a comprehensive open skies agreement with the **USA** in March 2008,
- followed by a range of successful and increasingly liberalised arrangements with countries in Africa, Asia and South America.
- Talks on a comprehensive air services agreement with the EU are also scheduled for November this year.

Departmental representatives have taken an active role in efforts through **ICAO to develop responses to emissions** from international aviation operations, including participation on GIACC, the high-level group on International Aviation and Climate Change and on the Committee on Aviation Environmental Protection.

We have also been active in the APEC context on these issues and were instrumental in the establishment of the APEC Aviation Emissions Task Force which held its first meeting in Auckland in late July.

The Department has continued to work with other aviation agencies, on the development of a detailed proposal for Government in relation to the wider application of **Automatic Dependent Safety Broadcast (ADS-B) technology** for aircraft navigation and surveillance in Australia.

## Infrastructure Investment

The Department has been working actively to implement the Government's Policy and Program funding commitments for road and rail infrastructure.

In the May 2008 Budget \$3.2 billion was made available for road and rail projects under AusLink for this financial year, including \$560 million for 45 election commitment projects.



The Department has been working closely with States and Territories to commence new projects with approvals now in place for 5 projects including:-

- \$10.75 million for the Bridgewater Bridge,
- \$4.5 million for the Midland Highway both in Tasmania,
- \$100 million for the NSW Ballina bypass,
- \$330 million for the New Perth Bunbury Highway and
- \$15 million for the Inland rail study from Melbourne to Brisbane.

A number of other project proposals have been received from states and Territories and they are currently being assessed by the Department.

So far this financial year, 6 projects have been completed under the **AusLink Strategic regional program** and total expenditure this year has been \$16.732 million.

In respect of the **National network** 4 projects totalling \$488.5 million have been completed.

National Project completions expected this FY include:

- completion of **Port River Expressway** in Adelaide (with completion of Stages 2 and 3) in August;
- completion of **Leakes Road Interchange** in Melbourne in August;
- completion of **Bonville Deviation** on the Pacific Highway in NSW in September; and
- completion of **northbound F5 widening** from Brooks Road to Camden Valley Way in Sydney in August.

There is strong momentum in the AusLink program for 2008-09 with the first quarter's allocated funding fully expended.

The Department has continued to implement the **Black Spots and Roads to Recovery Programs**.

Funding allocations and relevant projects have been approved under the Black Spots program for 2008-09 for all States and Territories with the exception of the ACT, for 292 projects worth over \$46 million have been approved for this year. [ACT is expected to meet in November to consider its projects for 2008-09 funding]

\$75 million was allocated in the 2008-09 Budget for eight major studies on **Tackling Urban Congestion**. –

- The Department has been working closely with the New South Wales, Victoria, Queensland, Western Australia and South Australian governments by participating in the project Steering Committees and working groups for these studies.

\$70 million was allocated in the 2008-09 Budget for a four year **Heavy Vehicle Safety and Productivity Program**.

The Department also continues to provide secretariat support to the **Infrastructure Working Group** established by the Council of Australian Governments (COAG) in December 2007.

## Major Cities Unit

The Department has supported the establishment of the Major Cities Unit over recent months. It will be co-located with Infrastructure Australia in Sydney.

The head of the Unit will report to the Infrastructure Coordinator, Michael Deegan. Senior recruitment action is currently being finalised.

The Major Cities Unit will facilitate the Government taking a national leadership role on urban policy. More specifically it will:

- provide advice to the Government and Infrastructure Australia on infrastructure and planning issues of relevance to major cities, particularly on productivity, sustainability and liveability issues, including congestion;
- focus on ensuring a more integrated and co-ordinated approach to policy development across the Commonwealth in relation to major cities issues;
- assist the Local Government and Planning Ministers' Council, and potentially the Council of Australian Local Governments, on policy development in relation to major cities;
- consult with industry and governments on infrastructure and planning matters, including with bodies such as the Council of Capital Cities Lord Mayors; and
- commission research on specific city issues.

The Major Cities Unit will provide a comprehensive policy focus that includes the social aspects involved with people's participation in their community, the enhancement of their lifestyle, urban planning and infrastructure issues.

It will undertake analysis and examine a wide range of issues that impact on cities. For example, the need to analyse issues in parallel eg transport, water energy and consider integrated approaches.

The Major Cities Unit will work closely with Infrastructure Australia and provide advice to government on these sorts of matters.

## **Infrastructure and Surface Transport Policy**

A key priority since the last estimates hearings has been leading 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 in July, and a Regulation Impact Statement is currently in preparation.

In addition to this the Division has been leading the work on **the development of a National Road Safety Council**. This issue, along with the broad reform issues will be considered by the Australian Transport Council at its November 2008 meeting.



The Department has coordinated the development of the last two year action plan to be developed under the ATC's 2000 – 2010 National Road Safety Strategy.

**The National Road Safety Action Plan for 2009 and 2010** will be considered by the Australian Transport Council at its November 2008 meeting.

At the same time work has commenced on developing a new post-2010 National Road Safety Strategy which will be considered by ATC in 2010.

Planning has been completed for the **Fourth Indigenous Road Safety Forum** which will be held in Cairns from 29 to 31 October 2008. The Forum will develop recommendations for practical and locally-relevant initiatives to improve road safety for Indigenous Australians.

The Department is administering funding for the Government's \$17 million **keys2drive initiative** which is being developed by the Australian Automobile Association. This innovative program will provide more than 200,000 free driving lessons to learner drivers over five years.

The AAA has commenced development of the program's underpinning web interface and clarification of the learning experiences for the driving lesson.

In June this year, the Australian Government voted in the United Nations to establish a Global Technical Regulation on **electronic stability control for vehicles**. This technology has proven to be particularly effective in reducing single vehicle crashes.

The department will shortly release for public comment a regulation impact statement examining the case to incorporate the international regulation into domestic regulation as an Australian Design Rule.

Departmental representatives have also taken an active role in efforts through the International Maritime Organization (IMO) to **develop a global response to greenhouse gas emissions from international maritime operations**.

The Department works closely with the Department of Climate Change in the greenhouse gas work of the **IMO's Marine Environment Protection Committee (MEPC)**, including participation in the work of its Working Group on Greenhouse Gas Emissions from Ships.

### **National Transport Strategy**

In developing further aspects of a national approach to transport policy, the Australian Transport Council has **proposed a number of transport regulatory reform initiatives** for COAG consideration in 2009.

The ATC will prepare Regulatory Impact Statements on national systems for each of **rail safety regulation, maritime safety regulation and heavy vehicle regulation** (including registration and licensing).

The Council will report to COAG at its first meeting in 2009 on the outcomes of these RISs, the financial implications for the Commonwealth, States and Territories and proposed ways forward.

The Council will also develop a draft Intergovernmental Agreement to support the establishment of a National Road Safety Council for consideration by COAG at that time.

### **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 key portfolio priorities in 2008-09.

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. Australia, with the United Kingdom, is 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, which is managed by the Department of Climate Change.

### **Resourcing**

The Department is currently operating within its agreed resources for the financial year.

We are actively implementing the efficiency dividend through reductions in areas of discretionary expenditure highlighted at the last estimates hearings;

- **travel,**
- **consultancies,**
- **contractors and**
- **legal expenses.**

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.**