Senate Standing Committee on Foreign Affairs, Defence and Trade

Inquiry into the main economic and security challenges facing PNG and the island states of the Southwest Pacific

Question taken on notice at hearing 20 November 2008

Department of Infrastructure, Transport, Regional Development and Local Government

Nature of question	Senator	Page of Proof Hansard
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Public Hearings of 20 November 2008
Senate Inquiry into the main economic and security challenges facing Papua New Guinea and the
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Infrastructure, Transport, Regional Development and Local Government

Question: Department of Infrastructure, Transport, Regional Development and Local Government. Question 1.

Division/Agency: Aviation and Airports Division
Topic: Senate Inquiry into the main economic and security challenges facing Papua New Guinea and the Island States of the Southwest Pacific
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Senator FEENEY asked:

Could you provide an overview of China's activities in building infrastructure in the region and perhaps any information about the performance of the infrastructure China has built and its suitability or otherwise in the judgement of the Australian government for the target countries where it was built?

Answer:

The Department of Infrastructure, Transport, Regional Development and Local Government (the Department) is charged with a domestic focus in relation to matters such as the planning, construction and operation of transport infrastructure.
The Department does not maintain data on Chinese investment outside Australia and is not able to assist the Committee in this regard.

The Department's enquiries of other Australian Government agencies indicate that they too do not collect this information.

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Question: Department of Infrastructure, Transport, Regional Development and Local Government. Question 2.

Division/Agency: Aviation and Airports Division
Topic: Senate Inquiry into the main economic and security challenges facing Papua New Guinea and the Island States of the Southwest Pacific
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Senator FORSHAW asked:

Have there been approaches made by airlines or by the Cook Islands or Fiji to substantially alter the current services?

Answer:

Yes, Pacific Blue has been in discussion with the Department about expanding air services arrangements with both the Cook Islands and Fiji. The Department is currently preparing for possible air services consultations with Fijian officials and with the Cook Islands in the first quarter of 2009. Fijian carrier, Air Pacific, recently commenced two services per week between Nadi and the Gold Coast.

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Question: Department of Infrastructure, Transport, Regional Development and Local Government. Question 3.

Division/Agency: Aviation and Airports Division
Topic: Senate Inquiry into the main economic and security challenges facing Papua New Guinea and the Island States of the Southwest Pacific
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Senator TROOD asked:

Do you have any statistics on the potential growth for passenger and freight air services for the region? What is the trend in relation to that? Can you provide any statistics on freight traffic?

Answer:

This Department does not have and cannot locate from other sources, any forecasts for air traffic in the Southwest Pacific. Most international bodies that produce forecasts incorporate all the fast growing economies of the Asia Pacific region do not identify down to the Southwest Pacific region.

The Department has collected a history of passenger and freight volumes on services between Australia and the member countries of the southwest Pacific (Attachment A). It should be noted that the data does not include flights between the member countries, eg between PNG and Fiji, only between Australia and PNG and between Australia and Fiji.

Attachment B shows all international air services to the region as at October 2008. This may be useful to the Committee as it shows the extent of air services to countries other than Australia.

The Department also notes that AusAID published a report in 2004 for the Pacific Islands Forum which considers some of the difficulties of establishing freight services in the region. The Report is available online at:
http://www.forumsec.org.fj/UserFiles/File/PRTS_FR(1).pdf?phpMyAdmin=a2498005399765db990bd
eaef994c9d1

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Question: Department of Infrastructure, Transport, Regional Development and Local Government. Question 4.

Division/Agency: Aviation and Airports Division
Topic: Senate Inquiry into the main economic and security challenges facing Papua New Guinea and the Island States of the Southwest Pacific
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Senator BISHOP asked:

Do you have any programs or projects at the moment to upgrade existing technology? Is there any idea of the sorts of funds you are thinking about?

