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JOINT COMMITTEE ON PUBLIC WORKS

Reference: Proposed National Towers program stage 1 for Airservices Australia at Adelaide, Canberra, Melbourne and Rockhampton airports

FRIDAY, 23 MARCH 2007

CANBERRA

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JOINT STATUTORY COMMITTEE ON

PUBLIC WORKS

Friday, 23 March 2007

Members: Mrs Moylan *(Chair)*, Mr Brendan O'Connor *(Deputy Chair)*, Senators Hurley, Parry and Troeth and Mr Forrest, Mr Jenkins, Mr Ripoll and Mr Wakelin

Members in attendance: Senator Hurley and Mr Forrest, Mr Brendan O'Connor and Mr Ripoll

Terms of reference for the inquiry:

To inquire into and report on:

The Proposed National Towers Program Stage 1 for Airservices Australia at Adelaide, Canberra, Melbourne and Rockhampton Airports.

WITNESSES

Committee met at 11.03 am

ACTING CHAIR (Mr Brendan O'Connor)—I declare open this public hearing into the Proposed National Towers Program Stage 1 for Airservices Australia at Adelaide, Canberra, Melbourne and Rockhampton. This project was referred to the Public Works Committee on 7 December last year for consideration and report to parliament.

In accordance with section 17(3) of the Public Works Committee Act 1969:

(3) In considering and reporting on a public work, the Committee shall have regard to -

(a) the stated purpose of the work and its suitability for that purpose;

(b) the necessity for, or the advisability of, carrying out the work;

(c) the most effective use that can be made, in the carrying out of the work, of the moneys to be expended on the work;

(d) where the work purports to be of a revenue-producing character, the amount of revenue that it may reasonably be expected to produce; and

(e) the present and prospective public value of the work.

Earlier this morning the committee received a confidential briefing from Airservices Australia and inspected the site of the proposed work at Canberra airport. The committee will now hear evidence from Airservices Australia.

[11.04 am]

HINDS, Mr Kenneth John, Consultant, Airservices Australia; and Chief Executive, Ken Hinds Engineering Management

JOYCE, Mr Desmond George, Manager, Enterprise Program Management Office, Airservices Australia

LOGAN, Mr Paul Christopher, Manager, Financial Strategy, Airservices Australia

McLEAN, Mr Kenneth, General Manager, Air Traffic Control, Airservices Australia

Witnesses were then sworn or affirmed—

ACTING CHAIR—The committee has received a statement of evidence and four supplementary submissions from Airservices Australia. These will be made available in a volume of submissions for the inquiry and they are also available on the committee's website. Does Airservices wish to propose amendments to the statement of evidence or submissions it has made to the committee?

Mr McLean—Thank you, Acting Chair. I would like to read into evidence some amendments to the original statement of evidence, which were contained in our letter to the chair on 9 March 2007. With your permission, I will summarise those.

I would like to confirm that that Airservices indicative cost estimate of $94.5 million is exclusive of the GST component of $8.9 million. I also note that the provision of the tower siting report from Melbourne and the diagram of the potential sites at Melbourne, which were unavailable at the time of our statement of evidence—items 33(c), 34(c) and 68(c)—have been provided to the committee. I note that the preference for site 1 at Adelaide, item 34(a), and the preference for site 2 at Rockhampton, item 34(d), are under further consideration, as stated in the evidence. With your permission, I would like to submit as evidence enlarged maps and the sites for all of the facilities proposed.

ACTING CHAIR—Thank you. We will call it exhibit 1. These are of each one, are they?

Mr McLean—There is one for each site.

ACTING CHAIR—Okay, we will have a look at those in a moment. Thank you.

Mr McLean—I would also like to make a comment in relation to the provision of disabled access to the proposed control towers. We have received an independent report that concludes that Airservices Australia is able to fulfil its obligations under the Disability Discrimination Act without providing lift access to the cabin level of the four towers under stage 1 of the National Towers Project. Therefore, it is now envisaged that disabled access will not be provided to all levels of the control tower.

ACTING CHAIR—We might ask you to expand upon that later. I now invite you to make a short statement before we go to questions.

