CHAPTER 3
Transport Outputs and Programmes
TRANSPORT

OVERVIEW

Australia’s transport system is vast and directly employs 425,000 people—roughly one in 20 jobs. Each year our 180 largest airports handle 1 million flights and 54 million passengers, while 3,300 ships make 23,000 port calls at 70 ports.

With increasing globalisation, our nation’s prosperity depends more than ever on Australia having a transport system that is secure and safe, nationally and internationally competitive, accessible and sustainable.

What we do

In 2005–06 the department contributed to the wellbeing of all Australians by fostering an efficient, sustainable, competitive, safe and secure transport system. Amongst other things, we delivered:

- advice to the Australian Government on issues ranging from national competition policy, industry productivity, international air services policy and airspace reform, through to technical standards for motor vehicles
- grants to state, territory and local governments and the Australian Rail Track Corporation (ARTC) towards 143 major road and rail construction projects and more than 5,000 smaller projects under AusLink (page 69)
- regulation of aviation and shipping with portfolio bodies including the Civil Aviation Safety Authority (CASA), Airservices Australia, and the Australian Maritime Safety Authority (AMSA)
- support for the government’s efforts to pursue cooperative international approaches to enhance aviation safety
- investigations into more than 100 transport safety accidents and incidents
- publication of approximately 32 transport safety research and statistical reports (page 48).

What this chapter covers

This chapter reports on the transport outputs and programmes the department was funded to deliver in 2004–05. See Table 3.1 for details. The chapter:

- sets out our annual financial and other targets, as published in our 2005–06 Portfolio Budget Statements (PBS) or amended in the Portfolio Additional Estimates Statements (PAES) and Portfolio Supplementary Additional Estimates Statement (PSAES)
- reports our actual results in 2004–05 and compares them with previous years’ results where applicable
- discusses factors that may be affecting or are likely to affect the results
- summarises progress towards achievement of the indicators nominated for each output and programme using the following ratings:

  ✔️ ✔️ ✔️ fully achieved ✔️ ✔️ ✔️ mostly achieved ✔️ ✔️ ✔️ partly achieved ✔️ ✔️ ✔️ not achieved
Table 3.1 Transport outputs and programmes in 2005–06

<table>
<thead>
<tr>
<th>Output 1.1.1—Investigation</th>
<th>Budget 2005–06 $'000</th>
<th>Actual 2005–06 $'000</th>
<th>Variance b (%)</th>
<th>Rating</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>19,180</td>
<td>18,950</td>
<td>-1.2</td>
<td>✔✔✔</td>
<td>Page 34</td>
</tr>
<tr>
<td>Output 1.1.2—Safety</td>
<td>15,240</td>
<td>17,230</td>
<td>13.1</td>
<td>✔✔✔</td>
<td>Page 43</td>
</tr>
<tr>
<td>Output 1.2.1—Transport Security</td>
<td>65,819</td>
<td>62,878</td>
<td>-4.5</td>
<td>✔✔✔</td>
<td>Page 51</td>
</tr>
</tbody>
</table>

Administered programmes

Aviation Security Enhancements

- assistance to regional passenger aircraft
  - Budget: 800
  - Actual: 516
  - Variance: -35.5
  - Rating: ✔✔✔
  - Information: Page 63

- improving international aviation outreach
  - Budget: 20
  - Actual: -
  - Variance: -100.0
  - Rating: ✔✔✔
  - Information: Page 63

- increased air cargo inspections
  - Budget: 4,900
  - Actual: 2,740
  - Variance: -44.1
  - Rating: ✔✔✔
  - Information: Page 64

- regional airport 24-hour closed circuit television pilot study
  - Budget: 2,000
  - Actual: 1,772
  - Variance: -11.4
  - Rating: ✔✔✔
  - Information: Page 64

- regional airport security
  - Budget: 1,500
  - Actual: 1,500
  - Variance: -
  - Rating: ✔✔✔
  - Information: Page 65

- regional passenger screening
  - Budget: 3,000
  - Actual: 2,465
  - Variance: -17.8
  - Rating: ✔✔✔
  - Information: Page 66

Output 1.3.1—AusLink

<table>
<thead>
<tr>
<th>Budget 2005–06 $'000</th>
<th>Actual 2005–06 $'000</th>
<th>Variance b (%)</th>
<th>Rating</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>19,752</td>
<td>19,613</td>
<td>-0.7</td>
<td>✔✔✔</td>
<td>Page 69</td>
</tr>
</tbody>
</table>

Administered programmes

AusLink

- National Network
  - Budget: 1,318,399
  - Actual: 1,228,903
  - Variance: -6.8
  - Rating: ✔✔✔
  - Information: Page 71

- Road Safety Black Spot
  - Budget: 44,500
  - Actual: 44,446
  - Variance: -0.1
  - Rating: ✔✔✔
  - Information: Page 73

- Roads to Recovery
  - Budget: 307,500
  - Actual: 307,500
  - Variance: -
  - Rating: ✔✔✔
  - Information: Page 74

- Strategic Regional
  - Budget: 16,500
  - Actual: 14,500
  - Variance: -12.1
  - Rating: ✔✔✔
  - Information: Page 76

- Improving Local Roads d
  - Budget: -
  - Actual: -
  - Variance: -
  - Rating: ✔✔✔
  - Information: Page 78

- Improving the National Network d
  - Budget: 2,510
  - Actual: 2,510
  - Variance: -
  - Rating: ✔✔✔
  - Information: Page 79

- Improving the National Railtrack ce
  - Budget: 270,000
  - Actual: 270,000
  - Variance: -
  - Rating: ✔✔✔
  - Information: Page 79

Management of residual issues of former Australian National Railways Commission (AN)

- Budget: 450
- Actual: 48
- Variance: -89.3
- Rating: ✔✔✔
- Information: Page 81

Murray River Bridges—Federation Fund Project

- Budget: -
- Actual: -
- Variance: -
- Rating: ✔✔✔
- Information: Page 82

Upgrade of the Mainline Interstate Railway Track

- Budget: 20,000
- Actual: -
- Variance: -100.0
- Rating: ✔✔✔
- Information: Page 83
Table 3.1 continued...

<table>
<thead>
<tr>
<th>Output 1.4.1—Maritime and land transport</th>
<th>Budget 2005–06 $’000</th>
<th>Actual 2005–06 $’000</th>
<th>Varianceb (%)</th>
<th>Rating</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bass Strait Passenger Vehicle Equalisation Scheme</td>
<td>35,000</td>
<td>31,090</td>
<td>-11.2</td>
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<td>Page 92</td>
</tr>
<tr>
<td>Interstate road transport fees</td>
<td>48,030</td>
<td>47,975</td>
<td>-0.1</td>
<td></td>
<td>Page 93</td>
</tr>
<tr>
<td>Maritime salvage</td>
<td>4,250</td>
<td>4,250</td>
<td>-</td>
<td></td>
<td>Page 94</td>
</tr>
<tr>
<td>National Transport Commission</td>
<td>2,507</td>
<td>2,507</td>
<td>-</td>
<td></td>
<td>Page 95</td>
</tr>
<tr>
<td>Oil Pollution Compensation Fund</td>
<td>2,000</td>
<td>-</td>
<td>-100.0</td>
<td></td>
<td>Page 97</td>
</tr>
<tr>
<td>Tasmanian Freight Equalisation Scheme</td>
<td>89,400</td>
<td>92,289</td>
<td>3.2</td>
<td></td>
<td>Page 99</td>
</tr>
<tr>
<td>Tasmanian Wheat Freight Scheme</td>
<td>1,050</td>
<td>-</td>
<td>-100.0</td>
<td></td>
<td>Page 100</td>
</tr>
<tr>
<td>Transport and Logistics Centre of Excellence</td>
<td>2,000</td>
<td>2,000</td>
<td>-</td>
<td></td>
<td>Page 101</td>
</tr>
</tbody>
</table>

Contributions to international organisations

- International Civil Aviation Organization | 1,285               | 1,300               | 1.2            |        | Page 102    |
- International Maritime Organization      | 286                  | 289                  | 1.0            |        | Page 102    |
- Organisation for Economic Cooperation and Development Road Transport programme | 40                  | 29                  | -27.5        |        | Page 102    |

Output 1.4.2—Aviation and Airports | 24,743               | 27,236               | 10.1           |        | Page 104    |

Administered programmes

- Airport lessee companies—reimbursement of parking fines | 2,572               | 943                  | -63.3         |        | Page 116    |
- Compensation for acquisition and sale of airport land | 3                   | -                    | -100.0        |        | Page 117    |
- Implementation of noise amelioration                  |                      |                      |               |        | Page 118    |
  - for Adelaide Airport | 7,000               | 1,274                | -81.8          |        |             |
  - for Sydney Airport | 5,369               | 3,324                | -38.1          |        |             |
## Payment scheme for Airservices Australia’s en route charges

<table>
<thead>
<tr>
<th>Budget 2005–06a</th>
<th>Actual 2005–06</th>
<th>Varianceb (%)</th>
<th>Rating</th>
<th>Information</th>
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</thead>
<tbody>
<tr>
<td>$5,550</td>
<td>$5,955</td>
<td>7.3</td>
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<td>Page 120</td>
</tr>
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</table>

## Sydney West Airport—rental properties

<table>
<thead>
<tr>
<th>Budget 2005–06a</th>
<th>Actual 2005–06</th>
<th>Varianceb (%)</th>
<th>Rating</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2,652</td>
<td>$1,903</td>
<td>-28.2</td>
<td>🌟🌟🌟</td>
<td>Page 121</td>
</tr>
</tbody>
</table>

## Canberra International Airport—runway strengthening

<table>
<thead>
<tr>
<th>Budget 2005–06a</th>
<th>Actual 2005–06</th>
<th>Varianceb (%)</th>
<th>Rating</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>$28,500</td>
<td>$8,984</td>
<td>-68.5</td>
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## Ansett—rapid route recovery scheme

<table>
<thead>
<tr>
<th>Budget 2005–06a</th>
<th>Actual 2005–06</th>
<th>Varianceb (%)</th>
<th>Rating</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>-</td>
<td>$6,500</td>
<td>100.0</td>
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### Outcome 1—All outputs

<table>
<thead>
<tr>
<th></th>
<th>Budget 2005–06a</th>
<th>Actual 2005–06</th>
<th>Varianceb (%)</th>
<th>Rating</th>
<th>Information</th>
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</thead>
<tbody>
<tr>
<td>Total price of departmental outputs</td>
<td>$156,909</td>
<td>$158,766</td>
<td>1.2</td>
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<tr>
<td>Less receipts from independent sources</td>
<td>$2,587</td>
<td>$4,989</td>
<td>92.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net price to government (appropriation)</td>
<td>$154,322</td>
<td>$153,777</td>
<td>-0.4</td>
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</table>

### Administered programmes summary

<table>
<thead>
<tr>
<th></th>
<th>Budget 2005–06a</th>
<th>Actual 2005–06</th>
<th>Varianceb (%)</th>
<th>Rating</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total cost of administered programmes</td>
<td>$2,237,202</td>
<td>$2,091,411</td>
<td>-6.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plus depreciation, write-down of assets etc.</td>
<td>$1,464</td>
<td>$1,740</td>
<td>18.9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total administered operating expenses</td>
<td>$2,238,666</td>
<td>$2,093,151</td>
<td>-6.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less administered revenues</td>
<td>$247,484</td>
<td>$258,609</td>
<td>4.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net cost to government</td>
<td>$1,991,182</td>
<td>$1,834,542</td>
<td>4.5</td>
<td></td>
<td></td>
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<tr>
<td>Average staffing level</td>
<td>849</td>
<td>843</td>
<td>-0.7</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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a The budget shown for both departmental outputs and administered programmes is the revised budget published in our 2005–06 Portfolio Additional Estimates Statements updated for measures announced in the 2005–06 Portfolio Supplementary Additional Estimates Statement. Departmental outputs are inclusive of own source revenue.

b The variance is the change in our 2005–06 actuals over our revised 2005–06 budget.

c In the 2005–06 Portfolio Supplementary Additional Estimates Statement these measure titles were prefaced with the words “Investing in the nation’s infrastructure—...”

d These programmes were announced in the 2005–06 Portfolio Supplementary Additional Estimates Statement.

e This initiative was announced in the 2005–06 Portfolio Supplementary Additional Estimates Statement. It involves an additional payment of $270 million to the Australian Rail Track Corporation.

f This one-year programme was announced in the 2005–06 Portfolio Supplementary Additional Estimates Statement. Payments of $28.5 million were made in 2005–06 but only $8.98 million was expensed in 2005–06 with the balance treated as a prepayment which will be expensed in 2006–07.

g The variance relates to funding provided in 2002-03 which has been reclassified as a grant.
OUTPUT 1.1.1: TRANSPORT INVESTIGATION

(Australian Transport Safety Bureau)

Effectiveness

Australia’s transport safety investigation regime meets international standards

Australia’s transport safety investigation regime is set out in the Transport Safety Investigation Act 2003 and accompanying regulations. The legislation empowers the Australian Transport Safety Bureau (ATSB), through its executive director, to:

- investigate safety accidents and incidents involving civil aviation, international and interstate shipping and the defined interstate rail network
- conduct ‘no blame’ investigations in which the focus is on learning to improve future safety rather than on criminal or civil liability.

ATSB Executive Director becomes Chairman of the International Transportation Safety Association

The high status of the ATSB amongst influential international transport investigation bodies was reflected in the appointment of the ATSB’s Executive Director, Mr Kym Bills, as Chairman of the International Transportation Safety Association, which includes a dozen of the major independent transport safety investigation bodies from around the world. The previous chairman was the Chairman of the US National Transportation Safety Board. Mr Bills is the fourth chairman since 1993.

Response to ATSB safety recommendations from regulators and industry

In 2005–06 the ATSB released 93 final aviation reports and issued 22 aviation safety recommendations, including 18 formal recommendations and 4 safety deficiency notices. Aviation regulators and industry fully or partly accepted 11 ATSB aviation recommendations, including recommendations on two-crew qualifications for instrument approaches, onboard recording devices, and fuel probe systems on SA227 Metro aircraft. The bureau is monitoring acceptance of two recommendations on cockpit voice recorder maintenance and a further three recommendations on fitting of autopilots, terrain awareness warning systems, and a review of certain separation procedures contained in the Manual of air traffic services. One recommendation was not accepted and there was one non-response in the time expected for responses.

The ATSB’s 40 marine recommendations from 13 completed investigations included those on the Malu Sara investigation, which led to significant safety actions on the part of the various parties involved in the operation and certification of the vessel (see the ATSB case study on page 40). The Lowlands Grace investigation resulted in the lifeboat equipment manufacturer undertaking a review of its equipment design.

The ATSB’s 83 rail recommendations from 11 rail investigation reports plus those on the joint Queensland Transport–ATSB Tilt Train investigation and on the Benalla rail level crossing investigation for the Victorian Government have provided information to the rail industry to improve rail safety and, in particular, have led to the upgrading of health standard requirements for rail safety–critical workers.
Effectiveness

Enhancing international effectiveness in major aviation accident investigation

The revised International Civil Aviation Organization (ICAO) *Manual of aircraft accident and incident investigation* is expected to be published in November 2006. The ATSB, at the invitation of ICAO, has made a substantial contribution to the drafting and editing of this publication.

Improving standards for rail and maritime investigation

Australia has made significant progress in developing standards for rail and maritime investigations including:

- coordinating a group redrafting the International Maritime Organization (IMO) *Code for the investigation of marine casualties and incidents* and means of making the provisions mandatory
- developing an Australian standard for rail investigation (albeit further improvement is required).

Quality

Stakeholders accept safety action recommended through investigation reports

Industry and regulators taking independent safety actions

Safety regulators, manufacturers and operators are encouraged to take steps to improve safety as investigations progress, and the ATSB prefers to be able to report positive safety action taken rather than making formal safety recommendations.

In 2005–06 the ATSB’s aviation safety stakeholders undertook 129 separately identified safety actions linked to 45 ATSB aviation investigations in addition to actions on recommendations. These safety actions included: redesign, due to engine failures, of high pressure turbine blades; US Federal Aviation Administration action on air data inertial reference units following control problems on a Perth–Kuala Lumpur Boeing 777 flight; and, following a fuel starvation close call, CASA issued an aircraft maintenance direction on fuel indication systems, in response to which the operator introduced new fuel indication and maintenance control procedures. The ATSB also undertook 13 separate safety actions relating to these aviation investigations in addition to recommendation action.

Similar to 2004–05, this approach saw a limited number of aviation recommendations issued in 2005–06: 22 were issued (18 formal recommendations and four safety advisory notes) compared with 21 in 2004–05. Rail and marine recommendations continued at a higher level.

Aviation safety messages well accepted

In 2005–06 the ATSB instigated 84 and released 93 final aviation occurrence and technical investigation reports. That output is slightly below the 98 reports released in 2004–05 (up from 63 in 2003–04). High-profile reports released in 2005–06 included the fatal:

- Robinson R22 helicopter accident near Camden, New South Wales
- Piper Cheyenne accident near Benalla, Victoria
- Piper Chieftain accident near Mount Hotham, Victoria.
Stakeholders accept safety action recommended through investigation reports (continued)

The ATSB issued significant aviation safety recommendations, as outlined below:

- Following its interim factual report into the Metroliner aircraft accident near Lockhart River in Far North Queensland, which resulted in 15 fatalities, the ATSB issued three recommendations to CASA on crew qualifications for instrument approaches, the potential safety benefit of autopilots, and maintenance requirements for cockpit voice recorders (CVRs) and flight data recorders (FDRs), and also issued a recommendation in relation to legislation covering CVR/FDR maintenance to DOTARS.

- The bureau also issued a recommendation to CASA about installation of terrain awareness warning systems (TAWS) on turbine-powered aircraft below 5,700 kg and turbine-powered helicopters following a review of a number of Controlled Flight Into Terrain accidents in recent years, including the Piper Cheyenne accident near Benalla.

In response to these recommendations, CASA has amended the Civil Aviation Order (CAO) on instrument ratings for crew members, is reviewing the relevant CAO and international best practice on the fitment of autopilots, and is considering the various aspects in relation to the terrain awareness warning system. CASA is working with DOTARS on legislative amendments for CVR/FDR maintenance requirement changes.

Aviation safety messages continued to be well accepted, with operators, manufacturers and regulators undertaking significant safety action in cooperation with the ATSB’s investigations. Significant safety action also included the Airservices Australia enhanced training for controllers, upgraded software for The Australian Advanced Air Traffic System (TAAATS) and improved instructions for controllers relating to responses to route adherence monitoring alerts following the Benalla fatal accident.

Key priorities for 2006–07 include completing and releasing the Lockhart River report and introducing the aviation investigation and project management modules of a new government-funded safety investigation IT system—the Safety Investigation Information Management System (SIIMS). SIIMS will also enhance the ATSB’s ability to assess the more than 12,000 aviation event notifications received each year.

Did you know?

While most ATSB safety investigation staff are located in its Canberra central office, there are small regional offices in Brisbane, Adelaide and Perth.

The ATSB Canberra central office features laboratory facilities to support safety investigations through analysis of recorded and physical evidence. Cockpit voice and flight data recorders (‘black boxes’) can be examined, as can all types of materials, structures and components. The ATSB also has a developing capacity to examine voice and data recorders from other types of transport vehicles.
Stakeholders accept safety action recommended through investigation reports (continued)

Marine investigations lead to regulatory changes

In 2005–06 the ATSB completed 13 marine investigation reports. High-profile reports released include those on:

- the loss of the Department of Immigration and Multicultural Affairs vessel, *Malu Sara*, in the Torres Strait, which resulted in five deaths
- the lifeboat accident on board the bulk carrier, *Lowlands Grace*, while anchored off Port Hedland, Western Australia, which resulted in two deaths.

The *Malu Sara* investigation has led to significant safety actions on the part of the various parties involved in the operation and certification of the vessel (see the ATSB case study on page 40).

Despite the high number of collisions between fishing boats and much larger cargo vessels (24 since 1990, with two involving fatalities), the safety messages have been slow to penetrate the commercial fishing industry. Throughout 2005–06 the ATSB has continued its campaign to raise safety awareness in the fishing industry.

In 2006–07 the ATSB expects to release approximately 10 marine investigation reports, including the report into the collision between two vessels that resulted in the significant oil spill in Gladstone in January 2006. In addition, the safety awareness campaign with the Australian commercial fishing industry is expected to continue.

Table 3.2 shows the trends in transport safety investigation.

Rail safety investigation recommendations benefit stakeholders

The ATSB released 11 rail safety reports in 2005–06, together with a joint Queensland Transport/ATSB investigation report on the serious Tilt Train accident and the Benalla rail level crossing investigation for the Victorian Government. The ATSB reports related to six derailments, three safe working irregularities, a shunting fatality, and a collision between a train and a road/rail vehicle. Eighty-three rail safety recommendations were issued in the ATSB reports. The recommendations relate to:

- medical standards for safety-critical workers
- track ‘fitness for purpose’, inspection and maintenance
- safe working procedures, particularly communication
- rolling stock performance
- loading and marshaling of wagons
- shunting procedures.