Answer:

The Department administers a number of programs with a common purpose of capacity development amongst the recipient countries
- The Indonesia Transport Safety Assistance Package (ITSAP) is providing $24 million over three years for capacity building projects between Australian transport safety agencies and counterparts in Indonesia
- Australia provides limited funding and in-kind assistance to the Pacific Aviation Safety Office (PASO) to enable the 12 members of the Pacific Island Forum to efficiently purchase services to meet international regulatory requirements. PASO's work program does not include the provision of technology upgrades for aviation safety infrastructure
- The Strongim Gavman Program (SGP) contributes to the development of in-country capacity to deliver transport policy, safety and security outcomes in Papua New Guinea (PNG). This Department places officials in advisory roles in counterpart PNG agencies to build long-term capacity in accordance with the PNG Government's own priorities

Funds from any of these three activities are generally not eligible for infrastructure investment or to purchase capital equipment.

Through ITSAP, Indonesia and Australia are jointly investigating the business case to adopt ADS-B technology.

As an indication of the cost of air traffic management technology, Airservices Australia has advised that the cost of equipment purchase, installation and associated training - based on its current project of installing 28 ADS-B ground stations across Australia - is $14.3 million. This amount does not include the costs associated with equipping all impacted aircraft with airborne ADS-B avionics, which would be required to employ ADS-B as an effective surveillance tool for air traffic control. Costs of equipment and ongoing operation and maintenance costs could also be expected to vary considerably between countries.

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Infrastructure, Transport, Regional Development and Local Government

Question: Department of Infrastructure, Transport, Regional Development and Local Government. Question 5.

Division/Agency: Aviation and Airports Division
Topic: Senate Inquiry into the main economic and security challenges facing Papua New Guinea and the Island States of the Southwest Pacific
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Senator TROOD asked:

How has the [increasing capacity of government regulation of the shipping industry] affected the costs of shipping at all?

Answer:

The Department does not collect information or commission research to measure the costs to the shipping industry of regulatory compliance with Australian maritime law. The Department does not have the capacity to estimate industry costs of regulatory compliance with the regulatory framework of any of the member states of the Pacific Islands Forum.

In 2004 the Department completed a Regulatory Impact Statement for the Australian maritime industry in preparation for new maritime security legislation to be considered by the Australian Parliament.

The Regulatory Impact Statement submitted to the Parliament stated that the initial cost of complying with the new requirements in the Bill would be around $13 million and ongoing costs were estimated at around $6 million per year. The Regulatory Impact Statement considered a limited part of the Australian maritime industry; the 70 registered trading ships eligible to be engaged in international or inter-state coastal trading and that would be classified as regulated Australian ships under the Bill.

It is possible that private authorities such as Lloyds Shipping may have data on broader regulatory costs for shipping industry activity in the southwest Pacific.

Attachment A

INTERNATIONAL SCHEDULED AIR TRANSPORT - Traffic by Country of Port
Uplift/Discharge Traffic Carried on "Same Flight Number" Services between Australia and Pacific Islands
Years ended June