Mr McLean—Thank you again for the opportunity to present our proposal to the committee. Airservices seeks the committee's endorsement to allocate $94.5 million plus the GST for the replacement of air traffic control towers at four Australian airports—Melbourne, Adelaide, Rockhampton and Canberra. Airservices Australia was established in 1995 by the Commonwealth parliament to provide a range of operational services to the aviation industry. These include air traffic control, airport rescue and firefighting, aeronautical information, aeronautical navigation and aeronautical telecommunications. As part of the infrastructure required to do this, we currently own and operate 24 air traffic control towers in Australia, with a further two privately owned towers managed under contract. Airservices is totally funded by the industry it serves. It operates commercially on a fee-for-service basis and receives no funding via government appropriation.

At a busy airport, an air traffic control unit is responsible for aircraft and airside vehicle movement operating from an on-site air traffic control tower. Control towers generally rise high above other buildings at an airport to give air traffic controllers an unimpeded view of aircraft on the ground and in the surrounding air. Typical tower structures have a supporting column, some topped with a multistorey cabin, which usually has windows that encircle the entire top floor to give 360 degrees of viewable area. Windows are tilted outwards at the top to avoid reflection from the equipment around them. The siting of the towers at airports and their construction and operation are subject to strict requirements as specified by government regulation. The average age of Airservices control towers is 31 years, with half being more than 20 years old. The current towers identified for replacement in this proposal—Adelaide, Canberra, Melbourne and Rockhampton—were built in 1981, 1976, 1967 and 1958 respectively. The average age of these towers is in excess of 36 years.

Airservices has a managed maintenance program for its facilities. However, we are now approaching the point with Adelaide, Canberra, Melbourne and Rockhampton where the cumulative maintenance required at each tower makes it more economically and operationally efficient to replace rather than simply to refurbish. In addition, the equipment replacement and technology cycles support this timing. The equipment used by controllers varies according to the type of air traffic control service provided. Control towers typically contain radar displays, radios for communication with aircraft via microphones and headsets, a telephone system featuring dedicated voice lines and quick dial systems, also connected to controllers' headsets, and meteorological information equipment. Towers like those at Melbourne, Adelaide and Canberra have electronic displays showing the status of flight progress of aircraft, while regional towers like that at Rockhampton and general aviation towers use paper flight strips to display similar information.

The hours of operation vary between locations. Some towers are on duty 24 hours a day, while others are on duty less. The hours of operation and the number of controllers on duty at any given time—one to seven—is dependent on the amount of air traffic. Service buildings include those housing generators that provide an uninterruptible power supply in the event of an external failure.

Section 9 of the Airservices enabling legislation, the Air Services Act 1995, requires us to regard the safety of air navigation as the most important consideration in exercising our powers and the performance our functions. This ongoing requirement underpins the tower replacement program. While stage 1 represents a significant capital investment, air traffic control towers are an integral component of Australia's airways infrastructure. Technology is advancing at a rapid pace. However, Australia will need control towers at major airports for the foreseeable future—certainly, for the proposed design life of these buildings. It is worth noting that several of the world's busiest airports have recently built new towers or have proposed construction, including Heathrow, Brussels and Bangkok.

In developing this proposal in October 2006, we assessed our control towers to determine their age and condition, their workplace design and amenity, and their ability to incorporate proposed technology upgrades. The priority needs were then assessed and have become stage 1 of the proposed national towers program. Further stages are envisaged in the future as other tower rectification or construction work is required, but these are yet to be considered and finalised. Our focus at the moment is addressing the most urgent priority needs.

Our submission proposes the construction and fit-out of new proposed control towers and the relevant support buildings, such as offices, staff areas, workshops, and equipment and plant rooms. The proposed new towers would be constructed at a different site from the existing site at each airport. The committee will note that the statement of evidence provides details on the merits of several site options for the proposed buildings at each airport. Although preferred sites have been indicated, final site selection has yet to be decided and will be a matter of negotiation between the respective airport operators, Airservices and the Civil Aviation Safety Authority, as required by regulation.