In 2006–07 the ATSB will continue the investigation of eight rail incidents which occurred in 2005–06. These include a significant investigation into an axle failure on a scheduled XPT passenger train from Sydney to Melbourne, which occurred near Harden, NSW.

Previous attempts to create a national database to obtain robust and harmonised rail safety data have not been successful, due to problems in data from different database systems and other issues. An improved national database of rail accidents and incidents is now being developed in cooperation with rail regulators in the states and the Northern Territory. Such a database would serve as a valuable resource for industry, regulators, investigators and researchers. The ATSB, on behalf of the Australian Government, has contributed $80,000 to an audit coordinated by Queensland Transport on behalf of rail regulators to seek a way forward for legacy data and robust future data.

In 2005–06 the ATSB’s median report completion time for aviation investigations was 379 days, up from 247 days last year. This result, which exceeded the target of 365 days, reflects the significant diversion of resources for training new investigators, for the development of SIIMS, for coronial inquests and for the Lockhart River investigation. There will continue to be substantial work on the Lockhart River investigation and SIIMS training in 2006–07, after which improvements in timeliness are expected. Resources required for coronial inquests are expected to be significant in 2006–07.

The median report completion time for marine investigations was 234 days, a significant improvement over the previous year’s result of 372 days and well below the target of 365 days.

For rail reports under the Transport Safety Investigation Act 2003 (TSI Act), the median completion time of 479 days was well above the target of 365 days, but below the 519-day median in 2004–05. Rail report completion times are improving as investigators in our relatively new rail unit become more experienced and non–TSI Act work such as on the Tilt Train accident declines.

Table 3.2 shows the trend in transport safety investigation.

In 2005–06, the ATSB reviewed its structures, policies and procedures for responding to a major transport safety accident in Australia. A workshop aimed at identifying strategies for improved major accident preparedness, including training and management issues, was conducted in April 2006. ATSB staff and technical experts from the UK, including from Cranfield University and the Air Accidents Investigation Branch, participated in the workshop.

A desktop aviation accident exercise is planned for the first half of the 2006–07 financial year.
More than 5,000 aviation, maritime and rail safety accident and incident reports are assessed

In 2005–06, approximately 12,500 event reports were assessed, covering 131 accidents and 7,458 incidents in aviation, marine and rail modes—well over the 5,000 report benchmark. This reflects increased aviation reporting through Airservices Australia’s electronic safety information reporting system, as well as increased reporting by the aviation industry as a result of greater familiarity with the TSI Act and regulations.

Approximately 120 fatal accidents and other serious occurrences are investigated to improve future safety

In 2005–06 we released 119 final reports (112 in 2004–05): 93 aviation reports, (98 in 2004–05); 13 marine reports, (11 in 2004–05); and 13 rail reports (3 in 2004–05).

In 2006–07 the ATSB intends to complete around 90 aviation, 10 marine and 10 rail investigations, including finalisation of the report on the fatal accident at Lockhart River.

<table>
<thead>
<tr>
<th>Price</th>
<th>$19.2m</th>
</tr>
</thead>
<tbody>
<tr>
<td>The actual price of this output in 2005–06 was $19.0 million.</td>
<td></td>
</tr>
<tr>
<td>Overall performance</td>
<td>✔️ ✔️ ✔️</td>
</tr>
</tbody>
</table>
On the afternoon of 14 October 2005, the six-metre Department of Immigration and Multicultural Affairs (DIMA) vessel, *Malu Sara*, was returning from Saibai Island, at the northern extreme of Torres Strait, to its home community on Badu Island, a passage of 58 miles. There were five people on board: two male DIMA crew, two adult females and a four-year-old girl. The weather for the passage south was less than ideal, with moderate south-easterly winds and seas. More critically there was a sea mist or haze, which reduced visibility to about four nautical miles or less.

By midafternoon, *Malu Sara* was lost. During the succeeding hours, DIMA staff and the water police on Thursday Island attempted to guide *Malu Sara* to safety. By the early hours of 15 October, it appeared that *Malu Sara* was safely anchored in a sheltered position. However, at 0215, the vessel’s skipper reported that the boat was taking water and was sinking.

Despite an extensive search over six days no trace of the vessel or four of its five occupants was found. One body was recovered by Indonesian fishermen about 50 miles west of *Malu Sara’s* last known position.

**Findings**

The ATSB’s investigation found that a number of factors were directly causal in the tragic loss of *Malu Sara*. In essence, the vessel was not seaworthy. ‘Seaworthiness’ is an all-encompassing term that refers to a vessel’s design, construction and equipment, and the fitness of its crew, to undertake a given voyage in certain specified conditions.

The bureau’s investigation revealed that the vessel did not meet basic safety standards in terms of reserve buoyancy, stability or cockpit drainage and that this was a factor in its loss. The lack of some critical equipment, most notably a navigation chart, and the skipper’s lack of training in some critical aspects of the vessel’s equipment were also factors. It also seems likely that the skipper’s level of fatigue on the day contributed to his disorientation and some poor decision making.

**Safety actions**

Significant safety actions have been taken as a result of the loss of *Malu Sara*. DIMA immediately suspended its marine operations in Torres Strait and has since conducted an extensive review of its operations in the region. The review has led to changes in DIMA’s procurement and contract management procedures and a change in the management structure of its North Queensland operations.

AMSA has reviewed and strengthened the safety requirements for all Australian Government vessels. It will also implement, in conjunction with Maritime Safety Queensland, a Torres Strait Maritime Safety Strategy aimed at strengthening the maritime safety culture in the region.

Standards Australia has undertaken a review of AS1799 (Small Pleasure Boats Code) with a view to making it more consistent with the standards for commercial vessels.
<table>
<thead>
<tr>
<th>Table 3.2 Trends in transport safety investigation</th>
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</thead>
<tbody>
<tr>
<td><strong>Civil aviation</strong></td>
</tr>
<tr>
<td><em>Accident and incident notification</em> ^a</td>
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<tr>
<td>Incidents notified</td>
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<tr>
<td>Accidents notified</td>
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<tr>
<td>Total accidents and incidents notified</td>
</tr>
<tr>
<td><strong>Volume of investigations</strong></td>
</tr>
<tr>
<td>Investigations started during year ^c</td>
</tr>
<tr>
<td>Investigations completed during year</td>
</tr>
<tr>
<td>Investigations continuing at 30 June</td>
</tr>
<tr>
<td><strong>Timeliness of investigations</strong></td>
</tr>
<tr>
<td>Median time to completion (days)</td>
</tr>
<tr>
<td>Number of ongoing investigations more than one year old at 30 June</td>
</tr>
<tr>
<td><strong>Outcome of investigations</strong></td>
</tr>
<tr>
<td>Recommendations issued</td>
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<tr>
<td><strong>Maritime investigations</strong></td>
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<td><em>Accident and incident notification</em></td>
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<td><strong>Volume of investigations</strong></td>
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<tr>
<td>Investigations started during year</td>
</tr>
<tr>
<td>Investigations completed during year</td>
</tr>
<tr>
<td>Investigations continuing at 30 June</td>
</tr>
<tr>
<td><strong>Timeliness of investigations</strong></td>
</tr>
<tr>
<td>Median time to completion (days)</td>
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<tr>
<td>Number of ongoing investigations more than one year old at 30 June</td>
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<tr>
<td><strong>Outcome of investigations</strong></td>
</tr>
<tr>
<td>Recommendations issued</td>
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<td>Safety notices issued under the Marine Confidential Reporting System</td>
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Table 3.2 continued...

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<td>39</td>
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<td>Investigations completed during year</td>
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<td>3^e</td>
<td>3</td>
<td>13^f</td>
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<td>6</td>
<td>11</td>
<td>8</td>
<td>10</td>
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<tr>
<td><strong>Timeliness of investigations</strong></td>
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<td></td>
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<tr>
<td>Median time to completion (days)</td>
<td>_g</td>
<td>_g</td>
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<td>479</td>
<td>&lt;365</td>
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<tr>
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<td>1</td>
<td>3</td>
<td>-</td>
<td>-</td>
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<tr>
<td><strong>Outcome of investigations</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recommendations issued</td>
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<td>23</td>
<td>22</td>
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<td>$12.5m</td>
<td>$17.5m</td>
<td>$19.0m</td>
<td>$19.4m</td>
</tr>
</tbody>
</table>

a Fewer notifications were made in 2003–04 due to the initial impact of changed reporting requirements from 1 July 2003 under the Transport Safety Investigation Act 2003 and regulations.
b At least 6,000 aviation, maritime and rail accident and incident reports are expected to be received in 2006–07.
c While the government has provided extra funding for more investigations from 2004–05, the time required to recruit and train investigators delayed the average number of investigations completed and the median completion time for investigations.
d Until 1 July 2003, investigations were a state responsibility and the ATSB was involved only at the request of state governments. Median completion times for these investigations were not reported due to the time required for state governments to consider some reports before their release.
e This includes the Chiltern rail investigation report submitted to the Victorian Government in late 2003–04. This report was released to the public in October 2004.
f This includes the Benalla rail investigation report submitted to the Victorian Government in September 2004 and released to the public in February 2006.
g Until 1 July 2003, investigations were a state responsibility and the ATSB was involved at the request of state governments. Median completion times for these investigations are not reported due to the time required for state governments to consider reports before their release. Completion time estimates for rail investigations under the ATSB’s new powers cannot be reported, as none were completed in 2003–04.
h This includes the direct cost of investigations as well as indirect costs such as DOTARS-attributed corporate overheads.
### OUTPUT 1.1.2: TRANSPORT SAFETY

*Australian Transport Safety Bureau, Maritime and Land Transport Business Division*

#### Effectiveness

**Transport safety and public confidence in transport safety is maintained or improved**

The department contributes to improved transport safety by publishing the findings of ATSB safety research projects and accident investigations, and ensuring that safety information is accessible to governments, industry organisations, community groups and the general public. The department also ensures that new vehicles entering the Australian market comply with appropriate design standards.

**Road deaths in 2005**

Australia recorded 1,637 road deaths during calendar year 2005. This was 3 per cent more than the number of people killed on the roads in 2004, and represented the first major interruption to the downward trend in deaths since the introduction of the National Road Safety Strategy (NRSS) on 1 January 2001.

The 2005 result translates to 8.1 deaths per 100,000 population, a 14 per cent reduction from the benchmark rate of 9.3 (based on 1999 figures). With a challenging target of no more than 5.6 deaths per 100,000 people by the end of 2010 (see figure 3.1), the Australian Government is working with the states and territories and other stakeholders to accelerate the rate of decline of road deaths. Two major initiatives are the development of a new two-year National Road Safety Action Plan (see page 45) and a driver education scheme for P-platers (page 45).

### Figure 3.1 Trends in road safety outcomes

**Road deaths per 100,000 population—moving 12–month total**

*(December 1990 to December 2010)*

![Graph showing trends in road deaths per 100,000 population](image)

*Note: Each point represents the rate of road deaths in the preceding 12 months, and ‘Dec’ refers to data as at 31 December.*

*Source: ATSB.*
Transport safety and public confidence in transport safety is maintained or improved

Aviation safety continues to improve

Over the 10 years from 1 July 1996, the total number of Australian air accidents (fatal and non-fatal) has declined by nearly 50 per cent, from 228 to 129. Importantly, the number of fatal accidents has remained low (see Figure 3.2). The total accident rate (calculated as the number of accidents per 100,000 flying hours) has declined significantly over the decade to 2004 (the latest year for flying hours data), indicating an improved level of aviation safety. While these results are encouraging, considerable effort and vigilance will be needed, both by government and industry, to sustain and improve on the gains made over the previous decade.

Figure 3.2 Trends in aviation safety outcomes

Output 1.1.2—Transport safety continued...

Other agencies, governments and industry are assisted to evaluate and improve transport safety interventions and outcomes

On behalf of the government, the ATSB supports other agencies, governments and industry to evaluate and improve transport safety interventions and outcomes by:

- releasing statistical and research publications (see ‘Quantity’, page 48)
- coordinating national road safety action plans under the National Road Safety Strategy 2001–2010
- piloting safety education programmes (see the ‘Novice Driver Programme trial’).
The ATSB initiated a comprehensive review of national road safety progress and priorities, and commenced work on the development of the *National Road Safety Action Plan for 2007 and 2008*. This fourth action plan under the *National Road Safety Strategy 2001–10* is being developed jointly with state and territory governments, with input from a broad range of organisations through the National Road Safety Strategy Panel. It will be submitted to the Australian Transport Council in late 2006, with a view to implementation from 1 January 2007.

**Novice Driver Programme trial**

In 2005–06, work continued on the development of an innovative driver education programme to be tested in a large-scale trial in New South Wales and Victoria. This supports the Australian Government’s policy initiative to work with the states and territories to introduce a national compulsory scheme for all new provisional licence holders (P-platers).

The aim is to design and deliver a best practice programme that focuses on raising awareness of driver risk factors and provides inexperienced drivers with an appreciation of their own limitations and the knowledge they need to become safer drivers.

The trial is being implemented in partnership with the New South Wales and Victorian governments, the Federal Chamber of Automotive Industries, Insurance Australia Limited and the Royal Automobile Club of Victoria. About 7,000 P-platers in each state are expected to undertake the course, with a similar number participating in control groups. All trial participants will be monitored for at least a year after completion of the trial, and independent experts will be commissioned to undertake a comprehensive evaluation of the effectiveness of the programme.

While progress in 2005–06 was much slower than expected, the project partners are expecting to finalise the curriculum and to commence the trial in 2007.

The total cost of the trial, including evaluation, is expected to be about $10 million. The Australian Government has contributed $3 million.

**Did you know?**

Evidence from an extensive body of research indicates that even small reductions in vehicle speeds result in a marked reduction in the number of road deaths and serious injuries. The speed at which you drive affects not only your risk of involvement in a crash, but also the severity of the crash.

Regular ATSB community attitudes surveys show growing public understanding of speed risks, and majority support for quite strict approaches to speed management. However, this is still well short of the profound change in public attitudes to drink driving that developed over the last two decades.
Output 1.1.2—Transport safety continued...

Quality

_Australia’s motor vehicle safety standards are aligned with international standards_

New vehicle standards taking shape

Before any road vehicle can be supplied to the market in Australia, it must comply with the _Motor Vehicle Standards Act 1989_. The Act, which applies to imported and locally manufactured vehicles, requires all vehicles to meet national safety and environment standards when they are first supplied to the Australian market. These standards are the Australian Design Rules (ADRs). See also Table 3.3.

The department is progressively reviewing the ADRs to harmonise them, where possible, with international standards developed under the United Nations Economic Commission for Europe (UNECE) framework.

Harmonising will remove trade barriers and allow vehicles manufactured for world markets to be supplied to Australia without the need for extensive modifications. It will lead to lower costs and to better access to safer, more environmentally friendly vehicles.

As part of this process, in 2005–06 the department:

- published revised, harmonised ADRs 2, 3, 4 and 5, relating to door retention components, seats, seatbelts and seatbelt anchorages, respectively
- completed the consultation process for ADRs 8 and 14, relating to safety glazing and rear vision mirrors, respectively
- progressed ADRs for heavy vehicle brake systems and mechanical connections between vehicles, which are at the point of final decision making
- prepared regulation impact statements relating to buses, including ADR 58—Omnibuses for Hire and Reward, and ADRs 66 and 68, relating to occupant protection in buses, to allow the regulatory proposals to be submitted for public comment
- registered 37 ADRs on the Federal Register of Legislative Instruments as required under the _Legislative Instruments Act 2003_
- prepared a regulation impact statement to examine regulatory options for underrun barriers for heavy vehicles and to seek public comment
- prepared a regulation impact statement and drafted legislative changes to the _Motor Vehicle Standards Act 1989_ to facilitate the implementation of the UNECE 1958 Agreement (to allow for mutual recognition of vehicle certification approvals)
- prepared a regulation impact statement in anticipation of acceding to the UNECE 1998 Agreement, which sets out the arrangements for developing and agreeing on global technical regulations for motor vehicles.
85% of vehicle and workshop processes are completed within target timeframes

Vehicle and workshop processes meeting growing demand

Manufacturers and importers must demonstrate that their vehicle types meet ADRs before they can be supplied to the Australian market.

Special compliance arrangements apply for manufacturers and importers who supply limited numbers of new and used vehicles to the specialist and enthusiast market. The department assesses whether a vehicle is a specialist or enthusiast model under criteria administered as part of the Specialist and Enthusiast Vehicles Scheme (SEVS). The majority of vehicles that are supplied to the market under SEVS are used imported vehicles, which must be processed through the Regional Automotive Workshop Scheme (RAWS). Each registered automotive workshop has a ‘schedule of vehicles’ that specifies the vehicle models that the workshop has been approved to import and modify.

In 2005–06 there was a significant increase in the demand for additional vehicle models to be added to RAWS schedules of vehicles. The approval process for these additional models requires a physical inspection of the first vehicle after preparation by the requesting workshop, which may be either a new or existing workshop. The department aims to complete these inspections within six weeks of the workshop completing preparation requirements. Approximately 54 per cent of workshop inspections during the year were conducted within the target time frame, with an average waiting time of 42.5 days. While this is a reduction on the previous year’s performance in timeliness, there was a 64 per cent increase in the number of inspections undertaken.

Did you know?

The Australian Government has jurisdiction over motor vehicles to the point of first supply to the market. Once a vehicle is supplied to market it comes under the jurisdiction of the individual state or territory government. On behalf of the Australian Government, the department’s role is to:

- develop and certify compliance with standards for all vehicle models entering the Australian market for the first time
- regulate importation of motor vehicles
- conduct research to support vehicle standards development
- administer the Specialist and Enthusiast Vehicles Scheme (SEVS) and the Registered Automotive Workshops Scheme (RAWS)
- investigate reports of safety defects and monitor safety recalls.
In 2005–06 the ATSB released 32 statistical and research safety publications, 10 on aviation safety and 22 on road safety.

The ATSB released and published on its website five road safety research reports, including reports on community attitudes and road safety among Indigenous people, as well as 17 road safety statistics publications, including 13 road fatality statistical reports. Other statistical reports included:

- Driveway deaths of child pedestrians, which analysed child pedestrian deaths due to a driveway collision
- International Road Safety Comparisons: the 2003 Report and the 2004 Report, both of which compared road death rates for Organisation for Economic Cooperation and Development (OECD) nations and Australian states and territories
- Road crash casualties and rates, Australia, 1925 to latest year, with annual rates for deaths and serious injuries.

In 2006–07 the ATSB will continue to publish the findings of research on transport safety issues, including the role of human error in vehicle crashes, and community attitudes to road safety.

The ATSB also released 10 aviation safety research reports, which included a study of trends in fatal aviation accidents in Australia, aviation weather forecasting, incidents involving aircraft depressurisation, and pilot distraction as a human factor issue in aviation. A further eight safety research reports were published under the aviation safety grants programme. Grant-funded studies included the application of DNA technology to identify bird species involved in birdstrikes and a study of the effectiveness of child restraints in aircraft. Collectively, these reports extend our knowledge about safety-related aviation matters and contribute towards a deeper understanding of current or emerging issues within the aviation community. Table 3.3 shows the trends in transport safety research.

For 2006–07 the ATSB has set a target of publishing 10 reports that aim to enhance the understanding of factors affecting aviation safety and provide new insights that will contribute to better safety outcomes.

In 2005–06, 59 vehicle production and/or test facilities were audited, up from 58 in the previous year. The department expects this number to stabilise at around 50 audits a year from 2006–07.

There was a 20 per cent increase in the number of vehicle types approved for identification plates and supply to the Australian market from 3,462 in 2004–05 to 4,090 (1,643 new approvals) in 2005–06.
50 Registered Automotive Workshops applications are assessed and 40 RAWS inspections are conducted

Demand increases for vehicle and workshop approvals

In 2005–06 the department approved 56 new RAWS workshops and conducted 268 inspections to reduce the backlog of approvals associated with the establishment of the scheme. In 2006–07 the department expects to conduct around 155 inspections, including inspections for new approvals, inspections for approval to handle additional vehicle models and audit activities. See Table 3.3 for trend information.

16,000 approvals to import vehicles are assessed

In 2005–06 the department issued 20,210 approvals to import vehicles, down 10 per cent from last year largely due to a change in legislation that removed the former 15-year-old vehicles scheme.

Price

$15.2m

The actual price of this output in 2005–06 was $17.2 million.

Overall performance

Did you know?

Under the Trade Practices Act 1974, suppliers must recall goods that will or may cause injury. In 2005–06 the department continued to investigate reports of safety defects in vehicles and to monitor the effectiveness of each vehicle safety recall. The number of reports and recalls fluctuates from year to year. Table 3.3 shows the trend in the number of safety investigations and the number of safety recalls notified.

To notify us of a possible safety defect in your vehicle, or to find out if a particular make or model has been involved in a recall, visit dynamic.dotars.gov.au/recalls/index.asp.
Table 3.3 Trends in transport safety research and regulation

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<thead>
<tr>
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<td>50%</td>
<td>&gt;85%</td>
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<td>126</td>
<td>165</td>
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</table>

<sup>a</sup> This scheme began on 1 April 2002 and became mandatory on 8 May 2003 for used imported vehicles.

<sup>b</sup> Includes two-year renewals.