Country of Port	Year	Passengers Inbound	Outbound	Total	Growth	Freight (kg) Inbound	Outbound	Total	Growth
Cook Islands	Jun-05	103	112	215		-	-	-	
	Jun-06	553	603	1,156	437.7%	-	-	-	
	Jun-07	326	524	850	-26.5%	-	-	-	
	Jun-08	617	537	1,154	35.8%	6	-	6	
Fiji	Jun-04	204,049	204,583	408,632		3,717,024	4,058,468	7,775,492	
	Jun-05	239,281	241,038	480,319	17.5%	4,746,248	4,180,818	8,927,066	14.8%
	Jun-06	261,443	265,777	527,220	9.8%	4,518,808	4,321,473	8,840,281	-1.0%
	Jun-07	252,771	252,570	505,341	-4.1%	3,633,802	4,330,438	7,964,240	-9.9%
	Jun-08	281,954	274,424	556,378	10.1%	3,948,185	3,940,682	7,888,867	-0.9%
Guam	Jun-04	13,438	14,157	27,595		197	39,766	39,963	
	Jun-05	13,550	13,971	27,521	-0.3%	3,819	55,932	59,751	49.5%
	Jun-06	12,050	12,749	24,799	-9.9%	4,143	61,041	65,184	9.1%
	Jun-07	11,521	11,615	23,136	-6.7%	4,676	27,715	32,391	-50.3%
	Jun-08	11,439	11,541	22,980	-0.7%	8,391	24,352	32,743	1.1%
Kiribati	Jun-08	210	184	394		-	-	-	
Marshall Islands	Jun-07	..	344	344		..	6,754	6,754	
	Jun-08	..	8	8		..	69	69	
Nauru	Jun-04	5,709	5,120	10,829		32,127	224,476	256,603	
	Jun-05	4,450	4,134	8,584	-20.7%	15,105	189,394	204,499	-20.3%
	Jun-06	2,953	2,883	5,836	-32.0%	7,414	125,861	133,275	-34.8%
	Jun-07	2,583	2,507	5,090	-12.8%	3,384	75,480	78,864	-40.8%
	Jun-08	2,584	2,501	5,085	-0.1%	4,654	107,866	112,520	42.7%
New Caledonia	Jun-04	59,772	58,173	117,945		36,685	759,852	796,537	
	Jun-05	64,158	62,935	127,093	7.8%	83,160	962,211	1,045,371	31.2%
	Jun-06	62,828	63,302	126,130	-0.8%	37,465	836,220	873,685	-16.4%
	Jun-07	67,491	67,632	135,123	7.1%	58,196	970,992	1,029,188	17.8%
	Jun-08	73,658	73,422	147,080	8.8%	81,892	1,063,892	1,145,784	11.3%
New Zealand	Jun-04	2,126,182	2,161,334	4,287,516		58,679,509	62,617,059	121,296,568	
	Jun-05	2,410,292	2,440,407	4,850,699	13.1%	63,972,357	69,108,753	133,081,110	9.7%
	Jun-06	2,428,209	2,445,252	4,873,461	0.5%	65,199,058	69,109,442	134,308,500	0.9%
	Jun-07	2,511,636	2,524,592	5,036,228	3.3%	61,538,868	67,660,212	129,199,080	-3.8%
	Jun-08	2,581,205	2,591,878	5,173,083	2.7%	61,817,232	65,600,433	127,417,665	-1.4%
Niue	Jun-04	59	17	76		732	-	732	
Papua New Guinea	Jun-04	64,576	66,139	130,715		1,522,322	2,337,173	3,859,495	
	Jun-05	66,458	67,788	134,246	2.7%	1,953,286	3,375,598	5,328,884	38.1%
	Jun-06	69,886	70,608	140,494	4.7%	1,535,007	3,648,566	5,183,573	-2.7%
	Jun-07	80,250	80,431	160,681	14.4%	826,102	2,712,769	3,538,871	-31.7%
	Jun-08	83,123	87,452	170,575	6.2%	1,112,886	2,725,681	3,838,567	8.5%
Solomon Islands	Jun-04	10,651	10,822	21,473		90,843	48,561	139,404	
	Jun-05	13,393	13,908	27,301	27.1%	149,155	52,700	201,855	44.8%
	Jun-06	12,538	11,860	24,398	-10.6%	100,755	41,610	142,365	-29.5%
	Jun-07	16,296	16,627	32,923	34.9%	131,607	585,483	717,090	403.7%
	Jun-08	15,282	16,939	32,221	-2.1%	170,089	929,999	1,100,088	53.4%
Tahiti	Jun-06	17,214	19,386	36,600		813,964	482,671	1,296,635	
	Jun-07	24,195	24,100	48,295	32.0%	1,197,196	683,448	1,880,644	45.0%
	Jun-08	18,904	20,058	38,962	-19.3%	850,355	751,332	1,601,687	-14.8%
Tonga	Jun-04	1,310	1,470	2,780		15,917	14,844	30,761	
	Jun-05	3,262	3,018	6,280	125.9%	18,519	26,558	45,077	46.5%
	Jun-06	6,166	6,700	12,866	104.9%	7,450	8,658	16,108	-64.3%
	Jun-07	10,157	10,042	20,199	57.0%	40,097	26,418	66,515	312.9%
	Jun-08	11,023	11,062	22,085	9.3%	23,973	17,784	41,757	-37.2%
Vanuatu	Jun-04	30,853	30,847	61,700		85,809	303,249	389,058	
	Jun-05	36,783	36,687	73,470	19.1%	138,186	314,360	452,546	16.3%
	Jun-06	40,938	40,353	81,291	10.6%	165,745	413,993	579,738	28.1%
	Jun-07	52,658	52,184	104,842	29.0%	174,699	454,932	629,631	8.6%

Country of Port: shows the country where traffic is uplifted or discharged.