Constructing these new towers, not their refurbishment, is considered the most cost-effective option in each case and is preferred by Airservices because it is the lower risk option, particularly in the area of operational risk. From a structural perspective, the existing towers are aged and have issues that impede the efficient management and maintenance of the facilities. Importantly, the existing buildings in stage 1 lack the infrastructure and design flexibility to support the communications and equipment displays that are required for future generations of air traffic control systems.

These buildings were probably well designed at the time, some 30 to 50 years ago, but they have outlived their useful lives and lack future capability. Consideration has also been given to the application of the Disability Discrimination Act and Airservices' obligations under this act. These obligations have been independently assessed by a leading economic and public policy consulting firm with regard to tower operations. The consultant's report supports the conclusion that we are able to fulfil our obligations under the act without providing wheelchair access to the air traffic control cabin in the tower. Constructing new towers would cause minimal disruption to airport operation as the existing facilities would continue operating until the new towers were completed. New towers will also allow Airservices to incorporate a wider range of energy conservation measures into daily tower operations than is currently available.

As noted in the statement of evidence, Airservices intends to fund the proposed works entirely from its own revenues, commercially raised by service provision to customers. A portion of the multimillion-dollar cost is already in hand, with about a quarter already in Airservices' capital

expenditure reserve. The remainder would be held aside for future annual revenues as required. The statement of evidence notes the process by which Airservices' prices are levied. All Airservices' fees and charges are regulated by the Australian Competition and Consumer Commission in consultation with the aviation industry and stakeholders and are incorporated into a formal pricing agreement. The current five-year agreement commenced in January 2005.

Capital expenditure is considered in this pricing process and is done to assure our customers that capital and technology expenditure is kept at optimal levels. The proposed national towers program was considered in the capital program of the current pricing agreement; however, the major cost impact of stage 1 works would affect the next pricing period, which is due for consultation and negotiation soon. Airservices is very mindful of the potential cost impact to industry of this proposal, which is why we are determined to complete this necessary work at the lowest possible cost.

Airservices recently met with several of our major airline customers and peak aviation representative bodies, including Qantas and the Board of Airline Representatives of Australia—which have both made submissions to the committee—to discuss the proposal. At that meeting we outlined the process we carried out to assess each tower and how we determined that these particular towers required replacement and not refurbishment. We also outlined that we intend to undertake further consultation following the development of the functional design brief and before the release of any request for tender.

Airservices recognises that our initial approach to this consultation did not fully meet the expectations of our customers, but we have subsequently worked with them to put in place a process that we believe satisfies their needs and addresses their concerns. In terms of achieving improved aviation safety and reducing the environmental impacts of aircraft operations, airlines, airport and air navigation service providers like Airservices are becoming increasingly aligned in their thinking and resulting actions. Airservices believes that the tower replacement program would reinforce such a cooperative approach.

As control towers need to be located on land owned by airports, the respective airport owners and managers are also key stakeholders in this proposal. We have consulted with these airports and will continue to do so throughout the term of the project. An important part of this process will be to ensure that the new tower projects comply with the relevant airport development processes. The Airports Act 1996 requires that works valued at over $10 million are subject to a major development plan. This process includes comprehensive public consultation and requires ministerial approval. The indicative cost of constructing the new towers has been developed through an established quantity surveyor process and will be confirmed later in the year when we receive responses from the market.

Our key focus will be to ensure that the functional requirements as well as the regulatory requirements of the new towers are met at the lowest possible cost. The market tender process has been formulated as the most appropriate pathway to achieve this outcome. This process will clarify the cost and provide our board with the information it needs to determine how the project should proceed. Based on our current cost estimates, we believe that the indicative funding level indicated in the submission would be adequate. Further, Airservices' project management process provides for close oversight of capital works and includes reporting and a cost control mechanism.

In considering the submission, I would again draw the committee's attention to Airservices' legislated obligation to regard the safety of air navigation as its most important consideration. We operate in a highly regulated environment and are obliged to implement regulations and standards established by the Civil Aviation Safety Authority and the International Civil Aviation Organisation. The proposed new towers would enhance present command control of communications and safety both now and in the future. In some cases, improved visibility of the airport for air traffic controllers will also be achieved.