<sup>c</sup> The system used for measuring these values differs from that used in previous reporting periods.
OUTPUT 1.2.1: TRANSPORT SECURITY

(Inspector of Transport Security, Office of Transport Security)

Effectiveness

Transport security is maintained and enhanced

The Australian Government is working with state and territory governments and industry to improve the security of Australia's transport system and reduce the likelihood of transport being a target of or used as a vehicle for terrorism.

The government sets and enforces a preventative security framework for the aviation, air cargo and maritime sectors, and works with state and territory governments to implement effective preventative security measures in surface transport under an Intergovernmental Agreement on Surface Transport Security signed by all jurisdictions in June 2005.

The department provides policy advice to the Australian Government on transport security matters and consults with other Australian Government agencies, state and territory governments and the transport industry, in order to:

- provide information about threats to the transport sector
- contribute to critical infrastructure protection
- provide advice on international transport security developments and implications for Australian Government policies and practices.

Significant enhancements to transport security in 2005–06 included:

- government agreement to the implementation of the 17 recommendations made by Sir John Wheeler in his September 2005 review of airport security and policing (see 68 for an update on the Wheeler Review)
- enhanced background checking of applicants for maritime and aviation security identity cards and streamlining of processes with the establishment of a dedicated Background Checking Unit within the Office of Transport Security (OTS)
- Australia meeting, from 31 December 2005, the international requirement that all checked baggage on international flights departing Australia be screened

John Moody, State Manager SA/NT Office of Transport Security, at the gates of Port Thevenard (Ceduna), the most isolated South Australian port the government regulates. (Photo DOTARS)
Output 1.2.1—Transport security continued...

Effectiveness

Transport security is maintained and enhanced (continued)

- regional aviation security enhancements with closed-circuit television (CCTV) trials occurring at four regional airports and a $1.5 million extension to the Regional Airport Funding Programme announced by the government
- metal-detection equipment and associated training provided to over 140 regional airports and over 780 candidates trained and assessed as competent in the use of the equipment
- allocation of $38 million in additional funding to strengthen air cargo security arrangements.

Quality

Inquiries into major transport security incidents are undertaken as directed by the Minister

At the Australian Transport Council (ATC) meeting of 18 November 2005, transport ministers supported a proposal to convene a sub-group of transport officials from the joint Australian and state and territory government Transport Security Working Group (TSWG) to assist the Inspector of Transport Security, Mr Mick Palmer AO APM, to work with surface transport operators to advise on:

- the ability of private operators to undertake risk assessments and develop and implement security programmes
- security training and staff awareness
- the relationship between operators and counter-terrorism arrangements
- relationships with government regulatory agencies.

The National Counter-Terrorism Committee (NCTC) meeting of 14–15 December 2005 noted the decision of the ATC for the Inspector of Transport Security to undertake a review of surface transport. The inspector, in collaboration with the working group, will advise the ATC and the Standing Committee on Transport of his findings through both interim and final reports.

Work on the development of the Inspector of Transport Security legislation has progressed. Consultation with state and territory governments and other Australian Government agencies in 2005 prompted some changes in policy direction and these are being incorporated in the draft Bill.

Among other things, the legislation will support the capacity of the inspector to conduct inquiries into transport security incidents on the same ‘no blame’ basis that has proved successful in transport safety investigations undertaken by ATSB.

A limited exposure draft was released early in the 2006-07 reporting year, and consultation with state and territory governments and transport industry participants has taken place. The government expects to be able to introduce the Bill into Parliament during October 2006.
### Quality

**Advice to the Australian Government reflects threat and risk assessment and relevant international practice**

The OTS provides security risk guidance material and strategic transport security related advice to inform Australian Government policy and planning. In 2005–06 OTS provided:

- sectoral security risk context statements for aviation, land freight transport infrastructure, and bridges and tunnels
- transport security advisories in response to changes in the national and international security environment
- an aviation security quarterly report, in line with Wheeler review recommendations, combining threat and criminality assessments from the Australian Security and Intelligence Organisation and the Australian Crime Commission
- a summary of maritime and aviation security events and incidents that were reported to the OTS Operations Centre and subsequently analysed to inform development of threat and risk-based policy formation and decision making.

Acting on advice from the department, the Australian Government:

- developed, produced and distributed a basic security awareness training package to all regional airport and airline operators
- strengthened regional aviation security by providing hardened cockpit doors to regional jet aircraft
- worked with targeted countries in the Asia-Pacific region to improve aviation and maritime security
- managed the transport security aspects of the Commonwealth Games (see page 67 for case study)
- initiated development of the Aviation Security Training Framework, which will articulate security-specific competencies for workers within the aviation industry at security controlled airports and so strengthen the current approach to aviation security training
- released a public information brochure on the carriage of prohibited items by persons with bona fide medical conditions
- developed standard guidelines for the screening of particular categories of very important persons, including visiting foreign heads of state, diplomats and other foreign dignitaries.
Output 1.2.1—Transport security continued...

<table>
<thead>
<tr>
<th>Quality</th>
<th>Aviation security</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aviation and maritime security is regulated in line with relevant legislation and is enforced appropriately</td>
<td>Aviation security is regulated by the Aviation Transport Security Act 2004 and the complementary Aviation Transport Security Regulations 2005. During 2005–06:</td>
</tr>
<tr>
<td>• major airlines and airports submitted new transport security programmes for approval consistent with the requirements of the Aviation Transport Security Act 2004</td>
<td></td>
</tr>
<tr>
<td>• 105 aircraft and airline operators submitted draft transport security programmes to the department by 9 March 2006 for its consideration. An initial assessment was carried out on each of these draft programmes before 30 June 2006</td>
<td></td>
</tr>
<tr>
<td>• regulatory oversight of the transport security programmes continued in 2005–06</td>
<td></td>
</tr>
<tr>
<td>• in response to Recommendation 15 of the Wheeler review, development of an Aviation Security Training Framework was begun</td>
<td></td>
</tr>
<tr>
<td>• a revised version of the Methods, techniques and equipment to be used for screening was released. This document, issued under the Aviation Transport Security Regulations 2005, specifies national standards to be used for screening. The department works with industry to continually refine screening standards and practices.</td>
<td></td>
</tr>
<tr>
<td>• 100 per cent of outgoing checked baggage on international flights was screened using X-ray screening equipment. Australia was one year ahead of the International Civil Aviation Organization’s 1 January 2006 deadline for 100 per cent screening of international checked baggage.</td>
<td></td>
</tr>
</tbody>
</table>

Air cargo security

In September 2005 the government announced the allocation of $38 million in additional funding to strengthen air cargo security arrangements. The department was funded to undertake the following activities:

• the regulated air cargo agent scheme, the primary regulatory framework for the domestic and international air cargo industry, was subject to increased audit and compliance activities. The funding included provision for 29 additional transport security inspectors based in the OTS state offices.

• major air cargo handlers have been provided with explosives trace detection equipment to be used in cargo terminals that handle international air cargo. The equipment will be operated by industry in accordance with training and operating procedures developed by the department and the Australian Customs Service.

• the department commissioned Siemens Ltd to identify options for a nationally consistent approach to business verification throughout the air cargo supply chain. The consultancy is complete and the final report was submitted in June 2006.

• as the first stage of the targeted security awareness package, two series of workshops involving approximately 500 regulated air cargo agents were held around Australia between January and May 2006.
Transport Outputs and Programmes

Quality

- in collaboration with the air cargo sector, the Transport and Logistics Industry Skills Council (Transport and Distribution Training Australia) prepared national competency-based training standards for regulated air cargo agents.

Maritime security


Twenty-four additional maritime transport security inspectors were trained in 2005–06 and, at 30 June 2006, there were 63 maritime transport security inspectors based in the state offices across Australia.

As at 30 June 2006, the department was responsible for regulating the security arrangements of 553 maritime industry participants, including 71 ports, 211 port facilities, 141 port service providers, 59 Australian flagged ships, 65 offshore oil and gas facilities and 6 offshore oil and gas service providers.

Rollout of the Maritime Security Identification Card Scheme commenced on 1 November 2005. The scheme requires that, by 1 January 2007, all persons needing unescorted or unmonitored access to maritime security zones hold a valid maritime security identification card.

Amendments were developed to the *Maritime Transport and Offshore Facilities Security Act 2003*, to enhance the powers of maritime security guards and to simplify the approval process for changes to security plans. As at 30 June 2006, these amendments had been introduced and were awaiting passage through Parliament.

*Strengthening maritime security*, a publication to assist industry and other stakeholders with understanding their obligations under the *Maritime Transport and Offshore Facilities Security Act 2003*, was released in May 2006.

In 2005–06, the department hosted three meetings of the Maritime Industry Security Consultative Forum, each attended by 45 to 55 industry representatives, in order to increase government–industry collaboration.

The department continues to engage with the maritime and offshore oil and gas industries on maritime security through its participation at key regional and general industry events.

Transport Security Plan Assessment and Compliance Environment (TSPACE)

The TSPACE information technology platform was developed during 2005–06 and went live in early 2006–07. This system manages the lodgement, assessment and approval of all transport security plans across offshore, maritime, air cargo and aviation transport modes. TSPACE also manages the results of transport security audit and compliance activities across the country.

TSPACE will provide a single, cross-modal workflow and management mechanism for the lodgement, review, approval and maintenance of transport security plans. It also supports compliance and audit activities and acts as a database for OTS’s customer and contact information.
The aviation and maritime industries are engaged in developing and implementing transport security priorities.

OTS worked with the Australian intelligence community and law enforcement agencies to produce strategic threat and risk information products to assist industry in developing and implementing transport security priorities. These products included:

- Sectoral security risk context statements (RCSs) for aviation, land freight transport infrastructure, and bridges and tunnels. The aviation security RCSs highlight threats to aviation from politically motivated violence (terrorism) and criminality, identifying security risks and vulnerabilities to assist aviation industry participants’ security policy and planning.

- Eight transport security advisories (TSAs) provided to transport industry participants through the Trusted Information Sharing Network and OTS state offices. TSAs are developed in response to changes in the national and international security environment.

- The aviation security quarterly report, provided to aviation industry participants, in line with Wheeler review recommendations. This report synthesises threat and criminality information provided by the Australian Security and Intelligence Organisation and the Australian Crime Commission to assist industry in the development and implementation of transport security priorities. This information was provided to industry through the Aviation Security Advisory Forum.

- The OTS summary of maritime security events and incidents that were reported to the Operations Centre. The summary was made available to industry through the Maritime Industry Consultative Forum. This information assisted maritime industry participants in their security planning.

Regional aviation

The department continued to engage with the regional aviation industry on aviation security priorities and related issues, through its participation at key regional and general aviation industry events and at the quarterly regional industry consultative meetings. These meetings are hosted by OTS around the country and are usually attended by around 55 to 65 industry representatives of, for example, regional airports, airlines and pilots. The meetings provide the department with the opportunity to explain government initiatives and to receive feedback on security measures.

In regional Australia in 2005-06, the OTS:

- Ensured hardened cockpit doors were installed in jet aircraft used on regional routes.

- Delivered metal-detection equipment (hand wands) to over 140 regional airports and trained staff in their use.

- Continued to monitor the trial of CCTV use at four regional airports.

- Administered funding for the successful delivery of capability building for regional police forces around the country, to ensure that local police, who are likely to be called to respond to incidents, have an understanding of airport operations and are trained on how best to deal with aviation security incidents.

- Delivered a self-paced learning package *Strengthening aviation security* that covers basic security awareness for regional airline and airport operators and their staff.
State and territory governments are assisted to improve surface transport security

Surface transport

While surface transport security is the responsibility of the state or territory in which the service is located, the Australian Government works with other governments to develop a consistent and coordinated approach. This role is set out in the Inter-Governmental Agreement on Surface Transport Security signed by all jurisdictions in June 2005.

The TSWG is the main forum for progressing transport security issues. The group, established in 2003, comprises senior transport officials from each state, territory and the department and reports through the chief executive officers of transport departments to transport ministers (the ATC). Sectoral security risk context statements for land freight transport infrastructure, and bridges and tunnels, were delivered through the TSWG to assist transport operators improve surface transport security.

The department assisted in the conduct of a joint assessment between the TSWG and the National Counter-Terrorism Committee (NCTC), on whether any additional surface transport security initiatives should be considered by governments. The assessment report was considered by COAG, which noted the findings of the assessment and agreed to strengthen and build on existing transport security arrangements through a range of measures which aim to:

- further develop and implement technological and other solutions
- broaden the capacity of transport operators, their staff and the public to contribute to the security of surface transport
- facilitate incident planning and preparation by operators
- support an integrated approach to transport precinct security.

The department contributed to work on a national approach to closed-circuit television (CCTV), also agreed by COAG, including a code of practice for CCTV in the mass passenger transport sector and a review of current CCTV capability.

The government sponsored a visit to Australia by a senior security adviser to the UK Government in April 2006. The purpose of the visit was to inform and educate government and key industry stakeholders on vehicle-borne improvised explosive device threats and mitigation techniques. The visit was very well received and highlighted the importance and value of this type of information exchange.
Output 1.2.1—Transport security continued...

<table>
<thead>
<tr>
<th>Quality</th>
</tr>
</thead>
<tbody>
<tr>
<td>Targeted countries in our region are assisted to improve their transport security capabilities</td>
</tr>
</tbody>
</table>

In 2005–06 the government worked closely with countries in the Asia–Pacific region to improve both aviation and maritime security. Key activities included:

- enhancing Australia’s overseas presence, with two additional officers posted to Jakarta, and one additional officer posted to Manila
- improving regional aviation security through a series of aviation security risk management workshops in selected countries in the region
- enhancing the ability of port security officers in Asia–Pacific Economic Cooperation (APEC) countries to implement the International Shipping and Port Facility Security Code by delivering seminars in collaboration with the Singaporean Government
- engaging with APEC groups such as the Transport Working Group and the Counter-Terrorism Task Force to improve multilateral coordination on transport security issues in the region
- enhancing aviation security in Indonesia by delivering phases I and II of the Indonesian–Australian Aviation Security Capacity Building Project and conducting study tours of Australian airports for Indonesian aviation security officials
- supporting Australian Government security in East Timor by coordinating an interdepartmental committee on whole-of-government security capacity building assistance
- enhancing maritime security in the Philippines by continuing to deliver, and to expand, the Philippines–Australia Port Security Capacity Building Project, and sponsoring participants in the Lloyd’s List Port and Maritime Security Conference 2006
- strengthening Pacific aviation and maritime security engagement and cooperation by adding two Pacific security liaison officers, and by conducting aviation and maritime security audits and workshops under the Australian Government’s Pacific Governance Support Programme
- strengthening governance of aviation and maritime security in Papua New Guinea through the Enhanced Cooperation Programme.
Transport security, audit and compliance activity is conducted at/for approximately:

- **180 airports across Australia**
- **160 domestic and international airlines**
- **7,500 general aviation aircraft on a risk assessed basis**
- **240 maritime security plan holders covering 70 ports and 300 related facilities**

A framework has been established to prioritise audit and compliance activity using threat and vulnerability information. This framework provides risk-based guidance to resource allocation within the national audit and compliance programme.

Regular analysis of reported transport security events and incidents has commenced for both the aviation and maritime sectors. Analytical reporting provides input into broader transport security policy development and will provide guidance for audit and compliance activity.

**Aviation security**

As at 30 June 2006, 118 transport security inspectors were employed within OTS. In September 2005, the government provided funding to increase the department's air cargo audit capacity. The inspectors:

- audited all 11 major airports and all 28 other airports conducting passenger screening and also visited or inspected security-controlled Australian airports on over 600 occasions
- audited operations of all major domestic airlines, and conducted 72 audits of the local operations of international airlines (passenger or cargo operators) currently operating in Australia
- carried out over 530 inspections of domestic airline operations and another 171 inspections of international airlines operating through Australia
- visited airports and airlines more frequently to carry out inspections and attend airport security meetings and exercises (a total of 534 visits and meetings)
- inspected 161 regulated air cargo agents.

**Aviation security industry participants, and audit and compliance activities**

Table 3.4 shows the numbers of aviation security industry participants requiring an audit in 2004–05 and 2005–06. Table 3.5 sets out the number of completed audit and compliance activities.
### Table 3.4 Aviation security industry participants requiring audit, 2004–05 and 2005–06

<table>
<thead>
<tr>
<th>Industry sector</th>
<th>Number of participants</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2004–05</td>
</tr>
<tr>
<td><strong>Airports</strong></td>
<td></td>
</tr>
<tr>
<td>– major</td>
<td>11</td>
</tr>
<tr>
<td>– screened</td>
<td>24</td>
</tr>
<tr>
<td>– regional</td>
<td>135</td>
</tr>
<tr>
<td><strong>Airlines</strong></td>
<td></td>
</tr>
<tr>
<td>– foreign regular public transport</td>
<td>57&lt;sup&gt;a&lt;/sup&gt;</td>
</tr>
<tr>
<td>– domestic regular public transport</td>
<td>126</td>
</tr>
<tr>
<td><strong>Regulated air cargo agents</strong></td>
<td>901</td>
</tr>
<tr>
<td><strong>General aviation aircraft</strong></td>
<td>7,500</td>
</tr>
</tbody>
</table>

<sup>a</sup> Passenger only.

<sup>b</sup> Passenger and cargo.

<sup>c</sup> Bureau of Transport and Regional Economics figures for all powered fixed and rotary-wing aircraft are now subject to the Aviation Transport Security Regulations 2005.

### Table 3.5 Completed audit and compliance activities, 2004–05 and 2005–06

<table>
<thead>
<tr>
<th>Audit and compliance task</th>
<th>Number completed</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>New transport security programmes (TSPs) approved (airlines and airports)</strong></td>
<td>335</td>
</tr>
<tr>
<td><strong>Airline audits (domestic and international)</strong></td>
<td>126</td>
</tr>
<tr>
<td><strong>Airline inspections (domestic and international)</strong></td>
<td>n/a</td>
</tr>
<tr>
<td><strong>General aviation inspections</strong></td>
<td>651</td>
</tr>
<tr>
<td><strong>Regulated air cargo agent audits and inspections</strong></td>
<td>146</td>
</tr>
</tbody>
</table>

<sup>a</sup> 89 airport and airline draft TSPs were submitted for consideration by the department in accordance with Regulations 2.24 (Airport) and 2.46 (Airlines) of the Aviation Transport Security Regulations 2005.

<sup>b</sup> As at 31 May 2006.
Output 1.2.1—Transport security continued...

Transport security, audit and compliance activity is conducted at/for approximately:
- 180 airports across Australia
- 160 domestic and international airlines
- 7,500 general aviation aircraft on a risk assessed basis
- 7,500 general aviation aircraft on a risk assessed basis
- 240 maritime security plan holders covering 70 ports and 300 related facilities (continued)

Maritime security

During 2005–06 the number of regulated maritime industry participants has increased by 36%. As required by the Maritime Transport Offshore Facilities Security Act 2004, in 2005–06 the OTS inspected more than 841 foreign-flagged vessels for compliance with domestic and international security regulations.

During 2005–06, transport security inspectors:
- carried out 136 per cent of scheduled seaport audits (exceeded audit requirements) and 77 per cent of port facilities audits
- audited 97 per cent of maritime security plans
- continued to carry out more security-related visits to seaports and associated facilities.

Maritime security industry participants, and audit and compliance activities

Table 3.6 shows the numbers of maritime security industry participants that required audit in 2004–05 and 2005–06. Table 3.7 shows the number of audit and compliance activities completed by the department.

<table>
<thead>
<tr>
<th>Industry sector</th>
<th>Number of participants</th>
<th>2004–05</th>
<th>2005–06</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seaports</td>
<td>71</td>
<td>71</td>
<td></td>
</tr>
<tr>
<td>Service providers</td>
<td>100</td>
<td>141</td>
<td></td>
</tr>
<tr>
<td>Port facilities</td>
<td>179</td>
<td>211</td>
<td></td>
</tr>
<tr>
<td>Australian-flagged vessels</td>
<td>57</td>
<td>59</td>
<td></td>
</tr>
<tr>
<td>Oil and gas facilities</td>
<td>n/a</td>
<td>65</td>
<td></td>
</tr>
<tr>
<td>Oil and gas service providers</td>
<td>n/a</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Total bodies regulated</td>
<td>407</td>
<td>553</td>
<td></td>
</tr>
<tr>
<td>Proportion of bodies covered by approved plan/certificate at any time</td>
<td>100%</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>
Table 3.7 Audit and compliance activities completed in 2004–05 and 2005–06

<table>
<thead>
<tr>
<th>Audit and compliance task</th>
<th>2004–05 Number completed</th>
<th>2005–06 Number completed</th>
</tr>
</thead>
<tbody>
<tr>
<td>New and revised security plans approved</td>
<td>252</td>
<td>129</td>
</tr>
<tr>
<td>Assessments of security plans</td>
<td>52</td>
<td>99</td>
</tr>
<tr>
<td>Number of first port arrivals by foreign-flagged vessels</td>
<td>n/a</td>
<td>11,156</td>
</tr>
<tr>
<td>Vessels issued with control directions for not holding valid international ship security</td>
<td>6</td>
<td>–</td>
</tr>
<tr>
<td>certificates</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Detailed vessel inspections involving the department</td>
<td>153</td>
<td>841</td>
</tr>
</tbody>
</table>

Output 1.2.1—Transport security continued...