Services to East Timor:	are classified as charter services and not for public release.
Heavylift Cargo	Dedicated freighter operator - does not report. Affects Papua New Guinea and Solomon Islands freight traffic.
Pacific Air Express	Dedicated freighter operator - no data prior to January 2007. Affects Solomon Islands freight traffic.
Polynesian Airlines	Data not received for August, September and October 2005. Service ceased October 2005. Affects Western Samoa, Tonga, New Zealand and Niue traffic.
Royal Tongan Airlines	Operated services recommenced in December 2002 and ceased in April 2004. No data received for July 2003 and onwards. Affects Tonga and New Zealand traffic.

Attachment B

Country	Direction	Directly Connected Departure Country	Arrival Country	Routing	Flights
American Samoa	I	Samoa	American Samoa	APWPPG	117
		USA	American Samoa	HNLPPG	9
	O	American Samoa	Samoa	PPGAPW	117
		American Samoa	USA	PPGHNL	9
American Samoa Total					252
Cook Islands	I	French Polynesia	Cook Islands	PPTRAR	6
		New Zealand	Cook Islands	AKLRAR	41
		New Zealand	Cook Islands	AKLRARLAX	4
		New Zealand	Cook Islands	MELCHCRAR	5
		USA	Cook Islands	LAXRARAKL	4
	O	Cook Islands	French Polynesia	RARPPT	6
		Cook Islands	New Zealand	LAXRARAKL	4
		Cook Islands	New Zealand	RARAKL	40
		Cook Islands	New Zealand	RARCHCMEL	5
		Cook Islands	USA	AKLRARLAX	4
Cook Islands Total					119
Dominica	O	Dominica	Australia	DOMNAC	1
Dominica Total					1
Fiji	I	Australia	Fiji	BNENAN	67
		Australia	Fiji	MELNAN	18
		Australia	Fiji	SYDNAN	65
		Japan	Fiji	NRTNAN	13
		Kiribati	Fiji	HNLCXINAN	5
		Kiribati	Fiji	TRWNAN	9
		Korea Republic of	Fiji	ICNNAN	13
		New Caledonia	Fiji	NOUNANWLS	8
		New Zealand	Fiji	AKLNAN	93
		New Zealand	Fiji	CHCNAN	6
		Samoa	Fiji	APWNAN	8
		Solomon Islands	Fiji	POMHIRNAN	9
		Tonga	Fiji	TBUNAN	8
		Tonga	Fiji	TBUSUV	23
		Tuvalu	Fiji	FUNSUV	9
		USA	Fiji	LAXNAN	26
		USA	Fiji	YVRHNLNAN	8
		Vanuatu	Fiji	HIRVLINAN	9
		Vanuatu	Fiji	VLINAN	4
		Wallis and Futuna Islands	Fiji	WLSNANNOU	9
	O	Fiji	Australia	NANBNE	67
		Fiji	Australia	NANMEL	18
		Fiji	Australia	NANSYD	66
		Fiji	Japan	NANNRT	13
		Fiji	Kiribati	NANCXIHNL	4
		Fiji	Kiribati	NANTRW	9
		Fiji	Korea Republic of	NANICN	14
		Fiji	New Caledonia	WLSNANNOU	9
		Fiji	New Zealand	NANAKL	93
		Fiji	New Zealand	NANCHC	6
		Fiji	Samoa	NANAPW	9
		Fiji	Solomon Islands	NANHIRPOM	8
		Fiji	Tonga	NANTBU	8
		Fiji	Tonga	SUVTBU	23
		Fiji	Tuvalu	SUVFUN	9
		Fiji	USA	NANHNLYVR	9
		Fiji	USA	NANLAX	26
		Fiji	Vanuatu	NANVLI	4
		Fiji	Vanuatu	NANVLIHIR	9
		Fiji	Wallis and Futuna Islands	NOUNANWLS	8
Fiji Total					822
French Polynesia	I	Australia	French Polynesia	SYDPPT	6
		Australia	French Polynesia	SYDPPTJFK	2
		Australia	French Polynesia	SYDPPTLAX	1
		Chile	French Polynesia	SCLIPCPPT	9
		Cook Islands	French Polynesia	RARPPT	6