There are no significant or potentially significant impacts on the natural environment at any of the proposed sites, which precludes a requirement to refer the proposal to the Minister for the Environment and Heritage. The existing towers to replace in stage 1 are not listed on the Commonwealth Heritage List, the Register of the National Estate or similar state registers. In the event that any of the existing towers were to be demolished, this would not occur until it had been assessed by a qualified heritage consultant. During construction, any environmental impacts associated with construction would be mitigated by appropriate management plans in consultation with relevant local authorities.

While still providing safe air navigation, the existing control towers identified in the submission are aged and physically lack the capability to incorporate our new technologies as they come on stream. As such, the existing buildings would eventually leave Airservices unable to provide the safe, efficient and environmentally sound air navigation services required by enabling legislation. The complete replacement of these control towers, therefore, is needed as soon as possible.

Subject to parliamentary endorsement, current planning is for the contractor to be appointed in late 2007 and the final design to be completed six months later. It is envisaged that all four towers would be constructed and operational by late 2009. Thank you.

ACTING CHAIR—Mr McLean, thank you for the submission and for inviting us to the Canberra tower this morning for an inspection. It provided us with an opportunity to actually look at the tower and see why there is a need for this project. The committee had an informal discussion earlier on whether, in terms of its own powers, this project should be before it. So, for the record, I can assure Airservices Australia that, as members of this committee and as members of parliament, we are very interested in your work. It is very important work dealing with the safety of passengers and ensuring an effective airport aviation system in this country. However, there is an issue about whether we have authority. I think it is right to have erred on the side of considering that we might have authority. You have very significant regulatory matters to perform. They are matters that have to be signed off by the minister and, therefore, it would seem fitting that there is some level of scrutiny. For that reason, I thank Airservices for submitting themselves to this process.

I will start by going to the organisation itself. I understand that it was established 12 years ago by the Commonwealth. It is a statutory authority; it is commercially run and independent. As you said in your submission, you are seeking to derive the money to expend on this project from customers rather than from some sort of income stream from the Commonwealth. Can I ask, therefore, where you receive your revenue from? Is it purely from clients? What other means are there for you to derive funding?

Mr McLean—I will ask Paul Logan to answer that in greater detail, if you wish. Our funding is, as you said, solely from our customers. Our customers are the airlines and aircraft owners that fly through the airspace of Australia. Wherever we provide services, the aircraft that operate through those areas are registered by our system either on those paper strips you saw in the tower or in our flight planning system. From that, based on a weight and distance flown basis, we calculate a charge for the service we provide and then invoices are generated for the owners of those aircraft, who then, as you said, pay our costs for service provision.

ACTING CHAIR—You have mentioned the airport towers which will be built or refurbished under stage 1. We have talked about Adelaide, Melbourne, Canberra and Rockhampton. Are there any other towers in your proposed stage 1 for refurbishment?

Mr McLean—Those four are for rebuild.

ACTING CHAIR—That is right. And for the refurbishment?

Mr McLean—There are four towers for the refurbishment: Perth; Tamworth, which is one of our newer towers, but the air conditioning is being replaced; Maroochydore; and Jandakot.

ACTING CHAIR—What is the last one?

Mr McLean—Jandakot in Perth.

ACTING CHAIR—You have undertaken an examination of all towers and you have come up with four rebuilds and four refurbishments under stage 1?

Mr McLean—Yes.

ACTING CHAIR—Have you got an idea as to what happens from this point onwards? How many stages and how long might it take to refurbish or rebuild towers across the country?

Mr McLean—This is a long-term project. We will take it in bites, because there is only so much we can rebuild at a time in terms of our project management. We do not envisage rebuilding all the towers within the next 10 years. In our review of all of the towers we have identified that some of the structures are ageing and will need to be replaced in stage 2, but we have not finally decided which of those towers will be replaced or refurbished in stage 2.

ACTING CHAIR—You raised as a new matter that not building an elevator or ramp access to the cab will still satisfy the laws that would protect people with disabilities who may seek employment in this field. Why do you say that that particular inability to create access through either an elevator or a ramp would satisfy current laws in this area?