Approximately 50 offshore oil and gas platforms are incorporated into the Maritime Transport Security Act

More than 11,000 foreign ships are risk assessed and security inspections targeted as appropriate

<table>
<thead>
<tr>
<th>Quantity</th>
<th>Strengthening offshore oil and gas security</th>
</tr>
</thead>
<tbody>
<tr>
<td>Following extension of the Maritime Transport and Offshore Facilities Security Act 2003 to</td>
<td></td>
</tr>
<tr>
<td>cover Australia’s offshore oil and gas facilities in 2004–05, offshore industry participants</td>
<td></td>
</tr>
<tr>
<td>successfully met the legislative deadline of 30 September 2005 to have approved offshore</td>
<td></td>
</tr>
<tr>
<td>security plans in place.</td>
<td></td>
</tr>
<tr>
<td>As at 30 June 2006, there were 21 offshore security plans in place covering all 62 offshore</td>
<td></td>
</tr>
<tr>
<td>oil and gas facilities.</td>
<td></td>
</tr>
<tr>
<td>All the oil and gas facilities will be security audited over two and a half years.</td>
<td></td>
</tr>
</tbody>
</table>

Foreign-flagged vessels subject of closely scrutinised

Since 1 July 2004, every foreign-flagged ship seeking entry into Australia has been subject to a risk assessment to enable inspections to be prioritised. Many of these ships are also subject to a security inspection. Any foreign-flagged vessel entering Australian waters without a valid international ship security certificate is issued a compliance control direction, and is not permitted to re-enter Australian waters until the vessel has a valid certificate.

In 2005–06 the department:

• risk assessed and monitored the activities of every foreign-flagged ship entering Australian waters

• authorised officers of the Australian Maritime Safety Authority to conduct first-line inspections in conjunction with their port state control function

• undertook 841 detailed ship inspections—an average of over 16 ships a week. This exceeded the previously established target of 780.

Price

$65.8m The actual price of this output in 2005–06 was $62.9 million.

Overall performance ✔✔✔
ADMINISTERED PROGRAMME: AVIATION SECURITY ENHANCEMENTS—ASSISTANCE TO REGIONAL PASSENGER AIRCRAFT

(Office of Transport Security)

**Effectiveness/location**

*Security is enhanced on regular public transport and open charter services operating in regional Australia*

In accordance with the *Aviation Transport Security Act 2004* and its supporting regulations, all regular public transport aircraft with 30 seats or more must install hardened cockpit doors. The government made funds available to eligible regional aircraft to fund the purchase and installation of hardened cockpit doors.

**Quality**

*Hardened cockpit doors are installed in passenger aircraft with 30 or more seats*

Hardened cockpit doors have been installed in all eligible regular public transport aircraft servicing regional Australia.

**Cost**

*$0.8m*  
The actual cost of this programme in 2005–06 was $0.5 million. The programme has now been completed.

**Overall performance**

✓✓✓

ADMINISTERED PROGRAMME: AVIATION SECURITY ENHANCEMENTS—IMPROVING INTERNATIONAL OUTREACH

(Office of Transport Security)

**Effectiveness**

*Improved aviation security at last port of call airports, consistent with international standards*

Aviation security at ‘last port of call’ airports has been improved through the provision of training and capacity building to raise aviation security standards to the *ICAO* internationally accepted standards.

**Quality/Location**

*Asia–Pacific region*

The government has provided funding to the department to improve aviation security in regional countries. These funds will be used to support regional country representatives to attend *ICAO* aviation security training courses.

**Cost**

*$0.02m*  
The actual cost of this programme in 2005–06 was nil, with the funding carried forward to 2006–07.

**Overall performance**

✓✓✓
ADMINISTERED PROGRAMME: AVIATION SECURITY ENHANCEMENTS—INCREASED AIR CARGO INSPECTIONS

(Office of Transport Security)

Effectiveness

*Enhanced cargo inspection regime of international export cargo carried on passenger services*

In response to the recommendations of the Wheeler review, the government funded explosive trace detection units for international outbound air cargo. The department has completed arrangements for international cargo terminal operators to purchase explosive trace detection equipment and be reimbursed by the department. Operators will commence using the equipment in 2006–07.

Quality/Location

*Australian international airports*

The explosive detection equipment will be located and applied at cargo terminal facilities where export cargo is prepared for loading onto the aircraft.

Cost

$4.9m

The actual cost of this programme in 2005–06 was $2.7 million. The remaining funding has been carried forward to 2006–07.

Overall performance ✔✔✔

ADMINISTERED PROGRAMME: AVIATION SECURITY ENHANCEMENTS—REGIONAL AIRPORT 24-HOUR CLOSED-CIRCUIT TELEVISION PILOT STUDY

(Office of Transport Security)

Quality/Location

*Closed-circuit television (CCTV) is evaluated as an aid to security at four regional airports*

As part of the ‘Securing our Regional Skies’ package announced in August 2004, the installation of the CCTV system has been completed at the four trial sites to assess its significance as a deterrent to acts of unlawful interference with aviation. An evaluation of the systems has commenced and will be completed in 2006–07.

Cost

$2.0m (up from $0.535m at Budget)

The actual cost of this programme in 2005–06 was $1.8 million.

Overall performance ✔✔✔
ADMINISTERED PROGRAMME: AVIATION SECURITY ENHANCEMENTS—REGIONAL AIRPORT SECURITY

(Office of Transport Security)

<table>
<thead>
<tr>
<th>Quality/Location</th>
<th></th>
</tr>
</thead>
</table>
| As the government is committed to protecting Australia’s aviation industry and the many millions of passengers it carries each year, funds were made available to assist regional airports to implement a range of basic security measures through the Regional Airports Funding Programme (RAFP) administered by the Australian Airports Association. So far, 121 of 145 regional airports have accessed $28.6 million to implement basic security infrastructure, including fencing, lighting, CCTV and alarm systems, locking devices, signage and access control measures.

Additional funds of $1.5 million were made available to expand the programme to another five regional airports to implement basic security infrastructure in accordance with their security risk assessment and transport security programme.

Regional airports will continue to implement basic security measures such as fencing, lighting and CCTV through the RAFP.

a No performance indicator was published.

| Cost |  
|------|---|
| $1.5m (announced in the PSAES as ‘National Security – regional airport security’) | The actual cost of this programme in 2005-06 was $1.5 million.

Overall performance ☑️ ☑️ ☑️
ADMINISTERED PROGRAMME: AVIATION SECURITY ENHANCEMENTS—REGIONAL PASSENGER SCREENING

*(Office of Transport Security)*

<table>
<thead>
<tr>
<th>Effectiveness</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Security is enhanced at regional airports handling regular public transport services</em></td>
</tr>
<tr>
<td>The Securing our Regional Skies package was announced in August 2004 to improve the response capacity, capability building and deterrence for Australia’s regional airports and airlines. Regional passenger scanning is being implemented by providing hand-wand metal-detecting kits and staff training at approximately 140 regional airports operating regular public transport services. These measures will enable regional airports to continue to operate should there be a heightened security alert.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Quantity/Location</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Metal-detection equipment and training is provided to 140 regional airports</em></td>
</tr>
<tr>
<td>Metal-detection equipment and training for regional airports across Australia continued in 2005–06. In total, 781 candidates were trained and assessed as competent and 136 airports gained the metal-detection capability. The second round of training will commence in 2006–07 to reinforce training outcomes and to maintain a metal-detection capability at each airport.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>$3.0m (up from $2.7m at Budget)</em></td>
</tr>
<tr>
<td>The actual cost of this programme in 2005–06 was $2.5 million, less than expected due to a delay in airports claiming reimbursement for travel expenses. Remaining funds have been carried forward to 2006–07.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Overall performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>✔️ ✔️ ✔️</td>
</tr>
</tbody>
</table>
The 2006 Commonwealth Games (M2006 Games) were held in Melbourne from 15–26 March this year.

The M2006 Games included over:

- 1 million spectators
- 6,000 athletes, coaches and team officials
- 3,000 local and international media
- 5,000 service providers
- 15,000 volunteers
- 40,000 internal visitors
- 50,000 interstate visitors
- 1 billion television viewers worldwide.

It was the biggest sporting event to take place in Australia since the Sydney Olympics in 2000.

On behalf of the government, the department, through the OTS, worked closely with Australian and Victorian government agencies to provide an effective national security overlay for the games, participating in both national level and state-based forums to plan transport security for the games.

The department was responsible for ensuring that Australia met its national and international responsibilities for security of airlines, airports, ports and shipping in the lead-up to and during the M2006 Games.

The department deployed staff to Melbourne to cover the operations of the games and to support contingency plans. Our staff provided advice, support and direction to Australian Government agencies, the Victorian Government—including the Victorian Police Service—the M2006 organisers and the transport industry.

The review’s recommendations dealt with a range of security and policing issues. The department is directly responsible for implementing a number of these recommendations.

Recommendation IV of the Wheeler review stated that the Office of Transport Security be given additional analytical and reporting capability, to enable it, among other things, to produce regular reports on security issues facing Australia’s aviation industry. This model is also intended to be applicable to Australia’s maritime and land industries.

In line with the review’s recommendations, the government has:

- recruited state-based security analysis liaison officers to enhance the reciprocal feedback of transport security–related information between industry and government
- produced the sectoral Aviation Security Risk Context Statement (RCS) in December 2005. The Aviation Security RCS was delivered to aviation industry participants in collaboration with state and territory government agencies in a series of threat and risk briefings across all jurisdictions
- developed the *Aviation Security Quarterly Report* and disseminated it to aviation industry participants. The quarterly report synthesises threat and criminality information provided by the Australian Security Intelligence Organisation and the Australian Crime Commission to assist industry in the development and implementation of transport security priorities. This information was provided to industry through the Aviation Security Advisory Forum
- sponsored a visit by a senior security adviser to the UK Government to Australia in April 2006. The purpose of the visit was to inform and educate government and key industry stakeholders on vehicle-borne improvised explosive device threats and mitigation techniques
- strengthened background checking of applicants for security identification cards. The aviation security identification card background checking regime was strengthened by removing the grandfathering provision, including a pattern of criminality and providing for more frequent background checking where a lower level of criminal activity is evident. The regulatory changes have been made and the new strengthened disqualifying criteria for the pattern of criminality came into effect on 6 March 2006. Additionally, the government will establish a new division within the Attorney-General’s Department to coordinate background checking on people working in the secure areas of air and seaports
- enhanced airside inspections. Since late 2005, industry and government agencies have been consulted on an effective airside screening regime. The intention is to inspect everyone going into airside areas immediately surrounding regular passenger transport aircraft at the 11 designated airports
- appointed additional staff to audit regulated air cargo agents
- provided explosive trace detection equipment to be used to examine export air cargo
- initiated a project to develop a nationally consistent Aviation Security Training Framework in consultation with the aviation industry. The framework outlines security-specific knowledge and competencies for defined security roles and will include training modules and assessment materials
- advised and worked closely with other agencies responsible for implementing the recommendations—and will continue to do so
- continued to analyse transport security events and incidents in the aviation sector.
## OUTPUT 1.3.1: AUSLINK

*(AusLink Business Division)*

<table>
<thead>
<tr>
<th>Effectiveness</th>
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<tbody>
<tr>
<td>The Australian Government's National Land Transport Plan (AusLink) is implemented to maintain and improve the standard of national infrastructure.</td>
</tr>
</tbody>
</table>

The five-year AusLink National Land Transport Plan received a further $2.4 billion in the Australian Government's May 2006 Budget to bring to $15 billion the government's total funding commitment to AusLink over the five financial years to 30 June 2009. In 2005–06, the second year of the plan, the department administered $4.5 billion in grants for national infrastructure on behalf of the Australian Government.

During 2005–06, the department distributed $1.2 billion for more than 160 major projects on the AusLink rail (13,985 km) and road (22,500 km) network. A further $7.8 million was spent on research and technology projects.

All councils around Australia, and states and the Northern Territory where they administer unincorporated land, received $307.5 million for improvements to their local roads. An amount of $497 million was made available as untied financial assistance grants for roads. Supplementary funding to South Australian councils accounted for a further $9 million and $14.5 million was allocated to AusLink strategic regional projects.

In a targeted programme to reduce Australia’s road toll, the government directed $44.5 million to a range of ‘black spot’ safety improvements.

Of the additional $2.4 billion distributed in 2005–06:

- $1.8 billion was provided to states and the Northern Territory to complete major works packages by the end of 2009 on the Pacific and Hume highways in New South Wales, the Bruce Highway in Queensland, the Eyre, Great Eastern and Great Northern highways in Western Australia, the Sturt Highway in South Australia, the East Tamar Highway in Tasmania and the Victoria Highway in the Northern Territory.
- $307.5 million was allocated as supplementary Roads to Recovery funding to about 700 councils around Australia, and to three states and the Northern Territory for unincorporated areas.
- the Australian Rail Track Corporation (ARTC), a company owned wholly by the Australian Government, received a further $270 million, which it will use to complete the replacement of old timber sleepers with concrete ones on the mainline track between Melbourne and the Queensland–New South Wales border. Together with other works, this will reduce travel times for freight trains by between two and nine hours over the main rail corridor between Melbourne and Brisbane.

In 2005–06, the ATC endorsed the first national model for rail safety legislation, marking a significant step towards improving the national consistency of rail regulations across state and territory borders.

The key challenges facing AusLink in 2006–07 include:

- completing all the corridor strategies, including integrating information from the results of the North-South Rail Corridor Study
- reviewing progress under the current five-year AusLink National Land Transport Plan and planning for major elements of subsequent Australian Government land transport infrastructure investment
- finalising projects to be supported under the Strategic Regional Programme.
Output 1.3.1—Auslink continued...

Effectiveness

Infrastructure planning and investment decision-making processes are improved

The AusLink (National Land Transport) Act 2005 (the AusLink Act) was proclaimed on 28 July 2005.

AusLink's National Land Transport Network was determined under the Act in October 2005. It includes all of the former National Highway, plus additional freight routes and corridors through cities, and the interstate standard gauge mainline rail track.

During the year, the department finalised AusLink bilateral agreements with each state and both territories. These agreements identify respective responsibilities for developing the National Network, list projects approved for funding, and establish Australian Government financial contributions under the AusLink National Land Transport Plan to 2008–09.

The plan operates on a five-year basis within a 20-year planning horizon. Future funding will be informed by the findings of corridor strategies for the 24 transport corridors on the National Network. Guidelines have been developed to ensure consistent and robust strategies are developed. Four corridor strategies had been drafted and a further 12 were underway by 30 June 2006. In June 2005, COAG requested that all the strategies be completed by mid-2007.

Notes on administration were issued, providing detailed guidance to states and territories on how to administer the AusLink Programme on behalf of the Australian Government.

Stakeholders can access key documents and information about AusLink planning and decision-making processes on the AusLink website at www.auslink.gov.au.

The ARTC consulted widely with industry and freight users on the proposed rail track works and awarded corridor alliance contracts that involve the corporation and contractors sharing savings and costs.

Quality

Programmes are administered in line with relevant legislation

In 2005–06, the department administered the following programme elements:

- AusLink—National Network
- AusLink—Road Safety Black Spot
- AusLink—Roads to Recovery
- AusLink—Strategic Regional
- AusLink—Improving Local Roads
- AusLink—Improving the National Network
- Management of residual issues of the former Australian National Railways Commission (AN)
- Murray River Bridges—Federation Fund Project
- Upgrade of Mainline Interstate Railway Track (removal of interstate rail track from Wodonga CBD).

For more information about programme administration, see the reports below.
$19.8m The actual price of this output in 2005–06 was $19.6 million.

ADMINISTERED PROGRAMME—AUSLINK NATIONAL NETWORK

(AusLink Business Division)

Road, rail and related infrastructure is maintained and enhanced along designated transport corridors

AusLink National Network provides funds for new construction projects and maintenance on the National Network. The Australian Government invested $1.2 billion on these projects in 2005–06. Some were funded jointly with relevant state and territory governments and other parties.

Work was completed on:
- the Hume Highway bypass at Craigieburn, Victoria (total Australian Government contribution is $306 million)
- the Westlink M7, a 40 km section in a ring road for Sydney ($392 million)
- duplication of the Taree to Coopernook section of the Pacific Highway in New South Wales ($28.8 million)
- Buckley bridge upgrades on the Barkly Highway, North-West Queensland ($21 million)
- Stage 1 of the Penguin to Ulverstone duplication of the Bass Highway, Tasmania ($28.5 million)
- Stage 7 of the Roe Highway extension, Western Australia (total Australian Government contribution to the Roe Highway is $76 million)
- the North Quay rail loop, Western Australia ($9.5 million)
- duplication from Noonamah to Cox Peninsula Road on the Stuart Highway, Northern Territory ($6.5 million).

Work began or continued on more than 160 other National Network projects, including:
- Caboolture Motorway widening to six lanes north of Brisbane
- Hume Freeway at Albury-Wodonga upgrading
- Pacific Highway’s further duplication
- Geelong bypass
- Adelaide’s Port River Expressway
- an improved rail link to the Port of Melbourne
- Sawyers Valley to The Lakes section of Western Australia’s Great Eastern Highway duplication.

The Australian Government announced in December 2005 a rescue package totalling $78 million for the Tasmanian mainline rail network, subject to the Tasmanian Government and Pacific National, the private sector operator of rail services in that state, meeting certain investment requirements.
Planning and investment decision-making processes are improved in partnership with state and territory governments.

Through the bilateral agreements negotiated during 2005–06, partnership arrangements were agreed with all states and territories. They included cooperative approaches for improving long-term planning and decision-making to meet and manage future transport infrastructure needs. The aim is to target projects on the National Network that deliver high levels of national benefit.

Under AusLink, investment in infrastructure will:

- be informed by examining how each land transport corridor needs to perform to meet future demands safely and effectively
- represent the best solution to a transport problem
- target national objectives and priorities
- be based on planning undertaken in partnership with states and territories and involve non-government stakeholders
- increase the potential for private sector involvement.

Transport corridor objectives, strategies and priorities are established for future investment.

The Minister for Transport and Regional Services approved objectives for developing the National Network in early 2006. These objectives provide a focus for assessing corridor needs and establishing national priorities that will:

- increase efficiency and infrastructure handling capacity
- improve safety and security
- improve the productivity of nationally strategic and export-oriented freight corridors
- improve the reliability of travel on interstate and interregional corridors
- be consistent with viable, long-term economic and social outcomes, and with the obligation to current and future generations to sustain the environment.

Four corridor strategies were drafted in 2005–06: Brisbane–Cairns, Sydney–Melbourne, Adelaide urban and Perth–Adelaide.


All corridor strategies are to be completed by mid-2007.

A national intermodal terminal study was completed in February 2006 and several other ‘foundation studies’ were begun. These will examine freight demand and function, different industry needs and the nature and patterns of freight flows, including factors that may trigger shifts in the pattern of freight activity in the future. In addition, in March 2006 the Bureau of Transport and Regional Economics (BTRE) published Demand projections for AusLink non-urban corridors. Together, these studies and projections will enable robust analysis of corridors, including freight traffic on non-urban routes and an assessment of urban freight patterns.
The North–South Rail Corridor Study commenced in September 2005 and the study report was released on 7 September 2006. It examined future transport demand along the Melbourne–Sydney–Brisbane corridor and identified potential impediments to meeting this demand. Information and data were obtained through extensive consultation with the rail industry, freight forwarders and other users.

Some $4.3 million was spent under Part IV of the AusLink (National Land Transport) Act 2005 (Auslink Act) on these studies.

Projects are administered in line with relevant legislation

More than 160 major land transport infrastructure projects are being administered under the National Network Programme.

Cost

$1,318.4m

The actual cost of this programme in 2005–06 was $1,228.9 million, principally because funds allocated previously to the Scoresby Freeway project ($90.0 million) on the basis it would be built as an untolled road were reallocated to other projects and moved to later years.

Overall performance ✔✔✔

Did you know?

It can cost more than $70 million to build a kilometre of four-lane, freeway-standard road. The most expensive road in Australia, per kilometre, is the Tugun bypass—it is 7.5 km long and cost $546 million. The Australian Government is contributing $120 million to the cost of the road west of the Gold Coast Airport.

ADMINISTERED PROGRAMME—AUSLINK ROAD SAFETY BLACK SPOT

(AusLink Business Division)

Effectiveness

Road crashes are reduced at treated sites, along with trauma and associated costs to the community

The AusLink Black Spot Programme is a key element of the Australian Government’s aim to reduce the national road fatality rate by 40 per cent over the decade to 2010. It is currently funded until June 2008.

In 2005–06, $44.5 million was allocated to improving road safety at about 370 crash sites around Australia.

The programme has reduced the risk of crashes by funding measures such as traffic lights, roundabouts, signage and edge sealing at dangerous locations on roads around Australia.

The BTRE, which evaluated the programme in 2001, began a further evaluation during 2005–06 to assess the effectiveness of the Black Spot Programme since 2001. This is expected to be completed by March 2007.
Priority is given to proposals for cost-effective treatment of sites with a proven history of crashes (black spots)

A black spot can be nominated through the AusLink website at www.auslink.gov.au.

Most funding goes to treat sites with a proven history of crashes—black spots with a record of at least three accidents involving casualties over a five-year period—and with a robust benefit to cost ratio of at least 2:1.

