

## **Additional comments by Coalition Senators**

1.1 Coalition Senators do not oppose the passage of these bills. However, Coalition Senators are concerned at the haste with which these Bills have been introduced. Coalition Senators noted that there was very little time between the introduction of the Bills and the date by which they will take effect. Coalition Senators are concerned that this has not permitted an adequate opportunity to consider the full implications of the proposed changes.

1.2 Coalition Senators note that a key impetus for these Bills is the government's desire to provide ongoing funding to support the 50 positions created through the additional \$3.8 million provided for in the National Aviation Policy White Paper. These positions were created to enhance CASA's regulatory oversight role. The government was well aware at the time of that announcement that these positions were not funded beyond 30 June 2010. However, the government has waited until 3 June 2010 to introduce legislation to provide further funding to sustain these roles.

1.3 Coalition Senators are also concerned that the consultation with industry in relation to the proposed increase in excise has been inadequate. It is true that the government's commitment to developing a long-term funding strategy for CASA, along with the government's other commitments to assist CASA to address shortfalls in its public safety and regulatory capacity was highlighted during the National Aviation Policy White Paper process. However, at no stage during that process was the industry advised that the government intended to increase the excise levied on aviation fuel during the 2010 -11 financial year. The White Paper forecasts the revenue derived from the excise during the 2009-10 financial year and states the government's commitment to ensure revenue raised through the fuel excise are returned to the industry through CASA's regulatory role. Most industry stakeholders only became aware of the proposed increase when they were contacted by the Shadow Minister for Trade, Transport and Local Government. Coalition Senators consider it is disingenuous to suggest that this was due to some inattention on their part.

1.4 Coalition Senators note the calls from stakeholders for greater information regarding how this additional revenue will be allocated to CASA's operations. The Bills contain no specific breakdown about how the increased funding will be spent. Coalition Senators are disappointed that it took a Senate Inquiry for these details to be placed on the public record.

1.5 Coalition Senators are also concerned that the Bills contain no requirements for CASA to address inefficiencies in their operations. Nor do the Bills contain any benchmarks against for measuring the effectiveness of the increased funds.

## **Recommendation 1**

**1.6 Coalition Senators call on CASA to report to Parliament within 12 months of the passage of these Bills detailing how it has expended the additional funding. In particular the report should set out how the additional funding has:**

- **improved Australia's reputation with ICAO and the FAA;**
- **advanced CASA's Regulatory Reform Program;**
- **allowed CASA to improve the efficiency of its operations; and**
- **propose and publish key performance indicators by which CASA's wider reform process can be measured, including the extent to which consultation with affected industry groups has achieved cost effective outcomes.**

**Senator the Hon. Richard Colbeck**

**Senator Chris Back**

**Senator the Hon. Bill Heffernan**

**Senator Fiona Nash**