Mr McLean—It is an issue that we have debated at some length, because clearly we want to provide access to whoever would like to be employed by Airservices as an air traffic controller. There are two key issues there. The first one is that if we provide lift access to the cab then inevitably that will restrict visibility from the tower location itself. That is one issue. The second issue is the CASA medical requirements. All air traffic controllers are required to pass what we call a class 3 medical from the Civil Aviation Safety Authority. Those medical standards

preclude people with physical disabilities, including those who use mobility aids such as wheelchairs. This is for two reasons. Firstly, performing the function of an air traffic controller with a significant disability which would not enable somebody to climb the stairs would be difficult. They would not pass the class 3 medical. Secondly, as you saw in the tower, the air traffic controllers operate as a team. CASA have not to date approved the class 3 medical for anybody with a physical disability which would not enable them to climb the final stairs to the cab.

Mr RIPOLL—I was going to pursue the issue of the regulation between the airport corporation lessee of the land and your role in terms of where you finally place the tower and how that negotiation process works. I am concerned that you might not end up with the optimum position if there were to be some problems in negotiations. Could you give us an explanation as to how that process works so that the committee can understand it?

Mr McLean—There are a number of potential sites, as I have stated, which we have identified, and they all meet the regulatory requirements. They meet the regulatory requirements but some may be more convenient than others. The process for us now is to talk to the airport lessees and consult with them as to the appropriate site that meets their needs and our needs. We will then approach CASA, the Civil Aviation Safety Authority, to get their approval. To date, these debates have been held on the basis that we both have regulatory requirements at the airport. They have been held on a constructive basis, and I have no reason to believe that will not be the case in the future with the airport lessees, which will enable us to arrive at a site that suits our needs and does not impede their development options.

Mr RIPOLL—If there were a disagreement between you as the service provider and the airport corporation, what would be the resolution process?

Mr McLean—First of all, let us foreshadow a position where the airport operator selected a site that did not enable us to meet our regulatory requirements. The Civil Aviation Safety Authority would not give us approval to build on that site because we would not be able to meet our regulatory requirements, so the airport operator would then be faced with a difficult decision. They could not force us to build on a site that does not meet our regulatory requirements, and we would then enter into a discussion to locate a more appropriate site.

Mr RIPOLL—Given that you have seven sites that do all meet the requirements, are any or all of those sites currently approved by the Canberra International Airport?

Mr McLean—We have not finalised the discussion with the airport operators on those sites.

Mr RIPOLL—You have identified seven sites and they meet the regulatory requirements but there is no final decision from the airport corporation, so any of those sites would be suitable as long as they come back with one. Out of those seven sites, do you have a preferred site rather than one that just simply meets the requirements?

Mr McLean—We do have a preferred site at each location, but if a preferred site does not meet the airport operator's needs we will move to the next one.

Mr RIPOLL—Do you have a tiered order of preferred sites?

Mr McLean—We have identified a preferred site and we have identified an order of priority.

Mr Joyce—We do have a preferred site at each of the four airports. We are working to have two sites: a preferred site and a second option, which addresses your concern. Generally, the Canberra airport is fairly happy with the site we prefer in Canberra. I do not think Canberra is a big issue.

Mr RIPOLL—That is fine. The question was not as much about Canberra specifically as about the general process and how you operate.

Mr McLean—We understand that.

Mr RIPOLL—Obviously it is an issue here as well. If it is the case that you do not get your preferred site, is there a cost associated with that?

Mr McLean—Each of those sites might have a different height requirement, and if the optimum site is not available it is feasible that a suboptimal position would require us to, for example, build a bigger building, and the height of the building is quite a significant component of the cost.

Mr RIPOLL—Would that affect your charging regime in terms of earlier questions about your funding sources?

Mr McLean—As noted earlier, we are not envisaging that it would impact significantly. The current charging foreshadows a level of capital expenditure into the future, and the current proposal of $94.5 million plus GST does have contingency costs, as noted.

Mr RIPOLL—So at this stage you are confident enough to say that, while your preferred site still remains to be agreed upon, it is more than likely to be the site that you will end up with?

Mr McLean—Yes, we are very confident to make that comment.

Mr RIPOLL—Do you envisage any other problems in terms of that negotiation process?

Mr McLean—No.