Completed projects prevented more than 1,500 serious crashes and 32 fatalities between 1996 and 1999 alone. It is estimated they saved the community many times the cost of the works, returning approximately $14 in benefits for every dollar spent.

Approximately 50 per cent of Black Spot Programme funding is reserved for projects in rural areas, consistent with the proportion of road deaths and serious injuries occurring in those areas. In 2005–06, more than 54 per cent of funding was allocated to rural projects.

Payments are made in line with the AusLink legislation

This programme is administered under Part 7 of the AusLink (National Land Transport) Act 2005.

Approximately 370 ‘black spots’ are approved for funding

The number of projects varies each year depending on the cost of approved works. In 2005–06, 358 new black spots were approved for treatment.

Cost

$44.5m

The actual cost of this programme in 2005–06 was $44.4 million.

Overall performance

⭐⭐⭐

ADMINISTERED PROGRAMME—AUSLINK ROADS TO RECOVERY

(AusLink Business Division)

Local councils use funds to maintain and improve land transport infrastructure

Under the AusLink Roads to Recovery Programme, each local authority across Australia is guaranteed a share of the available funding. Money is paid directly by the Australian Government to each council. Spending decisions are made locally and reported to the government. Councils nominate projects to be funded.

Funds are used for a range of purposes, including roadworks, traffic lights and bridges, but not for moveable capital equipment such as graders.

In 2005–06, $307.5 million was provided under this programme. About 4,500 projects have been proposed by councils in 2005–06. Councils are required to lodge audited financial statements stating how they have spent the programme funds.
**Quality**

*Payments are made in line with AusLink legislation*  Following an audit of the previous Roads to Recovery Programme by the Australian National Audit Office, programme procedures have been enhanced, including a clearer requirement for councils’ annual reports.

**Quantity**

*Approximately 700 councils are eligible for funding*  Every council in Australia is entitled to receive money under this programme. Funds are also provided to some state and Northern Territory agencies responsible for roads in unincorporated areas.

The funds are allocated as follows:

- $1.2 billion over four financial years goes to councils, distributed in accordance with the recommendations of the various Local Government Grants Commissions
- $30 million over four financial years is provided to the unincorporated areas of New South Wales, Victoria, South Australia, the Northern Territory and the Indian Ocean Territories of Christmas Island and Cocos (Keeling) Islands.

**Cost**

*$307.5m*  The actual cost of this programme in 2005–06 was $307.5 million. The cost of this programme in the 2005–06 PBS is $340.6 million, which included $33.1 million for the Strategic Regional Programme. To improve the usefulness of this report, the programmes have been disaggregated and are reported separately.

**Overall performance**  🌟🌟🌟

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**Did you know?**

Rail is a very safe and energy efficient form of land transport. One train with two drivers carries an equivalent amount to 150 trucks and drivers. The Australian Government and the Australian Rail Track Corporation, a private company wholly owned by the government, together are investing $2.4 billion in national rail infrastructure in the first five years of AusLink, the National Transport Plan.
ADMINISTERED PROGRAMME—AUSLINK STRATEGIC REGIONAL

(AusLink Business Division)

It is normal practice to report against the performance indicators in the Portfolio Budget Statements (PBS) or the Portfolio Additional Estimates Statements (PAES) for the reporting year (2005–06). However, AusLink’s administered programme outcomes changed during the year. To make this report as useful as possible, the new framework and targets have been aligned with those published in the 2006–07 PBS.

Effectiveness

Local councils use funds to develop regional land transport infrastructure supporting industry, tourism and economic development

AusLink’s Strategic Regional Programme encourages collaboration among local government authorities to develop an effective regional transport network to assist established and emerging industries and strengthen social connectivity.

In total, $220 million has been provided for a range of projects to mid-2009. Some $127 million was made available through a competitive merit-based process, which was announced at the beginning of March 2006. Applications closed on 1 May 2006 and are being assessed by the department. The Australian Government expects to announce the successful projects late in 2006. Before the call for applications in March 2006 to decide the distribution of $127 million, the Australian Government announced in 2004 initial projects with funding totalling about $93 million. Of those 22 projects, 15 have been approved by the minister and are either completed or underway. Completed projects include:

- safety improvements to Jervis Bay Road intersection, New South Wales (one of four subprojects of the Princes Highway Safety Works project)
- traffic lights at Yan Yean and Ironbark Roads, Yarrambat, Victoria
- a boardwalk along Metung Road, Victoria
- the Russett Park Causeway in Mareeba Shire, Far North Queensland
- upgrade of Port Sorell Road, Tasmania.

The department continues to work with proponents to finalise funding and administrative arrangements for the remaining seven projects.
Projects satisfy eligibility criteria

Current funding applications are being assessed against one of two sets of criteria: one for large projects (those seeking more than $1 million) and one for small projects (seeking up to $1 million).

The criteria for large projects require:
- collaborative regional planning and regional support
- stakeholder funding contributions
- industry competitiveness
- regional significance
- access to services and employment
- clear construction timelines and relevant construction standards.

The criteria for small projects include:
- community/regional significance and community support—relevance to local industry and development
- community access and social significance
- safety
- clear construction time lines and relevant construction standards.

The Australian Government will announce the successful projects before the end of 2006. The department will work with successful proponents to establish financial and administrative arrangements, enabling some projects to commence in the first half of 2007.

<table>
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<tbody>
<tr>
<td><strong>Approximately 700 councils are eligible for funding</strong></td>
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<tr>
<td>More than 480 applications from 274 separate councils seeking more than $1 billion in Australian Government contributions were received and are being assessed. The total project value represented by these applications is $2 billion.</td>
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<table>
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<tr>
<th>Cost</th>
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<tr>
<td><strong>$16.5m (down from $33.1m at Budget)</strong></td>
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<tr>
<td>The actual cost of this programme in 2005-06 was $14.5 million, with $2 million carried forward to 2006-07.</td>
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<tr>
<td>The AusLink Strategic Regional Programme is administered under Part 6 of the AusLink Act.</td>
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<tr>
<th>Overall performance</th>
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ADMINISTERED PROGRAMME—AUSLINK IMPROVING LOCAL ROADS

(AusLink Business Division)

It is normal practice to report against the performance indicators in the PBS or the PAES for the reporting year (2005–06). However, this programme was announced in the context of the 2005–06 Portfolio Supplementary Additional Estimates Statement (PSAES), with the performance indicators being reported for the first time in the 2006–07 PBS.

<table>
<thead>
<tr>
<th>Effectiveness</th>
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<tbody>
<tr>
<td>Local councils use funds to accelerate works to maintain and improve the local road network</td>
<td>In the May 2006 Budget, the Australian Government announced a special one-off payment of $307.5 million to Australia’s councils and to three states, the Northern Territory, Christmas Island and Cocos (Keeling) Islands, to accelerate local road improvements.</td>
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<tr>
<th>Quality</th>
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<tbody>
<tr>
<td>Funds are paid to local councils and for unincorporated areas and are used for the construction or maintenance of roads</td>
<td>The funds are administered under similar funding conditions to those of the AusLink Roads to Recovery Programme.</td>
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<tr>
<th>Quantity</th>
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<tr>
<td>Approximately 700 councils are eligible for funding</td>
<td>Payments were made in June 2006 to 706 councils and five state/territory governments.</td>
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<tr>
<th>Cost</th>
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<tr>
<td>Nil (the programme was announced in the 2005–06 PSAES)</td>
<td>The actual cost of this programme in 2005–06 was nil. An amount of $307.5 million was paid in 2005–06 to be expensed over the next three years to 2008–09.</td>
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<tr>
<td>Overall performance</td>
<td>✔ ✔ ✔</td>
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</table>
ADMINISTERED PROGRAMME—AUSLINK IMPROVING THE NATIONAL NETWORK

(AusLink Business Division)

It is normal practice to report against the performance indicators in the PBS or the PAES for the reporting year (2005–06). However, this programme was announced in the context of the 2005–06 PSAES, with the performance indicators being reported for the first time in the 2006–07 PBS.

**Effectiveness**

*Roads and related infrastructure is enhanced along designated transport corridors*

The Australian Government provided an additional $2.4 billion in 2005–06 for improving transport infrastructure. Of this total, $1.8 billion was paid to states and the Northern Territory to undertake specified works packages towards improving the AusLink National Network by the end of 2009. The funding will be expensed over the five years to 2010–11.

The programme includes:

- providing dual carriageway on the remaining unduplicated sections of the Hume Highway, except for about 20 kilometres at Woomargama, Holbrook and Tarcutta, where planning for bypasses is required
- duplicating the Pacific Highway from Moorland to Herons Creek, south of Port Macquarie, and undertaking priority safety works along the highway
- undertaking flood immunity works on the Bruce Highway at Tully and a range of improvements on the highway between Townsville and Cairns
- upgrading the Great Northern Highway in Victoria and the Great Eastern and Eyre highways in Western Australia, including completing the Lennard Street to Muchea section of the Great Northern Highway and further bridgeworks on the highway in the Kimberley
- duplicating the Sturt Highway from Gawler to Daveyston and further upgrading it to Nuriootpa in South Australia
- upgrading the East Tamar Highway in Tasmania, including a bypass of Dilston
- undertaking flood mitigation works for the Victoria Highway across the Victoria River floodplain in the Northern Territory.

**Quality**

*Projects are administered in line with relevant legislation and agreements between jurisdictions and the Australian Government*

Memoranda of understanding in relation to the additional funding were negotiated with relevant states and the Northern Territory. These memoranda require adherence to relevant sections of the AusLink Act, bilateral agreements and Notes on Administration.

**Cost**

*$2.5m (the programme was announced in the PSAES)*

The actual cost of this programme in 2005–06 was $2.5 million. An amount of $1,820.0 million was paid in 2005–06 with the balance to be expensed in the forward years.

**Overall performance**

★★★
The Australian and Queensland governments have completed a draft joint transport strategy for the Brisbane–Cairns corridor that will inform their investment decisions for the Bruce Highway and North Coast Railway beyond 2009.

It is the first of more than 20 corridor strategies being developed for the AusLink National Network, which has replaced the National Highway as the principal road and rail system linking capital cities and major population centres.

Corridor strategies identify transport needs within a corridor and the priorities for meeting those needs. They provide a basis for making decisions on future project planning and construction time frames.

The Brisbane–Cairns Corridor Strategy provides a detailed snapshot of the corridor, its transport function, deficiencies and future needs. It provides the Australian and Queensland governments with a blueprint for devising practical solutions to emerging problems before they become critical.

Governments will now explore multi-modal outcomes to the needs of the corridor and plan strategies for 20 to 25 years into the future.

A thorough analysis of the Brisbane–Cairns corridor underpinned the development of the corridor strategy: the role of the corridor in supporting major industry, population growth, tourism and exports; the needs of growing regional centres and ports along the corridor; an assessment of modal competition and the role of rail; analysis of current and future transport demand and the economic and social drivers of demand; and an assessment of road safety black spots and risk factors.

The analysis found the following:

- about 58 per cent of Queenslanders live along the corridor
- the corridor is highly decentralised, with major urban areas, industry and agricultural production as well as tourism spread along its 1,700 km length
- road and rail transport activity throughout the corridor is expected to grow strongly at between around 2.5 and 3.0 per cent a year. South of Childers, road traffic is expected to grow at the higher rate of around 3.5 per cent a year and double in 20 years. This growth will be fuelled by rapid population and economic growth and tourism
- road and rail are expected to continue to compete strongly for long-distance movement of general freight in the corridor. Rail and coastal shipping will have important roles in movement of bulk cargo, and road is expected to continue to dominate local and intra-regional transport and specific niche markets. Air transport is expected to grow rapidly (averaging over 5 per cent a year) and expand its dominance of the long-distance passenger travel market.

The main challenges are to cater for expected growth and, at the same time, improve the safety, reliability and maintenance of the entire road corridor. The main challenge for the rail system is to ensure that the infrastructure in the North Coast Line can support the provision of competitive rail services, particularly freight services. In the longer term, additional rail capacity may be required to meet potential growth in north–south rail freight activity.
ADMINISTERED PROGRAMME–MANAGEMENT OF RESIDUAL ISSUES OF FORMER AUSTRALIAN NATIONAL RAILWAYS COMMISSION

(AusLink Business Division)

<table>
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<tr>
<td>The future of the AN plan room is resolved, along with any other residual issues which may emerge.</td>
</tr>
<tr>
<td>The department continued to deal with a number of residual issues associated with the former Australian National Railways Commission (AN), which has been wound up. The main issue continues to be the AN plan room in Adelaide, which now houses an estimated 200,000 plans and drawings of rail rolling stock and infrastructure. In 2005–06, the department engaged a consultant to scrutinise the plans and develop a disposal strategy in conjunction with the Australian National Archives. The process included consultations with users of the plans. This process is expected to be completed in 2006–07.</td>
</tr>
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</table>

| Public access to plans of heritage value is maintained |
| Public access to the AN plans was maintained in Adelaide throughout 2005–06. |

| Cost |
| $0.5m (down from $0.7m at Budget). |
| The actual cost of this programme in 2005–06 was $0.05 million. Amounts of $0.4 million in 2006–07 and 2007–08 have been set aside to meet any costs that might arise in connection with AN, including the AN plan room and any legal costs. |

| Overall performance | ✔ ✔ ✔ |
ADMINISTERED PROGRAMME—MURRAY RIVER BRIDGES—FEDERATION FUND PROJECT

(AusLink Business Division)

### Effectiveness

| New regional infrastructure improves access | On average, more than 100,000 vehicles each day use the 30 Murray River crossings. Road transports carry 20 million tonnes of freight across Murray River bridges every year. The average value of this freight is $29 billion annually. Much of the freight is carried on the AusLink National Network between Sydney and Melbourne (Lincoln Causeway), Sydney and Adelaide (George Chaffey Bridge at Mildura) and Melbourne and Brisbane (Tocumwal Bridge on the Newell Highway).

The Australian Government is contributing $44 million to the cost of three non-network bridges over the Murray River in addition to the AusLink National Network bridges it funds. The Corowa Bridge has opened to traffic, the Robinvale Bridge is due to open on 7 October 2006, while construction is yet to start on the Echuca–Moama bridge. Because of heritage issues encountered by the Victorian Government, the project has been delayed to 2006–07. |

### Quality

| A new bridge is constructed over the River Murray at Echuca–Moama | The Echuca–Moama crossing carries the third-largest value of freight on Murray River crossings between Victoria and New South Wales. The growing economic importance of Echuca–Moama as a tourism destination underscores the need for efficient and safe regional transport links; the new bridge will be consistent with such an objective. |

| Payments are made in line with the Australian Government's obligations | n/a |

### Cost

| $0m (down from $9.5m at Budget) | The actual cost of this programme in 2005–06 was nil, with funding carried forward to 2006–07. |

| Overall performance | ✔ ✔ ✔ |
ADMINISTERED PROGRAMME—UPGRADE OF MAINLINE INTERSTATE RAILWAY TRACK (REMOVAL OF INTERSTATE RAIL TRACK FROM WODONGA CBD)

*(AusLink Business Division)*

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<thead>
<tr>
<th>Effectiveness</th>
</tr>
</thead>
<tbody>
<tr>
<td>The project improves interstate rail track efficiency</td>
</tr>
<tr>
<td>The Australian Government remains committed to contributing to the cost of a Wodonga rail bypass. The bypass will remove the interstate rail track from the CBD of Wodonga, through construction of a new standard gauge track north of the city. The release of 20 hectares of railway land in the town centre will allow its redevelopment. The rail bypass will benefit the residents of Wodonga, who have long had to deal with having the Melbourne-Sydney main line running through the centre of their city. This has meant delays and dangers for residents, fragmentation of the CBD—with loss of valuable space that could be better used for provision of civic amenities—and inefficient rail and road transport for industry. Funds were moved to 2006-07, given ongoing negotiations between the ARTC, Victorian Department of Infrastructure, and Pacific National on the details of the project. Once agreement is reached and the Victorian Department of Infrastructure finalises a detailed project proposal, the project can proceed in 2006-07.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Quality</th>
</tr>
</thead>
<tbody>
<tr>
<td>The interstate main line rail track through the Wodonga CBD is replaced with a rail bypass</td>
</tr>
<tr>
<td>n/a</td>
</tr>
<tr>
<td>Payments are made in line with the Australian Government's obligations</td>
</tr>
<tr>
<td>n/a</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>$20.0m</td>
</tr>
<tr>
<td>The actual cost of this programme in 2005-06 was nil, with funding carried forward to 2006-07.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Overall performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>✔ ✔ ✔</td>
</tr>
</tbody>
</table>
CASE STUDY—DYNON PORT RAIL LINK

Melbourne’s Dynon Port Rail Link illustrates the importance of joint government cooperation towards achieving the AusLink Programme objectives in conjunction with private enterprise. Melbourne is Australia’s largest and most efficient container port, generating trade worth $100 million every day. By volume, it handles 37 per cent of Australia’s import/export container traffic.

Work is progressing on a major project that will deliver uninterrupted 24-hour road and rail access to the Port of Melbourne and reduce congestion on Footscray Road, one of the city’s busiest thoroughfares. Under AusLink, the Australian Government will contribute $110 million towards the Dynon Port Rail Link.

This AusLink investment aims to achieve world best practice in intermodal operations at Melbourne, keep the port competitive, and reduce the likelihood of increased container transportation shifting from rail to road.

Flow-on benefits from the planned investment will include quicker turnaround times for vehicles and better utilisation of terminal facilities, forklifts, service roads and staff.

The project involves construction of an 80-metre overpass, six lanes wide, that will carry Footscray Road over a newly built railway line, together with other rail and signalling works. The project is located on the main interstate rail corridor as it enters the Port of Melbourne. The project will help facilitate the objective of 30 per cent of port-related freight to be transported by rail by 2010.

The rail infrastructure upgrading will improve freight flows in the Dynon precinct and to the Port of Melbourne, and allow the use of longer trains to access the port’s on-dock rail terminals directly. The separation of the railway and Footscray Road will eliminate traffic delays on Footscray Road as trains cross to access the Port of Melbourne.

This project is scheduled to be completed by 30 June 2009.
OUTPUT 1.4.1: MARITIME AND LAND TRANSPORT

(Maritime and Land Transport Business Division)

Effectiveness

The maritime and land transport industries operate in a robust and stable regulatory environment

The Australian Government’s shipping policy seeks to balance the interests of the Australian shipping industry through a preference for Australian licensed vessels in the carriage of coastal cargoes, and meeting the interests of exporters and importers by ensuring access to efficient international shipping services. On behalf of the government, the department:

- registered agreements enabling ocean liner carriers to collaborate to provide regular cargo shipping services to importers and exporters
- administered legislation governing the coastal trade.

The department supports the government’s and COAG’s efforts to deliver land transport reforms such as uniform and efficient regulatory arrangements across the states and territories. The department supported a range of national road and rail regulatory reforms through the National Transport Commission (NTC) (page 95).

Trade Practices Act application to international liner cargo shipping

Liner cargo shipping carried almost half of Australia’s seaborne exports and over three-quarters of Australia’s seaborne imports in 2004–05, valued at over $47 billion and $86 billion, respectively (latest figures available).

Part X of the Trade Practices Act 1974 gives ocean liner cargo carriers immunity from certain parts of Australia’s trade practices laws. It permits them to form conference agreements to provide regular scheduled cargo shipping services. At 30 June 2006, similar exemptions were provided by the USA, the European Union, Japan, Korea, Canada and New Zealand.

Agreements registered with the department under the Act are wide-ranging, each specific to an individual trade route. In 2005–06 the department:

- registered more agreements and variations to existing agreements than in 2004–05 (see Table 3.8)
- registered all agreements and variations within 14 days of receipt.

A review of Part X of the Trade Practices Act 1974 commenced in 2004 as a result of shippers’ concerns about liner discussion agreements. The government’s response to the report of the Productivity Commission on its review of Part X is expected to be released shortly.

Coastal cargo

Coastal shipping, which performs 26.5 per cent of Australia’s domestic freight task (measured in tonne-kilometres), is vital to the nation’s economy.

The Navigation Act 1912 requires all vessels trading interstate to be licensed or to have a coastal permit to carry cargo or passengers. The volume of applications for licences and permits fluctuates from year to year with demand for coastal shipping services (see Table 3.8). In 2005–06 the department, through the Operations Centre of the Office of Transport Security, issued all permits within target time frames. This included more:
The maritime and land transport industries operate in a robust and stable regulatory environment (continued)

- coastal trading licences than in previous years—these can be issued to any vessel provided that Australian wages are paid to the crew while it is engaged in coastal trade
- single voyage and continuing voyage permits to foreign ships—permits may be issued where no licensed ship is available or the service provided by such ships is not adequate.

National and international reform supported

The Navigation Act 1912 is the major legislation regulating maritime safety. In 2005–06 the department supported the government in meeting its commitments under the COAG Competition Principles Agreement (CPA) by:

- commencing work to implement the recommendations from the CPA reviews of the Navigation Act 1912 and the Shipping Registration Act 1981 to remove unnecessary regulation, to enhance the development of a safety culture in the shipping industry and to give a higher priority to Port State Control to protect mariners and the marine environment from unseaworthy vessels
- continuing discussions with state maritime authorities aimed at simplifying and clarifying jurisdictional responsibility for maritime safety regulation of vessels between the Australian Government and the states and the Northern Territory.