Mr RIPOLL—You are obviously protected by legislation, as well.

Mr McLean—In terms of where we can build, yes.

Mr FORREST—I am fairly satisfied that, under the normal function of the Public Works Committee, which is the supervision of public expenditure, we do not have jurisdiction there, but from a public interest point of view I think we have every right to pursue those questions. I want to go over the disabled access issue again. You are saying that it is not appropriate for disabled persons to qualify as air traffic controllers, but there is a legal requirement to be able to access other parts of the building. This is not just about the control tower; it is about the ground support building and everything else. Also, I am interested to know what exemption Airservices gets if it

refuses to employ a disabled person in the tower, because there would have to be a process for that.

Mr McLean—As I said—and I am talking about the cab of the tower itself—to provide lift access to the cab would restrict visibility for one part of the aerodrome, which may jeopardise our meeting the regulatory requirements. The other component is that individuals—and it is an issue that we are very conscious of because we want to employ whoever wants to be an air traffic controller—need to meet the CASA class 3 medical requirements, which do preclude persons with physical disabilities, including those who use mobility aids such as wheelchairs. So it would be very unlikely, and it has not happened to date, that people who have significant mobility restrictions would satisfy the CASA class 3 medical requirements.

Mr FORREST—What about the ground support complex? It would be more likely that a disabled person could require access to the ground support—

Mr McLean—Yes, and that would be available.

Mr FORREST—In the submission, there is a typical arrangement which shows the ground support complex separated from the tower itself. To me, it would make more sense if they were together, but perhaps you could explain to me why the typical arrangement shows the support system as being separate.

Mr McLean—This is a conceptual layout of the control tower—the one that you have seen here—and it does not necessarily mean that our final result will involve two buildings. We are going out possibly in two stages for this project. One is for the design and the other is for the build. In the design tender, we will be setting out the specification required for the towers. It will not preclude both the support buildings and the tower being in the same structure. They will not necessarily be separate.

Mr FORREST—One of the criteria for siting is the end of runway visibility that is required, which is defined in seconds. Could you explain how that criterion works?

Mr McLean—With respect to standing in the cab and looking at aircraft on the runway, the regulations require us to detect movement of an aircraft within a number of seconds—in fact, within four seconds. You might recall standing in the Canberra cab and looking at the end of the runway. Because of the angle from which we were looking, it is not feasible to detect movement within the four seconds. In fact, it takes six seconds to detect movement of aircraft. That is one factor which drives the site determination.

Mr FORREST—Is that objective? It would be quite subjective. If the observer was looking at that end of the runway, and then turned, it would be quite subjective, wouldn't it? How do you define it so that you can measure it and say that four seconds qualifies while five seconds does not?

Mr McLean—That is the regulation—four seconds qualifies, five seconds does not. The regulator has come to that conclusion. You can imagine an aircraft sitting off the runway, waiting to go onto the runway, and with an aircraft about to land, and for some reason the aircraft that was waiting to go onto the runway started to move. The air traffic controller needs to be able to

detect in a reasonable amount of time that that aircraft has moved, in order to give an instruction to stop or whatever may be required. That is where the four-second rule applies. If it is outside the four-second rule, we do not meet the regulatory requirements regarding detecting movement in order to be able to issue instructions to aircraft.

Mr FORREST—My peripheral vision might be better than Mr Ripoll's. I could probably do it in three; he might need five.

Mr RIPOLL—I could probably do it in two!

Mr McLean—It is based on anybody who can meet the class 3 CASA medical requirement, which includes an eyesight test. If you can envisage the tower, someone looking directly at the aeroplane, standing on that threshold, if an aircraft moves, how quickly could you detect it? If you cannot detect it within four seconds, it does not meet the regulatory requirements.

Mr FORREST—I was disappointed to see evidence in submissions about lack of consultation. I think I understand how that has occurred. I think Air Services has to get through some preliminary steps when you are talking about that kind of definition—that is, within four or five seconds, to actually have a sight—to get some idea of cost before you arrange the consultation. Could you explain the process to me, because it is a disappointing to see our customers a bit unhappy and feeling that they are not consulted? Could you run through the process of how that will occur from here on?

Mr Logan—As we noted earlier, we were questioning our need to come to the Joint Committee on Public Works in the first instance but given our understanding of the jurisdiction of the committee we erred on the conservative side and provided a submission to the committee. Our understanding of the committee workings was probably not what it should have been and, as a consequence, some of the information entered the public arena before we felt we were ready to go to customers. That being said, we have regular consultation meetings and for various other reasons our scheduled November meeting had slipped towards Christmas and, in the end, after Christmas. We sought to redress that issue. We had a significant meeting with them back in February where we addressed what we saw as most of their concerns and we have put in place a process, which they have agreed to, which will see us meet with them again in April, probably July or August, and then again in October. So on a regular basis we will be updating them with progress on how this project is continuing.

Mr FORREST—What is the function of the Board of Airline Representatives of Australia? Do they represent all of the mainstream airline players?

Mr Logan—Yes.

Mr FORREST—But at the end of the day on behalf of their members, I suppose—do you have a consultation list precisely and an engagement process?

Mr Logan—Yes, we do. Over the last few years we have engaged in regular consultation with various bodies and that includes the Board of Airline Representatives of Australia. The Board of Airline Representatives is primarily representing international airlines—that is their primary membership. At the meetings we hold we also invite some of the major domestic carriers

through to the Royal Federation of Aero Clubs to the Aircraft Owners and Pilots Association. We try to engage with the widest industry community.

Mr FORREST—Most of the complaints I can imagine, having had a fair bit to do with aviation since I have been in this place, would come from general aviation which often feels completely left out. These are the small charter operators who occasionally might fly into the controlled airspace but not all the time. Can you assure me that they are embraced in the consultation comprehensively?

Mr Logan—That has always been a challenge for us. We have not been able to engage with any particular membership body. They are often not members of a particular body. Where appropriate, we do engage in public consultation. Certainly in previous pricing consultation exercises we have held public meetings at airports, where it is seen as being appropriate, where there is an issue for them to engage in. In the case of the control towers, given that we do not foresee any significant pricing impact, as a consequence we do not see any immediate need to hold a public meeting of that nature.

Mr FORREST—I am satisfied, Chairman.

Senator HURLEY—I have a question about the type of building and the design of it, given that it is fairly unusual to build these kinds of buildings and therefore probably pretty expensive. You have mentioned that you expect a design life of about 40 years with an ability to take proposed technological upgrades and you also mentioned that some other overseas airports have recently upgraded, like Heathrow. Have you had a chance to look at the design of those and at what kinds of technological upgrades might be needed over that 40-year life?

Mr McLean—I saw Heathrow in its early stages of construction. The worldwide technology fit and kit is pretty similar. As aircraft capability increases and they span the globe, the requirements on the ground will be fairly similar, whichever nation you are in. We envisage that, with respect to the technology upgrades that we are looking at into the future, in the first stage—and it will not last for 40 years because technology has a limited life—they are pretty much the same. We have not finalised our user requirements and gone to tender, but there would be pretty much the same functionality as for the other new towers around the world, and at Heathrow in particular.

Senator HURLEY—In terms of technological upgrades, you are talking more in terms of screens and other equipment that will not require any particular change to the design of the tower; that is what is expected?

Mr McLean—Yes. It will still be a column with a cab on top with windows. What will change will be the consoles inside and the amount of componentry in those consoles. But the basic design being a column with a cab on top and with windows will not change.

Senator HURLEY—There is some expectation that that might eventually all change and you will not need that kind of structure. Is there any time line for that?

Mr McLean—Future concepts would foresee the tower control being undertaken perhaps using closed circuit TVs from one location. But that is beyond the lifetime of these towers.

Senator HURLEY—Beyond the proposed 40-year lifetime?

Mr McLean—Yes.

Senator HURLEY—Is it likely to be in 50 years? I hope we do not have to build another tower just for 10 years!

Mr McLean—No, nobody has said that it will be within 50 years but in our view we will have more than adequate utilisation from these structures for their lifetime. As to whether they will ever be overtaken by closed circuit TVs, the jury is still out on that.