It is expected that these processes will be completed in 2006–07.

In addition to contributing to the reviews mentioned above, in 2005–06 the department:

- completed a detailed review of governance of the Australian Maritime Safety Authority (AMSA) in response to the Uhrig report
- participated in NTC working groups on compliance and enforcement, driver health and fatigue, heavy vehicle charges and performance-based standards, and rail reform (see National Transport Commission (page 95)
- delivered funding on behalf of the Australian Government to help establish the Transport and Logistics Centre of Excellence (page 101).

We also supported bodies including the:

- International Maritime Organisation (IMO) and the OECD Transport Research programme, by contributing to the development of international standards for maritime safety and protection of the marine environment. For contributions to international organisations administered under this output (see Table 3.9. page 103)
- ATC and its supporting Standing Committee on Transport through the provision of secretariat services
- Australian Logistics Council, a partnership between the Australian Government and senior industry leaders created to drive the Australian Logistics Industry Strategy. The department coordinated the financial support of the Australian Government for the council and engaged directly in the council’s work programme.

A national reform agenda for transport systems is developed and implemented

In 2005–06 the department contributed to the government’s review of national competition policy that led to COAG establishing the National Reform Agenda in February 2006, which included a commitment to new and continuing national transport reforms.
The National Reform Agenda adopted by COAG is aimed at delivering significant economic and social benefits to the community. The Productivity Commission has estimated that national competition reforms have permanently increased the level of Australia’s gross domestic product by 2.5 per cent, or $20 billion. The transport reform agenda is part of the National Reform Agenda. Its projects include identifying options for efficient road and rail freight infrastructure pricing in a manner that maximises net benefits to the community. It also includes other reforms covering the harmonisation and reform of road and rail regulation, including access and safety, the finalisation of the AusLink Corridor Strategies by July 2007 and a review of urban congestion trends, impacts and solutions.

Output 1.4.1—Maritime and land transport continued...

**Effectiveness**

*Exposure to environmental damage from maritime and land transport is reduced*

**Leadership on ship safety and marine environment protection**

Australia’s heavy reliance on its sea lanes and port operations results in a continual risk of pollution to the marine environment. In 2005-06 the department worked on behalf of the government to:

- contribute to the management of marine pests and ballast water issues through participation in the National Introduced Marine Pests Coordination Group project teams and the Oversight Group

- progress the development of domestic legislation to give effect to the following international conventions associated with shipping:
  - the Bunkers Convention, which makes ship owners liable for oil spill damages when oil is carried as fuel in a ship’s bunker
  - Convention for the Prevention of Pollution from Ships (Annex VI), which sets limits on sulphur and nitrogen oxide in ship exhausts and prohibits deliberate emission of ozone-depleting substances
  - Revised Annex 1 (prevention of pollution by oil) and Revised Annex II (prevention of pollution by noxious liquid substances) to the International Convention for the Prevention of Pollution from Ships
  - International Anti-Fouling Systems on Ships Convention, which prohibits the use of environmentally harmful anti-fouling systems on ships entering Australian ports from 1 January 2008. This legislation was introduced on 22 June 2006

- continued consultation with industry and government stakeholders to develop an Australian position on accession to the Torremolinos Protocol on the safety of fishing vessels and the Standards of Training, Certification and Watch keeping—Fishing for fishing crews.

For a comprehensive list of relevant treaties and legislation on protection of the sea, visit www.amsa.gov.au.
It is in the national interest to protect the marine environment from the consequences of significant pollution in the event of a maritime incident. While the incidence of significant pollution damage to the Australian coast has, fortunately been relatively rare, international experience demonstrates the extremely damaging effect of even a single major oil spill adjacent to a nation’s coastline. The Australian, state and Northern Territory governments have agreed that effective management of first response to maritime incidents requires clear, unambiguous decision-making powers exercised by a single body.

In collaboration with AMSA and the states and Northern Territory, the government put in place the legislative, financial and operational measures for the National Maritime Emergency Response Arrangement (NMERA), which the Australian Transport Council agreed to in November 2005. Under NMERA there is now a single national decision maker that can effectively intervene at an early stage once an incident occurs. This prevents disputes over legal jurisdiction and respective responsibilities.

Amendments to the Protection of the Sea (Shipping Levy) Act 1981 were made to enable the full recovery of the costs of NMERA from the shipping industry. In May 2006 the government announced a moratorium on the shipping levy increases in 2006–07, with levies to be gradually increased from 2007–08 with full cost recovery by 2009–10.

AMSA also let three contracts under NMERA for providing emergency towage services around Australia’s coastline:

- Australian Maritime Systems Ltd for a dedicated vessel in the northern Great Barrier Reef and Torres Strait region. The contract will cost approximately $8 million a year and will run for eight years. This vessel will also undertake maintenance of marine aids to navigation in the region. The service will commence on 1 July 2006.

- RiverWijs-Dampier for the north Western Australia region based on the port of Dampier. This service commenced from 1 June 2006 at a cost of about $0.4 million a year for five years.

- Adsteam Pty Ltd for capabilities in the remaining seven regions around Australia at a cost of $3 million a year over five years, which will also commence on 1 July 2006.

With these contracts in place, emergency towage arrangements are now comprehensively provided for on the Australian coast.
Output 1.4.1—Maritime and land transport continued...

**Effectiveness**

*Exposure to environmental damage from maritime and land transport is reduced (continued)*

New emissions standards and guidelines in place

Motor vehicles remain a significant contributor to urban air pollution and greenhouse gas emissions, although cleaner fuels and engines have reduced levels of harmful pollutants.

In 2005–06 the government continued to work with other agencies and the broader community to reduce emissions from Australia’s 13.1 million vehicles, by:

- finalising new emission standards for light and heavy vehicles, which will deliver significant reductions in emissions from new vehicles from 2007 onwards
- upgrading and promoting the Green Vehicle Guide website—the website’s usage rate has continued to grow since its launch in mid 2004
- publishing guidelines on the environmental performance criteria for heavy diesel vehicles. Operators must meet these criteria in order to receive fuel excise credits from 1 July 2006 (see case study at page 91).

**Price**

$12.2m

The actual price of this output in 2005–06 was $12.9 million.

**Overall performance**

✓✓✓
### Table 3.8 Trends in regulation of and support for maritime and land transport

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Price of output</td>
<td>n/a</td>
<td>n/a</td>
<td>$10.7m</td>
<td>$12.9m</td>
<td>$13.3m</td>
</tr>
<tr>
<td>Maritime regulations and programmes administered under this output</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Activity regulated under Part X of the <em>Trade Practices Act 1974</em></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shipping conference agreements registered</td>
<td>21</td>
<td>12</td>
<td>9</td>
<td>26</td>
<td>No set targets</td>
</tr>
<tr>
<td>Variations to existing agreements registered</td>
<td>22</td>
<td>29</td>
<td>15</td>
<td>26</td>
<td></td>
</tr>
<tr>
<td>Agreements registered within 14 days</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Activity regulated under the <em>Navigation Act 1912</em></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coastal shipping licences issued</td>
<td>56</td>
<td>60</td>
<td>63</td>
<td>62</td>
<td>No set targets</td>
</tr>
<tr>
<td>Single voyage permits issued</td>
<td>803⁸</td>
<td>669</td>
<td>687</td>
<td>742</td>
<td></td>
</tr>
<tr>
<td>Continuing voyage permits issued</td>
<td>105</td>
<td>126</td>
<td>166</td>
<td>149</td>
<td></td>
</tr>
<tr>
<td>Permits issued within target time frames</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Oil Pollution Compensation Fund</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Entities levied</td>
<td>Not reported</td>
<td>Not reported</td>
<td>6</td>
<td>–</td>
<td></td>
</tr>
<tr>
<td>Payments made in respect of fund</td>
<td>$-0.5m</td>
<td>$-12.1m</td>
<td>$2.3m</td>
<td>–</td>
<td>$2.0m</td>
</tr>
<tr>
<td>Tasmanian Freight Equalisation Scheme (page 99)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shippers assisted</td>
<td>1300</td>
<td>1376</td>
<td>1300</td>
<td>1341</td>
<td>No set targets</td>
</tr>
<tr>
<td>Claims paid</td>
<td>5,377</td>
<td>5,871</td>
<td>6,377</td>
<td>6,831</td>
<td></td>
</tr>
<tr>
<td>Cost of programme</td>
<td>$77.2m</td>
<td>$83.6m</td>
<td>$89.3m</td>
<td>$92.3m</td>
<td>$89.4m</td>
</tr>
<tr>
<td>Tasmanian Wheat Freight Scheme (page 100)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tonnes of wheat shipped</td>
<td>55,587</td>
<td>73,469</td>
<td>27,433</td>
<td>–</td>
<td>No set targets</td>
</tr>
<tr>
<td>Shipments</td>
<td>10</td>
<td>10</td>
<td>4</td>
<td>–</td>
<td></td>
</tr>
<tr>
<td>Cost of programme</td>
<td>$1.2m</td>
<td>$1.2m</td>
<td>$0.6m</td>
<td>$0.0m</td>
<td>$1.1m</td>
</tr>
<tr>
<td>Bass Strait Passenger Vehicle Equalisation Scheme (page 92)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vehicles shipped</td>
<td>219 000</td>
<td>228 300</td>
<td>216 986</td>
<td>209 187</td>
<td></td>
</tr>
<tr>
<td>Cost of programme</td>
<td>$31.8m</td>
<td>$34.3m</td>
<td>$32.4m</td>
<td>$31.1m</td>
<td>$36.0m</td>
</tr>
<tr>
<td>Total cost of Tasmanian Schemes</td>
<td>$110.2m</td>
<td>$119.1m</td>
<td>$122.3m</td>
<td>$123.4m</td>
<td>$126.5m</td>
</tr>
</tbody>
</table>
The Australian Government is providing significant support to the transport industry by reducing its fuel tax costs. Under the *Fuel Tax Act 2006*, operators of heavy vehicles are eligible for a fuel tax credit worth around 18.5c/L. The new fuel tax credit removes the previous urban–regional boundary limits to assessing the tax credit, extending eligibility and reducing administrative costs.

As part of its energy policy announced in its publication *Securing Australia’s energy future*, the government indicated that it would introduce environmental criteria governing eligibility for the fuel tax credit, to ensure that the tax benefit is not available to high-polluting vehicles that can adversely affect air quality and human health.

The criteria have not been designed to be onerous, but rather to provide a mechanism to encourage good vehicle maintenance. They provide a range of options to ensure that any operator, including an owner-driver, who maintains the emission-related components of their vehicle in a reasonable manner will be able to claim the credit.

On behalf of the government, the department has developed a set of guidelines to assist the industry understand the criteria and apply them to their businesses. The guidelines were developed in consultation with the truck and bus industry, including operator organisations, engine manufacturers and maintenance experts. The guidelines can be downloaded from the department’s website at www.dotars.gov.au and are also available in hard copy from the Australian Taxation Office.
ADMINISTERED PROGRAMME—BASS STRAIT PASSENGER VEHICLE EQUALISATION SCHEME

*Maritime and Land Transport Business Division*

<table>
<thead>
<tr>
<th>Effectiveness/Location</th>
<th>The cost of sea travel across Bass Strait is alleviated for passengers accompanying a vehicle</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>This scheme lessens the cost of seagoing travel for eligible passengers by reducing the cost disadvantage associated with transporting passenger vehicles across Bass Strait.</td>
</tr>
<tr>
<td></td>
<td>The actual amount of rebate payable for each crossing is up to $150 for a car, up to $300 for a motor home or vehicle towing a caravan, up to $75 for a motorcycle and $21 for a bicycle.</td>
</tr>
<tr>
<td></td>
<td>The impact of the scheme is monitored annually by the BTRE within the department. Reports can be obtained from the BTRE website at <a href="http://www.btre.gov.au">www.btre.gov.au</a>.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Quality</th>
<th>Eligible passengers receive a rebate on their fare within 30 working days of submitting a claim</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The rebate is provided in the form of a reduction in the fare charged by ferry operators to the drivers of eligible passenger vehicles. Drivers who fly across Bass Strait but ship their vehicle are also eligible for a rebate if they:</td>
</tr>
<tr>
<td></td>
<td>- are unable to travel by sea because of a disability</td>
</tr>
<tr>
<td></td>
<td>or</td>
</tr>
<tr>
<td></td>
<td>- are travelling between Melbourne and King Island, as the ferry operator on this route carries vehicles only.</td>
</tr>
<tr>
<td></td>
<td>The ferry operator is reimbursed for the total rebate provided to eligible passengers under the scheme. In 2005–06 the major recipient continued to be TT-Line, which operates the major passenger ferries between Devonport and Melbourne/Sydney.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cost</th>
<th>$35.0m (down from $41.0m at Budget)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The scheme is demand-driven. Its costs vary with the number and mix of vehicles shipped across Bass Strait. In 2005–06, a fall in the number of passengers travelling by sea saw the actual cost of the scheme fall from $32.4 million in 2004–05 to $31.1 million in 2005–06.</td>
</tr>
</tbody>
</table>

| Overall performance | 🟢🟢🟢 |
ADMINISTERED PROGRAMME—INTERSTATE ROAD TRANSPORT FEES

(Maritime and Land Transport Business Division)

Effectiveness

Uniform charges and operating conditions apply for heavy vehicles engaged solely in interstate operations

In 1987, the Australian Government established the Federal Interstate Registration Scheme (FIRS) as an alternative to state-based registration for heavy vehicles weighing 4.5 tonnes or more, to provide uniform charges and operating conditions for heavy vehicles engaged solely in interstate operations. In 2005–06 around three per cent of Australia’s heavy vehicles, approximately 8,000 vehicles and 9,000 trailers, were registered through the scheme.

In 2006–07 the government will complete a review of the future of the scheme in line with its commitments under the AusLink bilateral agreements.

Quality

Payments are redistributed to state and territory governments in line with an agreed formula designed to meet the cost of damage to roads caused by heavy vehicles

Revenue from registration charges on FIRS vehicles is collected by state and territory authorities and forwarded to the Australian Government. This revenue is redistributed fully to all states and territories, based on an agreed formula designed to meet the costs of damage to roads caused by FIRS heavy vehicles (see Figure 3.3).

Figure 3.3 Distribution of interstate road transport fees in 2005–06

Cost

$48.0m The actual cost of this programme in 2005–06 was $48.0 million.

Overall performance 🌟🌟🌟
Emergency towage and maritime salvage capabilities are maintained

The Maritime Emergency Towage Programme provided assured levels of emergency towage capability to commercial shipping around the Australian coastline in 2005–06, pending the introduction of the National Maritime Emergency Response Arrangements (NMERA), which was implemented in late 2005–06 (see case study on emergency towage, page 88).

Two organisations provided services during 2005–06:

- United Salvage Pty Ltd, a subsidiary of Adsteam Marine Limited
- RiverWijs Pty Ltd, a joint venture between the Svitzer/Wijsmuller Salvage Group and Riverside Marine.

Risk to human life and the marine environment are reduced

Although there have been no major shipping accidents in Australian waters in many years, the risk of a catastrophic incident remains:

- around 3,300 ships (excluding vessels that do not leave the Australian coast) enter Australian waters each year, making more than 23,000 calls at 70 major ports
- depending on its type, each ship may carry up to 3,800 people or 300,000 tonnes of crude oil.

Location

Around the Australian coastline

The programme ensures a minimum level of emergency towage is available in strategic regions around the Australian coastline, including the Great Barrier Reef and Torres Strait. This encompasses over 70 ports around the Australian coastline.

Cost

$4.3m (up from $0m at Budget)

The actual cost of this programme in 2005–06 was $4.3 million.

Overall performance

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ADMINSITRED PROGRAMME–NATIONAL TRANSPORT COMMISSION

(Maritime and Land Transport Business Division)

### Effectiveness

The NTC is able to assist governments to increase transport productivity and sustainability through consistent and effective road and rail regulation.

An independent statutory body, the NTC advises Australian transport ministers on regulatory and operational reforms for road, rail and intermodal transport, with a particular focus on productivity, safety, efficiency and sustainability. The NTC is established under the *National Transport Commission Act 2003*.

The NTC collaborated with all governments, industry bodies, regulators and police during the year to develop practical national solutions and monitor their implementation. Among other outputs, it delivered:

- **A bus operator handbook.** Developed in cooperation with the bus industry, the handbook provides information on issues such as national road transport laws and health and safety requirements.

- **Rail safety model Bill.** The model Bill will assist in achieving national uniformity for rail safety and provide improved rail safety outcomes across Australia.

- **Rest area guidelines.** The guidelines, to be used in planning, constructing and upgrading rest areas, will assist in the management of driver fatigue.

- **Twice the task.** This report responds to forecasts that Australia’s freight transport task will double during the period 2000 to 2020.

- **Model legislation to support the Intelligent Access Programme (IAP).** The IAP is a voluntary programme that will use vehicle telematics to remotely monitor heavy vehicles, through certified IAP service providers, for the purpose of ensuring compliance with agreed operating conditions. It will allow road authorities to offer increased or extended heavy vehicle road access under existing concessions, permits and schemes.

- **A national middle tier of mass limits for accredited heavy vehicles.** Heavy vehicles accredited under the National Heavy Vehicle Accreditation Scheme Mass Management module benefited from increased mass limits on general access routes on 1 July 2006. Under the reform, the mass limit for a 6-axle semi-trailer increased by one tonne to 43.5 tonnes, while the mass limit for a 9-axle B-double increased by 2 tonnes to 64.5 tonnes.

For more information about the NTC and the initiatives identified above, visit [www.ntc.gov.au](http://www.ntc.gov.au).
Output 1.4.1—Maritime and land transport continued...

### Quality

*Payments are made in line with the Australian Government's obligations under the National Transport Commission Act 2003.*

The Australian Government contributes 35 per cent of the NTC’s annual operating budget. In 2005–06 the NTC received, in quarterly instalments, the full amount payable.

### Cost

<table>
<thead>
<tr>
<th>Cost</th>
<th>The actual cost of this programme in 2005–06 was $2.5 million, similar to 2004–05.</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2.5m (down from $2.6m at Budget)</td>
<td></td>
</tr>
</tbody>
</table>

Overall performance  

Did you know?

On 22 June 2006 the government introduced legislation in the House of Representatives to give effect to the International Anti-Fouling Systems on Ships Convention, which prohibits the use of environmentally harmful anti-fouling systems on ships entering Australian ports from 1 January 2008.
### ADMINISTERED PROGRAMME–OIL POLLUTION COMPENSATION FUND

*(Maritime and Land Transport Business Division)*

#### Effectiveness

*Compensation is available for the costs of an oil spill in the event that these costs exceed the tanker owner's ability to pay*

The owners of oil tankers must take out insurance to cover the cost of any oil spilled from their tankers. However, owners do not have unlimited liability. Their liability depends on the size of their tanker—the bigger the tanker, the larger the liability. The maximum liability for the biggest tanker is approximately $170 million. Actual compensation limits are expressed in Standard Drawing Rights, which is an artificial currency managed by the International Monetary Fund.

Where the cost of compensation resulting from an oil spill exceeds the tanker owner's liability or the owner is unable to pay these costs for some other reason, compensation is payable from International Oil Pollution Compensation (IOPC) funds.

Total compensation of up to approximately $390 million would be payable by the tanker owner and IOPC funds in the event of a major spill. No payment has ever been made by the IOPC funds for an incident in Australian waters, as no spill has ever exceeded the tanker owner's liability/ability to pay.

#### Quality

*All persons (including oil companies) that receive more than 150,000 tonnes of crude or heavy oil by sea make contributions to the fund*

Levies are collected from all entities that receive more than 150,000 tonnes of crude or heavy fuel oil in a calendar year by sea, based on the expected costs of compensation and overheads of the funds in the coming year.

Six companies—Alcan Gove Pty Ltd, BHP Billiton, BP Australia Ltd, Caltex Australia Pty Ltd, Mobil Oil Australia Ltd and the Shell Company of Australia Ltd—are the major contributors to the fund.

*Payments are passed on to the International Oil Pollution Compensation (IOPC) fund in line with Australia's obligations under the International Oil Pollution Compensation Convention*

Payments to the IOPC funds, which relate to the quantities of oil received by the oil companies, were delivered in line with Australia’s obligations as a party to the IOPC Fund Convention.

#### Cost

*$2.0m*

The actual cost of this programme in 2005–06 was nil. The negative cost is due to the reversal of accruals from 2004–05 because the IOPC fund deferred the levies on oil companies for the 2005 annual contribution.

**Overall performance**

![Rating Symbol]
ADMINISTERED PROGRAMME—PAYMENTS TO MARITIME INDUSTRY FINANCE COMPANY (MIFCo) LIMITED

(Maritime and Land Transport Business Division)

Effectiveness

<table>
<thead>
<tr>
<th>MIFCo is able to meet its financial obligations in respect of loans to facilitate waterfront reform</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Maritime Industry Finance Company (MIFCo), a wholly owned Australian Government company, was established in 1998 to make redundancy-related payments in support of waterfront reforms. The company:</td>
</tr>
<tr>
<td>• provided funding for 1,487 redundancies, finalising all redundancy claims in 2000–01</td>
</tr>
<tr>
<td>• funded its obligations through a government-guaranteed loan of $220 million.</td>
</tr>
<tr>
<td>In 2005–06 MIFCo continued to repay the loan, with repayments for the year totalling $23.25 million.</td>
</tr>
</tbody>
</table>

Quality

<table>
<thead>
<tr>
<th>Payments are made in line with the Australian Government’s obligations</th>
</tr>
</thead>
<tbody>
<tr>
<td>The department collected levies on behalf of the Australian Government from industry to cover the cost of MIFCo loan repayments under the Stevedoring Levy (Collection) Act 1998. Levy revenue totalling $37.4m was passed on to MIFCo in 2005–06.</td>
</tr>
<tr>
<td>Interest charges associated with its loan facility totalled $7.429 million and administration costs $0.237 million.</td>
</tr>
</tbody>
</table>

Cost

<table>
<thead>
<tr>
<th>$7.6m ($40.0m in cash payments)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The actual cost of this programme in 2005–06 was $3.9 million ($37.7m in cash payments). The stevedoring levy ceased on 31 May 2006, four years ahead of schedule. The reform and restructuring of the stevedoring sector has been a major factor in improving efficiency on the waterfront, with crane rates increasing from 18.8 containers per hour in March 1998 to 27.7 containers per hour in December 2005. A report by the Australian Competition and Consumer Commission in 2000 concluded that the cost of the levy had been more than offset by savings achieved through workplace reforms in stevedoring. The government has approved the early repayment of the MIFCo borrowings and the voluntary liquidation of the company on completion of these commitments.</td>
</tr>
</tbody>
</table>

Overall performance

![3 stars]
ADMINISTERED PROGRAMME–TASMANIAN FREIGHT EQUALISATION SCHEME

(Maritime and Land Transport Business Division)

<table>
<thead>
<tr>
<th>Effectiveness/Location</th>
<th>Details</th>
</tr>
</thead>
</table>
| Costs are alleviated for businesses shipping containers of goods: | The Tasmanian Freight Equalisation Scheme (TFES) provides rebates to shippers based on the cost of shipping a standard twenty-foot container (TEU—twenty-foot equivalent unit) between northern Tasmania and Victoria, less the cost of sending it the same distance by road (420 km). This ‘sea freight cost disadvantage’ is adjusted where goods are:  
  · transported on routes other than between northern Tasmania and Victoria  
  · shipped in transport units other than a TEU  
  · shipped other than on a wharf-to-wharf basis.  
  The rebate of up to $855 per TEU cannot exceed the actual freight bill paid by the shipper. |
| from Tasmania to the mainland for use or sale | Rebates paid on northbound trade in 2005–06 reached $70.2 million, a slight increase on the previous year, with the major northbound items subsidised being:  
  · paper and paper products, including newsprint ($19.7 million)  
  · vegetable and vegetable products ($16.6 million)  
  · timber, wood and cork products ($9.6 million)  
  · beverages ($4.0 million)  
  · fish and fish products ($1.9 million)  
  · metal waste ($0.7 million). |
| to Tasmania as an input to a production process | Goods shipped to Tasmania as an input to a production process may also be eligible for assistance. Rebates paid on southbound trade reached $21.7 million in 2005–06, an increase of $2.5 million over the previous year, with raw materials for the manufacturing and mining sectors remaining the major goods shipped.  
  In 2005–06, the scheme continued to apply to containerised wheat. This resulted in 56,875 tonnes, or 2,318 containers, of wheat being shipped, with $1.7 million paid in assistance. |

Quality

Claims from shippers are processed efficiently and accurately

Claims from shippers are processed by Centrelink’s Hobart office. An internal audit was conducted in 2005–06, and the outcomes will be considered and implemented in 2006–07.
## Output 1.4.1—Maritime and land transport continued...

<table>
<thead>
<tr>
<th>Cost</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>$89.4m</td>
<td>This scheme is demand-driven. Funding is uncapped for existing services between Victoria and Tasmania. An increase in the number of claims saw the cost of the scheme rise from $89.3 million in 2004–05 to $92.3 million in 2005–06. The scheme is expected to cost in the order of $89.4 million in 2006–07.</td>
</tr>
</tbody>
</table>

---

## ADMINISTERED PROGRAMME—TASMANIAN WHEAT FREIGHT SCHEME

*(Maritime and Land Transport Business Division)*

### Effectiveness

**Costs are alleviated for businesses shipping bulk wheat to Tasmania**

- The Tasmanian Wheat Freight Scheme ceased at the end of 2003–04, when responsibility for rebates for containerised shipments of wheat transferred to the TFES on 1 July 2004.

- In early 2005 the Australian Government agreed to reinstate this scheme for bulk wheat shipments only.

- The value of the rebate was capped at $20.65 per tonne in 2005–06.

### Quality

**Claims from shippers are processed efficiently and accurately**

- As with TFES, claims from shippers are processed by Centrelink’s Hobart office.

### Cost

**$1.1m**

- The actual cost of this programme in 2005–06 was nil. There were no claims against the bulk scheme in 2005–06 due, most likely, to the popularity of the containerised wheat shipments and the associated benefits under the TFES. The cost of the programme remains capped at $1.05 million for 2006–07.

### Overall performance

- ✔️ ✔️ ✔️
ADMINISTERED PROGRAMME—TRANSPORT AND LOGISTICS CENTRE OF EXCELLENCE

*(Maritime and Land Transport Business Division)*

**Effectiveness**

*Specialist vocational training and information is available to the transport and logistics industry*

The transport and logistics sector is facing a skills shortage at the same time as continuing economic growth is driving an increased freight task.

The Transport and Logistics Centre works with the transport and logistics industry to build capability in the sector by enhancing its capacity to attract and retain staff, improving the training and development of staff, and creating and sharing industry knowledge.

The centre was established as a national body in May 2005, following agreement between the Australian and New South Wales governments to provide seed funding for the centre over a two-year period.

Throughout the year the centre has developed and disseminated vocational information packages throughout Australia’s schools and has worked with training bodies to generate additional traineeships within the industry. The centre has also worked with a range of industry associations to introduce two new professional certification schemes (Certified Professional Logistician and Certified Transport Planner) that can offer people working in the industry an internationally recognised professional accreditation.

The centre has been working to improve information flows and accessibility within the industry through the development of the Transport Integrated Learning and Information Service—a web-based information gateway to the transport and logistics sector.

**Quality**

*Payments are made in line with the Australian Government’s obligations*

The Australian Government contributed $4.0 million over two years (2004–05 and 2005–06), with funds being matched by the New South Wales Government.

**Cost**

*$2.0m*

The actual cost of this programme in 2005–06 was $2.0 million. The centre worked to an agreed work plan, kept the department informed of its activities and produced outputs in line with expectations. The centre provided the Australian Government and the New South Wales Ministry of Transport with an annual report and financial statement as required under the funding agreement.

**Overall performance**

✅✅✅
ADMINISTERED PROGRAMMES—CONTRIBUTIONS TO INTERNATIONAL ORGANISATIONS

(Maritime and Land Transport Business Division, Aviation and Airports Business Division)

To minimise repetition, information on the contribution to International Civil Aviation Organization (ICAO) has been included here rather than under Output 1.4.2—Aviation and Airports, under which this programme is administered.

<table>
<thead>
<tr>
<th>Effectiveness</th>
<th>The department administers payments to and represents the government at meetings of three key international bodies of which Australia is a member:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• the International Civil Aviation Organization (ICAO)—an agency of the United Nations (UN) that promotes the safety, regularity and efficiency of international civil aviation</td>
</tr>
<tr>
<td></td>
<td>• the International Maritime Organisation (IMO)—an agency of the UN that promotes ‘safe, secure and efficient shipping on clean oceans’</td>
</tr>
<tr>
<td></td>
<td>• the OECD Transport Research programme—which focuses on road, rail and intermodal transport research.</td>
</tr>
</tbody>
</table>

In 2005–06, the department:

| civil aviation | • maintained a presence at ICAO headquarters as required, given Australia’s status as a Category One member |
|               | • represented Australia on the ICAO Council and ICAO Air Navigation Commission |
|               | • led Australia’s representation at a special ICAO meeting of directors-general of civil aviation (see page 104). |

| maritime transport | • contributed to the development of a number of IMO instruments that will promote the aims of the IMO and advance Australia’s interests, including: |
|                   |   • preparation of guidelines on the control and management of ships’ ballast water and sediments |
|                   |   • preparation of a new international convention on wreck removal. |

| road, rail and intermodal transport | • represented the Australian Government at international fora on road, rail and intermodal transport issues, such as pricing, safety and asset management. |

| Quality | During 2005–06 the department continued to pay Australia’s contributions promptly. Payment is made in US dollars, UK pounds or euros depending on the body—for details see Table 3.9. |
| Payment is made in line with Australia’s international obligations |
### Transport Outputs and Programmes

<table>
<thead>
<tr>
<th>Cost</th>
<th>Civil aviation</th>
<th>Maritime transport</th>
<th>Road, rail and intermodal transport</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1.3m</td>
<td>$0.3m</td>
<td>$0.04m</td>
<td></td>
</tr>
</tbody>
</table>

**Overall performance:** ✅✅

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**Table 3.9  Trends in payments to international organisations**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions to ICAO</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>· in US dollars</td>
<td>$0.825m</td>
<td>$0.818m</td>
<td>$0.952m</td>
<td>$0.977m</td>
<td>$0.979m</td>
</tr>
<tr>
<td>· in Australian dollars</td>
<td>$1.462m</td>
<td>$1.101m</td>
<td>$1.206m</td>
<td>$1.300m</td>
<td>$1.325m</td>
</tr>
<tr>
<td>Contributions to IMO</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>· in UK pounds</td>
<td>£111,311</td>
<td>£113,097</td>
<td>£119,808</td>
<td>£122,594</td>
<td>£129,000</td>
</tr>
<tr>
<td>· in Australian dollars</td>
<td>$0.307m</td>
<td>$0.265m</td>
<td>$0.292m</td>
<td>$0.289m</td>
<td>$0.304ma</td>
</tr>
<tr>
<td>Contributions to OECD road transport</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>· in euros</td>
<td>€0.014m</td>
<td>€0.014m</td>
<td>€0.015m</td>
<td>€0.018m</td>
<td>€0.024m</td>
</tr>
<tr>
<td>· in Australian dollars</td>
<td>$0.024m</td>
<td>$0.025m</td>
<td>$0.024m</td>
<td>$0.029m</td>
<td>$0.040m</td>
</tr>
<tr>
<td><strong>Total contributions</strong></td>
<td>$1.793m</td>
<td>$1.390m</td>
<td>$1.522m</td>
<td>$1.618m</td>
<td>$1.669m</td>
</tr>
</tbody>
</table>

*Note: The forward estimates shown are the best available estimate at time of printing but we will not know the actual cost of our contribution to the ICAO, for example, until late 2006.*
OUTPUT 1.4.2: AVIATION AND AIRPORTS

(Aviation and Airports Business Division)

Effectiveness

Industries operate in a robust and stable regulatory environment

In 2005–06, the Australian aviation market continued to grow and to serve an increasing number of Australian travellers and international visitors.

International safety obligations

The department worked closely with CASA and Airservices Australia to ensure effective representation and participation in the ICAO forums and a coordinated Australian response to international regulatory issues (page 102).

The department led Australia’s representations at a special ICAO meeting of directors general of civil aviation, held in March 2006, which reinforced directions for ensuring safety obligations are enforced globally.

In addition to this, the department participated in activities to promote and deliver enhanced safety oversight in the Asia-Pacific region through cooperation. These included:

- continuing assistance to Papua New Guinea’s Civil Aviation Authority through the Government’s Enhanced Cooperation Programme
- representation on the Pacific Aviation Safety Office Council
- hosting the 42nd Conference of Asia Pacific Directors General of Civil Aviation, held in Queensland on 26-30 September 2005
- sponsoring a Pacific Islands Forum aviation officials meeting in Fiji on 16–17 August 2005.

Significant progress was made in the streamlining of processes for regulatory approvals through:

- tabling in parliament of both the executive agreement and implementation procedures for airworthiness under the Bilateral Aviation Safety Agreement with the United States, which were approved by the Joint Steering Committee on Treaties in May 2005
- introduction to parliament of the Civil Aviation Legislation Amendment (Mutual Recognition with New Zealand) Bill 2005, which was passed by the Senate on 11 May 2006 and transmitted for consideration in the House of Representatives.

These initiatives offer benefits in reduced administrative burdens for those in Australia’s aviation industry who wish to participate in international markets, while maintaining Australia’s high aviation safety standards.

Assistance to the Makassar Centre, Indonesia

The Australian Government responded promptly to a request from the Government of Indonesia for assistance in the operations of the advanced air traffic system in the Makassar Air Traffic Management Centre in eastern Indonesia. Through the Australian Agency for International Development, the government provided $207,000 to fund assistance from Airservices Australia, which was provided from January to March 2006.
The Makassar Centre manages aircraft in the Makassar Flight Information Region (FIR) that is adjacent to the Brisbane FIR and is used by Australian aircraft flying to various destinations in Asia. The technology installed at the Makassar Centre is similar to the system used by Airservices Australia for air traffic management in Australia.

Aviation rescue and firefighting consultation

The department commenced a review of the policy and regulatory framework underpinning the provision of aviation rescue and firefighting (ARFF) services in Australia. Through public consultation, the review will examine the criteria for the establishment of ARFF services, and options for the introduction of contestability in the provision of these services.

Significant changes have occurred in aviation since the current regulatory framework was first introduced, including:

- the advent of low-cost carrier operations with rapid passenger growth at some regional and former general aviation airports
- construction of business parks and other non-aeronautical development on airport sites, which have significantly increased the number of people on site. Planning and development includes convention centres, offices, shopping facilities such as direct factory outlets, hotels, car parks and service facilities including freight and logistics centres
- proposed introduction of new aircraft with significantly higher passenger capacity, such as the Airbus A380, in 2007.

Summary of significant achievements in aviation in 2005–06

On behalf of the government, the department:

- completed an analysis of the governance structures for CASA and Airservices Australia in response to the Uhrig report
- worked on improved regulatory systems for aviation information, meteorological and ARFF services
- supported analysis of increased cost recovery implemented from 1 January 2006 by CASA, including a review of funding options
- developed advice on implementation of a drug and alcohol testing regime in the aviation sector, in partnership with CASA, leading to a decision by the minister to proceed with the new testing regime
- continued to work with border control agencies on security and facilitation arrangements at international airports: to ensure that airport infrastructure and practices can respond positively to the current and forecast future growth in international passenger traffic over the next ten years; and to cope with the imminent arrival of new, large wider-bodied aircraft such as the Airbus A380, which can carry over 500 passengers
- participated in developing a whole-of-government approach to planning and preparing for a possible avian influenza pandemic, particularly in relation to transport, security and regional aspects
- took leadership of the APEC forum’s Transportation Working Group in preparation for Australia’s role as host to APEC in 2007
Industry operates in a robust and stable regulatory environment (continued)

- continued to support the government’s efforts to pursue cooperative international approaches to enhancing aviation safety through the ICAO, Papua New Guinea Enhanced Cooperation Programme and the Pacific Islands Forum
- continued to provide secretariat services to the International Air Services Commission (www.iasc.gov.au), which allocates access for Australian airlines to international markets
- continued to regulate scheduled international air services, in accordance with the requirements of the Air Navigation Act 1920 and its regulations, through: timetable approvals for 70 international airlines operating passenger or freight operations either in their own right or on a code share basis; and issue of six international airline licences and 19 permissions for charter programs
- continued negotiations seeking new or improved air services agreements and/or arrangements with Argentina, Brazil, Japan, Vietnam, Switzerland and Qatar in support of the Australian Government’s objective of improving Australia’s access to international markets; and supported the Australian Commerce and Industry Office in Taipei in its successful aviation consultations with the Civil Aeronautics Administration in Taipei
- approved temporary airport designations to permit ad hoc international air operations to and from airport, such as Ayers Rock and Essendon, that would otherwise be unable to be used for international air services.

Businesses and consumers have access to competitive international and domestic air services

BTRE figures report a total of 42.02 million passenger movements on Australian domestic and regional air services for the year ending April 2006, an increase of 5.0 per cent on the year from April 2005. The market has continued to evolve over the past 12 months, with the rapid expansion of capacity seen in 2004–05 moderating to what appears to be more sustainable long-term levels in 2005–06. Australia’s major domestic airlines have managed to remain profitable despite the recent challenges of high fuel costs, balancing improvements in yields and fleet utilisation with the demands of continuing growth in the passenger market.

In November 2005, Regional Express became the second regional airline to successfully list on the Australian Stock Exchange, following Skywest’s listing 12 months earlier. The continued investment in the regional aviation market is important to the many regional communities that rely on air services for their social and economic wellbeing and growth. In recognition of the particular challenges facing regional aviation, the government continued to subsidise en route navigation charges for smaller airlines through the payment scheme for Airservices Australia’s en route charges.

The scheme supports access to air services in regional Australia by subsidising Airservices Australia’s en route air traffic control charges for regular public transport and aeromedical aircraft of less than 15 tonnes maximum take-off weight. Effective from 1 July 2005, the scheme was expanded to include companies based solely in Western Australia operating regular public transport aircraft up to 21 tonnes on sole operator routes in Western Australia. During 2005–06, 35 regional airlines and aeromedical operators were registered for the scheme.
The department undertook a review of the scheme in late 2005 for consideration in the 2006 Budget. The government announced in the 2006 Budget an extension of the scheme for 12 months until 30 June 2007 at a cost of $5.4 million.

International air services

High fuel costs posed a major challenge to airlines providing international services to and from Australia. Following the double-digit growth in passenger numbers in 2004–05, BTRE figures show that 20.9 million passengers travelled on scheduled airline services to and from Australia in the year to March 2006, a 4.6 per cent increase on the previous 12-month period. Australia is served internationally by 46 passenger airlines and six dedicated freight operators.

In 2005–06, the department supported the government in a major review of Australia’s international air services policy, the results of which were announced by the minister in February 2006 (see case study ‘A comprehensive review of air services policy’ in Chapter 1 on page 8).

New airspace arrangements phased in

An Aviation Policy Group was formed to establish better working relationships across the four agencies involved in airspace policy, regulation and service provision. It provides a high-level forum to oversee coordinated action across the portfolio and with the Department of Defence.

The members of the Aviation Policy Group are: the Secretary of DOTARS (Chair), Chief of the Air Force, Chief Executive Officer of CASA and Chief Executive Officer of Airservices Australia. They meet as required, on average every two months.

National Airspace System—the airspace reform programme

In May 2002 the government agreed to adopt an airspace reform policy, called the National Airspace System (NAS). This policy was designed to implement more flexibility and efficiency into Australian airspace operating procedures, while maintaining a high level of safety. The system, which has been successfully operating in the United States for the past 40 years, is being adapted for Australian conditions and implemented in a phased manner.

Stage 2c was introduced in November 2005 and introduced new procedures for operations at aerodromes without air traffic control towers. A post-implementation review on NAS Stage 2c, including a survey of radio use at non-towered aerodromes and training and education material, commenced in May 2006.
### Table 3.10 Trends in aviation and airports

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Price of output</td>
<td>n/a</td>
<td>n/a</td>
<td>$21.8m</td>
<td>$27.2m</td>
<td>$26.3m</td>
</tr>
<tr>
<td>Activity regulated under the <em>Air Navigation Act 1920</em></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aircraft noise permits issued</td>
<td>68</td>
<td>25</td>
<td>48</td>
<td>31</td>
<td>No set target</td>
</tr>
<tr>
<td>Activity regulated under the <em>Airports Act 1996</em></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Airport master plans approved</td>
<td>1</td>
<td>3</td>
<td>13</td>
<td>2</td>
<td>1(^a)</td>
</tr>
<tr>
<td>Variations to master plans approved</td>
<td>2</td>
<td>1</td>
<td>–</td>
<td>1</td>
<td>No set target</td>
</tr>
<tr>
<td>Airport environment strategies approved</td>
<td>Not reported</td>
<td>Not reported</td>
<td>18</td>
<td>1</td>
<td>No set target</td>
</tr>
<tr>
<td>Major development plans approved</td>
<td>Not reported</td>
<td>5</td>
<td>7</td>
<td>5</td>
<td>No set target</td>
</tr>
<tr>
<td>Decisions made on development proposals infringing on federal airspace</td>
<td>Not reported</td>
<td>27</td>
<td>18</td>
<td>34</td>
<td>No set target</td>
</tr>
</tbody>
</table>

**Administered programmes**

**Payments to airport lessees**

- parking fines \(-\) $1.5m $1.7m $0.9m $1.5m
- sale of airport land $2.7m \(-\) \(-\) \(-\) $0.003m
- land acquisition \(-\) \(-\) $3.4m \(-\) \(-\)

**Payment scheme for Airservices Australia’s en route charges**

- Operators supported 44 43 41 35 No set target
- Cost of programme $4.8m $4.3m $4.7m $6.0m $5.4m

**Other programmes administered**

- Cost of other programmes including contribution to ICAO and airport noise programmes\(^b\) $35.4m $42.1m $18.6m $16.8m $9.3m
- Total cost of administered programmes $50.8m $56.2m $35.6m $23.7m $16.2m

\(^a\) Gold Coast Airport is due to submit a master plan in 2006-07. Master plans are not required for Mt Isa and Tennant Creek airports.