ACTING CHAIR—Thank you, gentlemen. You may be recalled after the committee hears from other witnesses. Thank you very much for your submission and for answers to questions asked of you.

[11.48 am]

MORGAN, Mr Graham John, Project Manager, GHD Pty Ltd

Witness was then sworn—

ACTING CHAIR—Welcome, Mr Morgan. Thank you for attending today. Do you have any comment to make on the capacity in which you appear?

Mr Morgan—I am the representative of GHD, who are engaged by the Department of Transport and Regional Services to provide the airport building control service at Canberra airport. I have been the nominated airport building controller since 1998.

ACTING CHAIR—The committee has received a submission from GHD. The submission will be made available in a volume of submissions for the inquiry. It is also available on the committee's website. Does GHD wish to propose any amendments to the submission it has made to the committee?

Mr Morgan—No. The submission sought simply to clarify and confirm an area which appeared to not be fully covered by the evidence that was submitted to you by the proponent, to the effect that these towers will be subject to the Airports Act and the administrative arrangements for development and building approval that follow through from that act—in particular, a major development plan and a subsequent submission for approval.

ACTING CHAIR—You do not seek to amend the submission you have made?

Mr Morgan—No.

ACTING CHAIR—Would you like to make a brief statement before we go to questions?

Mr Morgan—I have almost made it, I think.

ACTING CHAIR—Please finish the statement you were making.

Mr Morgan—Okay. I heard some of the evidence about further activities which the gentleman was talking about when I arrived. Obviously, that was this project. I can only speak about Canberra because that is the only area that I know anything about. Each tower will go through, obviously, a detailed design process and a tender and construction process. Part of that process will also involve a submission for necessary authority approvals. On these leased government airports, the control authority is the department of transport itself in terms of environmental matters. There will be a requirement for a major development plan because these projects exceed some of the current triggers of an MDP under the Airports Act. That process will need to be progressed by Airservices and submitted to the department. The MDP is a process that is dealt with by the department and ultimately receives approval by the minister.

ACTING CHAIR—That is the major development plan, is it?

Mr Morgan—That is right. Once an MDP is approved by the minister, that does not automatically entitle a project to be constructed. There is still a building approval process that is required. Once the detailed construction type documents are prepared—

Mr RIPOLL—Approval by whom, Mr Morgan?

Mr Morgan—By the airport building controller. So the respective airport building controller at each airport would receive an application for a building permit from the proponent and would assess that against the criteria that would be applied to any project at the airport. Those are specifically compliance with the master development plan, which is approved by the minister of transport; compliance with the major development plan, which must have prior approval; and then on its technical merits.

Mr RIPOLL—Does that process then ensure that you get an optimum solution or position for towers and other equipment?

Mr Morgan—No. Those matters would be addressed either through the MDP or through other consultations. I would not be looking at where the tower was located or its operational aspects; I would only be looking at it as a building—whether it complied with the Building Code of Australia and so forth.

Mr FORREST—We already have a response from Airservices Australia which is now part of the evidence. I am satisfied that your point has been made, which is all you sought to do. They advise that their requirement to submit to the regulations you suggest is accepted. Are you satisfied that that achieves your objective and makes your submission?

Mr Morgan—Yes.

ACTING CHAIR—I think that was a very pertinent question.

Mr Morgan—One of your earlier questions was about public consultation. I would just draw to your attention that the major development plan process does involve a public consultation process.

Mr FORREST—Yes, okay.

ACTING CHAIR—You say you are now satisfied. Are there any other issues you would like to raise or particular concerns you may have with respect to this particular matter?

Mr Morgan—No.

Mr FORREST—In view of the response from Airservices that we already have, do you think it is necessary to recall them?

ACTING CHAIR—No, I do not think it is necessary unless they feel a need to say anything otherwise. I thank Mr Morgan for coming in and making his submission on behalf of GHD. I thank all witnesses that appeared before the committee today and those people who assisted our inspections and private briefings this morning.

Resolved (on motion by **Mr Ripoll**):

That, pursuant to the power conferred by section 2(2) of the Parliamentary Papers Act 1908, this committee authorises publication of the evidence given before it and submissions presented at public hearing this day.

Committee adjourned at 11.54 am