\(^b\) To minimise repetition, information on the contribution to International Civil Aviation Organization (ICAO) has been included under ‘Administered Programmes–Contributions’ and in Table 3.9 (see pages 102 and 103).
Output 1.4.2—Aviation and airports continued...

Effectiveness

Australian Government investments in transport infrastructure are managed responsibly

Leased federal airports managed responsibly

The department is responsible for administering the Australian Government’s interests in the ongoing operation and management of the privatised airports under the Airports Act 1996 (the Airports Act) and associated regulations.

Between 1997 and 2003, 22 airports owned by the Australian Government were privatised. The sales, which involved leasehold rather than freehold title, were conducted in five stages and raised $8.5 billion. Rights to operate these airports were leased out for an initial period of 50 years with an option to renew for another 49 years. The exception is Hoxton Park Airport in Sydney. The lease for Hoxton Park Airport expires in 2008 with an option to extend to 2010, after which it converts to freehold title.

Under the Airports Act, a master plan and an airport environment strategy (AES) must be prepared for every airport, except for Mt Isa and Tennant Creek airports. The master plan represents the airport lessee company’s planning and development vision for the airport over a 20-year period. Both must be submitted to the minister for approval and be reviewed every five years. A major development plan is required for each major development at an airport. Major airport developments include runways, buildings that cost greater than $10 million and developments likely to have significant environmental or ecological impact.

In 2005-06 the department provided assessments to the minister on:

- two airport master plans
- one minor variation to a master plan
- five major development plans
- two minor variations to major development plans
- one AES.

Table 3.10 provides trend information on the numbers of master plans and airport environment strategies approved.

In November 2005, the minister announced the outcomes of a review of the Airports Act which reported that, although the Act is working effectively, a number of processes could be improved. Suggested improvements include refining the planning and development approval regime at leased federal airports, clarifying noise management arrangements and the role that environment management systems play in the implementation of AESs at these airports, and implementing other changes to further enhance the operation of regulatory arrangements for the federal leased airports. The proposed changes to the Airports Act are likely to be introduced into parliament during 2006-07.

A further amendment to the Airports Act is proposed to give effect to a decision made by the Australian Government in 2006 to remove Canberra Airport from the operation of the National Capital Plan. This would place the airport on an equal footing with the other 21 leased federal airports across Australia, removing regulatory duplication.

Airport environmental officers (AEOs) and airport building controllers at the leased airports helped the department to monitor and ensure compliance with environmental and building standards (see page 111).
Output 1.4.2—Aviation and airports continued...

Effectiveness

In 2005–06 the department:

- assisted with the establishment of the major ‘Review of price regulation of airports services’, to be undertaken by the Productivity Commission over the nine-month period commencing April 2006

- developed for comment draft consultation guidelines, the aim of which is to provide for a shared understanding of how consultation processes in relation to land use, planning and developments at the leased federal airports should be managed

- granted a declaration under the Airports (Ownership—Interests in Shares) Regulations 1996 allowing a limited moratorium on an unacceptable cross-ownership situation related to the takeover by the Spanish-led Ferrovial consortium of BAA in the United Kingdom, shareholders of various overseas airports and several Australian airports

- continued to ensure that government-owned rental properties at Badgerys Creek were appropriately maintained (page 121)


Review of price regulation of airport services

The government announced on 30 March 2006 that it would examine the effectiveness of the current light-handed regime for monitoring airport pricing that applies to seven major capital city airports (Adelaide, Brisbane, Canberra, Darwin, Melbourne, Perth and Sydney). The department has assisted with the development of terms of reference for this major inquiry, which is being undertaken by the Productivity Commission. Information on the Inquiry can be found at the commission’s website at www.pc.gov.au.

Airport lease reviews

The department’s oversight of leased federal airports includes the assessment of their level of compliance with the lease terms. This includes undertaking a rolling programme of annual lease reviews of all 22 leased airports. While the department endeavours to meet all scheduled dates for lease review meetings, the timing of these can be changed because of unforeseen circumstances or mutual agreement between the department and the airport. Table I.1, detailing the airport lease review meetings in 2005 and 2006, appears in Appendix I.

Airport insurance reviews

Airport lessees have obligations to the Australian Government through the airport lease and sale agreements in relation to the maintenance of a range of insurances. The department, with the assistance of a contracted insurance adviser, conducts annual reviews to monitor compliance by the airports. Table I.2, summarising the progress with reviews, appears in Appendix I.
Under the airport leases, the management of the environment on the airport site is the responsibility of the airport lessees. Through the *Airports Act 1996* and *Airports (Environment Protection) Regulations 1997* (the Environment Regulations) the department regulates activity on the airports that has an environmental impact.

- All leased federal airports, except for Mt Isa and Tennant Creek, have in place an AES. The AES is a critical component of the leased federal airport’s environment regulatory regime, and works on the basis of advocating continuous environmental improvement. An AES is normally in force for five years from the date of its approval. The draft AES is prepared by an airport lessee after taking into account public comments and is submitted to the minister for approval.

- Major airport developments over the past year with significant environmental elements include the Tugun Bypass at the Gold Coast Airport and the extension of the Canberra Airport runway.

- The airport environment officers are statutory officeholders appointed by the secretary to administer the Environment Regulations. The majority of the AEOs are now departmental officers.

- The airport building controller has responsibility for approving all building activities on an airport site and works closely with the AEO to ensure that environmental and heritage issues are reflected in any conditions attached to a building permit. This ensures that the environmental regulatory regime covers all developments on airport sites.

- Two of the airports—Melbourne and Gold Coast—are certified to ISO 14001 (the International Standards Organisation standard for environmental management systems).

- There has been continuing progression of remediation of contaminated sites at a number of the airports across Australia.

**Authorisations issued under the Airports (Environment Protection) Regulations 1997 during 2005–06**

An authorisation is a process provided within the Environment Regulations that authorises the applicant to undertake an act on an airport that will result in environmental emissions that exceed the levels mentioned in the schedules attached to the Environment Regulations. An authorisation may be provided only where the emissions are no more damaging to the environment than if the levels in the schedules had been met. Authorisations are intended to provide for transitional compliance with the Environment Regulations whilst the applicant investigates and pursues methods of achieving compliance with the schedules. Table I.3, detailing the authorisations issued during 2005–06, is located in Appendix I.
Australian Government investments in transport infrastructure are managed responsibly (continued)

Investment in required aeronautical infrastructure tops $568 million

Lessees for 10 airports—Adelaide, Brisbane, Melbourne, Perth, Alice Springs, Darwin, Canberra, Gold Coast, Hobart and Launceston—committed to invest approximately $700 million in aeronautical infrastructure over the first 10 years of the leases. This obligation is split into two five-year periods (Period One and Period Two). There were no specific development obligations under the sale agreements for Archerfield, Bankstown, Camden, Hoxton Park, Jandakot, Essendon, Moorabbin, Mount Isa, Parafield, Tennant Creek, Townsville and Sydney airports.

More than $568 million had been invested in aeronautical infrastructure by the 10 airports by 30 June 2005. Expenditure data for 2005–06 will not be available until late September 2006. All 10 lessees have exceeded their Period One obligations. Six lessees—Melbourne, Adelaide, Darwin, Hobart, Launceston and Perth—have exceeded their 10-year obligations and are no longer required to submit plans or reports to the department. Extensions to Period One have been granted to Alice Springs Airport (four years) and Gold Coast (one year) as terrorism, disease and the Iraq war, among other things, resulted in downturns in passenger traffic and aircraft movements. To date no extensions to Period Two have been granted. The remaining four airports (see Table 3.11) are expected to meet their Period Two obligations, given the significant aeronautical investment taking place at each of them.

Table 3.11 Airport development expenditure at major airports

<table>
<thead>
<tr>
<th>Airport</th>
<th>Sale phase</th>
<th>Expenditure to 30 June 2004 $m</th>
<th>Expenditure to 30 June 2005 $m</th>
<th>Period One obligation $m</th>
<th>Period Two obligation $m</th>
<th>Total $m</th>
<th>Commitment met?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adelaide</td>
<td>2</td>
<td>72.3</td>
<td>72.3</td>
<td>41.4</td>
<td>22.6</td>
<td>64.0</td>
<td>Yes</td>
</tr>
<tr>
<td>Alice Springs</td>
<td>2</td>
<td>0.5</td>
<td>1.8</td>
<td>1.2</td>
<td>1.9</td>
<td>3.1</td>
<td>No</td>
</tr>
<tr>
<td>Brisbane</td>
<td>1</td>
<td>82.1</td>
<td>179.0</td>
<td>44.4</td>
<td>292.9</td>
<td>337.3</td>
<td>No</td>
</tr>
<tr>
<td>Canberra</td>
<td>2</td>
<td>32.2</td>
<td>39.6</td>
<td>11.0</td>
<td>46.9</td>
<td>57.9</td>
<td>No</td>
</tr>
<tr>
<td>Gold Coast</td>
<td>2</td>
<td>19.2</td>
<td>23.4</td>
<td>19.2</td>
<td>8.5</td>
<td>27.7</td>
<td>No</td>
</tr>
<tr>
<td>Darwin</td>
<td>2</td>
<td>4.2</td>
<td>21.6</td>
<td>3.3</td>
<td>2.7</td>
<td>6.0</td>
<td>Yes</td>
</tr>
<tr>
<td>Hobart</td>
<td>2</td>
<td>1.8</td>
<td>7.8</td>
<td>3.8</td>
<td>1.7</td>
<td>5.5</td>
<td>Yes</td>
</tr>
<tr>
<td>Launceston</td>
<td>2</td>
<td>3.0a</td>
<td>3.5</td>
<td>2.2</td>
<td>0.9</td>
<td>3.1</td>
<td>Yes</td>
</tr>
<tr>
<td>Melbourne</td>
<td>1</td>
<td>107.8</td>
<td>107.8</td>
<td>78.3</td>
<td>29.0</td>
<td>107.3</td>
<td>Yes</td>
</tr>
<tr>
<td>Perth</td>
<td>1</td>
<td>64.8</td>
<td>111.3</td>
<td>54.6</td>
<td>33.3</td>
<td>87.9</td>
<td>Yes</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>387.9</td>
<td>568.1</td>
<td>259.4</td>
<td>439.6</td>
<td>699.8</td>
<td></td>
</tr>
</tbody>
</table>

a The final Period One expenditure figure for Launceston Airport was $3.0 million, not $2.7 million as reported in the department’s 2004–05 annual report.
Effectiveness

Australian Government investments in transport infrastructure are managed responsibly (continued)

In 2005–06 the department continued to monitor this obligation at these airports. While all airports submitted expenditure plans and audited reports to the department as required, timeliness continued to be an issue. Where expenditure plans have not been submitted on time, this is primarily due to airports seeking to confirm actual expenditure in the previous year before submitting plans for the following year. Table I.4, detailing the timeliness of airport expenditure plans and audit reports, appears in Appendix I.

Major airports continue to commit to further significant levels of aeronautical investment. Examples follow:

- Adelaide Airport’s $260 million integrated passenger terminal was opened in October 2005 by the Prime Minister and is now fully operational
- plans for a new parallel runway at Brisbane Airport—estimated to cost approximately $1 billion—are expected to go out to public comment in late 2006. Consideration of this project will involve Australian and state government legislation
- during 2005–06 the Australian Government provided $28.5 million for the strengthening of the existing main runway at Canberra Airport to accommodate the use of the airport by visiting dignitaries arriving in heavy aircraft, such as the Boeing 747. In addition, a 600-metre extension to the same runway is being funded by the airport lessee and will be built to the same strength. The entire strengthening and lengthening project is expected to be completed by late November 2006
- Melbourne Airport has further implemented its $550 million development programme to accommodate recent strong growth in passenger traffic and will continue to do so over the next few years
- Sydney Airport announced the $500 million Project STAR, which incorporates modernisation of the international terminal, renovation of the domestic terminal, and upgrading of the airfield in preparation for the arrival of the next generation of aircraft through to 2010.

There has been a significant increase in the number of major development plans approved, from four in 2005 to seven in 2006 so far (with more under assessment). Table I.5, listing the approved major development plans by calendar year, appears in Appendix I.

Community exposure to aircraft noise is minimised with attention to the needs of specific communities

Aircraft noise measures maintained

In order to minimise aircraft noise exposure, all civil aircraft in Australia are required to comply with aircraft noise regulations under the Air Navigation (Aircraft Noise) Regulations 1984.

In order to manage night-time aircraft noise, curfews apply from 11 pm to 6 am at four major airports—Sydney, Adelaide, Gold Coast and Essendon. The Sydney and Adelaide curfews have been put in place by Acts of Parliament, while the Coolangatta and Essendon curfews have been put in place by regulations. Under the curfews strict controls apply to the types and numbers of aircraft that can be operated and the runways used.
The department continued to manage the curfew system in 2005–06 and,
- assessed 141 applications for curfew dispensation (112 for Sydney, 20 for Adelaide and 9 for Gold Coast)
- approved 88 curfew dispensations (72 for Sydney, 11 for Adelaide and 5 for Gold Coast)
- provided secretariat support for the Sydney Airport Community Forum, which advises the government on noise and related environmental issues at Sydney Airport.

The department is continuing to update the TNIP (transparent noise information package) aircraft noise transparency software in response to requests from users. This communication tool is designed to enable non-specialists to gain an understanding of aircraft noise exposure patterns in the vicinity of airports and to help airports and communities work together to explore options for managing aircraft noise.

The department is actively involved in the work of the ICAO Committee on Aviation Environmental Protection. This committee recommends standards and practices for minimising the environmental impacts of aviation. The work of this committee includes developing the noise emission standards for aircraft, which are specified in chapters contained in Annex 16 to the Chicago Convention.

### Effectiveness

**Community exposure to aircraft noise is minimised with attention to the needs of specific communities (continued)**

<table>
<thead>
<tr>
<th>Effectiveness</th>
<th>The department continued to manage the curfew system in 2005–06 and,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- assessed 141 applications for curfew dispensation (112 for Sydney, 20 for Adelaide and 9 for Gold Coast)</td>
</tr>
<tr>
<td></td>
<td>- approved 88 curfew dispensations (72 for Sydney, 11 for Adelaide and 5 for Gold Coast)</td>
</tr>
<tr>
<td></td>
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</tbody>
</table>

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### Price

<table>
<thead>
<tr>
<th>Price</th>
<th>The actual price of this output in 2005–06 was $27.2 million.</th>
</tr>
</thead>
<tbody>
<tr>
<td>$24.7m</td>
<td></td>
</tr>
</tbody>
</table>

**Overall performance**

![checkmark] ![checkmark] ![checkmark]
The past year saw the final meeting of the Australian Global Navigation Satellite System (GNSS) Coordination Committee (AGCC) on 22 June 2006. Under the chairmanship of Professor Don Sinnott, and in consultation with over 150 stakeholder communities, the AGCC had looked at a range of issues facing Australia to enable businesses and consumers to get the best use of GNSS.

The AGCC was established in 2000 as the national advisory body to the Minister for Transport and Regional Services on issues relevant to GNSS, still an emerging technology at that time. GNSS is a generic term covering a number of existing and planned constellations of satellites and their supporting infrastructure systems, used for determining positions across the globe. Examples are the United States Global Positioning System (GPS) and the forthcoming European Galileo system.

The AGCC effectively managed issues during the time GNSS was a rapidly emerging technology. The AGCC produced the GNSS policy statement *Positioning for the future*, which was launched by the Minister for Transport and Regional Services in August 2002. An aspirational high-level strategic document, it was essential to raising awareness.

By 2006 GNSS technology had become well recognised as an enabler for industry and well established across many industry sectors. Without understating the ongoing importance of GNSS, the judgement was made that there was no ongoing need for a coordination committee along the lines of the AGCC. The minister has expressed his appreciation for the dedication and insight of the AGCC members over the challenging initial years of GNSS implementation.

**Attendees at the twentieth and final meeting of the Australian GNSS Coordination Committee on 22 June 2006**

(back) Dr Peter Fisk, National Measurement Institute; Keith McPherson, Airservices Australia; Peter Holland, Geosciences Australia; John Sproulis, OmniSTAR Pty Ltd; Deborah Reynolds, DOTARS (secretariat)

(front) Geoff McMillen, Australian Communications and Media Authority (adviser); Merilyn Chilvers, DOTARS; Prof. Don Sinnott (chair), Merilyn Bassett, DOTARS (secretary), Prof Chris Rizos, University of New South Wales

(not in photograph) Brent Stafford, Intelligent Transport Systems Australia
ADMINISTERED PROGRAMME—AIRPORT LESSEE COMPANIES—
REIMBURSEMENT OF PARKING FINES

*(Aviation and Airports Business Division)*

<table>
<thead>
<tr>
<th>Effectiveness</th>
<th>This programme reimbursed seven airport lessees a proportion of parking fines collected for parking offences in airport precincts. Reimbursements are made in accordance with contracts between airport lessees and the department. Launceston Airport is included in the regime, but did not receive reimbursements as no separate contract was in place for 2005–06. Quarterly payments to airport lessees are based on a formula set by the Minister for Finance and Administration, namely 80 per cent of the revenue from parking fines for the quarter collected by the airport lessees and forwarded to the department, less administrative costs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>Only 8 of the 22 federal airport lessees are covered by the government’s parking infringement regime, with the remaining airports making alternative arrangements.</td>
</tr>
<tr>
<td>Cost</td>
<td>The actual cost of this programme in 2005–06 was $0.9 million, down from $1.7 million in 2004–05. Up to $1.5 million is available for this programme in 2006–07.</td>
</tr>
<tr>
<td>Overall performance</td>
<td>✔️ ✔️ ✔️</td>
</tr>
</tbody>
</table>
ADMINISTERED PROGRAMMES—COMPENSATION FOR ACQUISITION AND SALE OF AIRPORT LANDS

(Aviation and Airports Business Division)

<table>
<thead>
<tr>
<th>Quality/Location</th>
<th>Description</th>
</tr>
</thead>
</table>
| **Airport lessees receive appropriate compensation** | From time to time the Australian Government adds or removes airport land with the consent of the airport lessee to facilitate on- and off-airport development. The department administers compensation to airport lessees after an appropriate price is agreed with parties including the Department of Finance and Administration. The department executed an agreement to transfer land at an agreed value of $0.003 million to enable road widening and other traffic improvements off the Hobart Airport site, and worked on amendments to *Airport Regulations 1997* to reflect the change in the leased area. Settlement of this matter is expected to occur in the first half of 2006–07. Negotiations for a land disposal at Gold Coast Airport to facilitate the construction of the Tugun Bypass have concluded in an agreement to transfer some land at an agreed value of $8.5 million. The land transfer is expected to occur in the second half of 2008 following completion of the road. Negotiations are continuing over:

- the sale of land from the south-western corner of Essendon Airport to facilitate the upgrade of the Tullamarine/Calder Freeway interchange (the financial impact is currently under consideration)
- the sale of land at Darwin Airport to facilitate a new entrance to the airport (no financial impact is anticipated)
- a land swap at Perth Airport which will facilitate land planning at the airport (no financial impact is anticipated)
- the potential transfer of land to the Queensland Government to facilitate the Gateway Motorway upgrade across Brisbane Airport land (the financial impact is currently under consideration)
- the sale of site 710 at Camden Airport in accordance with the Share Sale and Purchase Agreement for Bankstown Airport Ltd, Camden Airport Ltd and Hoxton Park Airport Ltd
- the sale of land at Archerfield Airport to construct a road to alleviate significant traffic problems in the area (the financial impact is currently under consideration). |

<table>
<thead>
<tr>
<th>Cost</th>
<th>The actual cost of this programme in 2005–06 was nil. It is anticipated that the sale at Hobart Airport will be finalised in 2006–07.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$0.003m (up from $0.0m at Budget)</strong></td>
<td></td>
</tr>
<tr>
<td>Overall performance</td>
<td>✔ ✔ ✔</td>
</tr>
</tbody>
</table>
ADMINISTERED PROGRAMME—IMPLEMENTATION OF NOISE AMELIORATION—SYDNEY AND ADELAIDE AIRPORTS

(Aviation and Airports Business Division)

Effectiveness

<table>
<thead>
<tr>
<th>Community exposure to aircraft noise is ameliorated in eligible buildings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airport noise amelioration programmes were introduced to Sydney and Adelaide in 1994 and 2000, respectively. Under both programmes, the Australian Government pays for noise insulation to be installed in eligible homes and public buildings such as schools, colleges, preschools, childcare centres, health and aged-care facilities and churches.</td>
</tr>
<tr>
<td>Eligibility decisions for insulation are based solely on assessments of aircraft noise exposure under the Australian Noise Exposure Forecast (ANEF) system as updated by the annual Australian Noise Exposure Index (ANEI) maps. This system takes into account the numbers and types of aircraft, their flight paths and noise characteristics, and the time of day of their operation.</td>
</tr>
<tr>
<td>To be eligible, public buildings must fall within the 25 noise exposure contour under the ANEF system, and residences within the 30 noise exposure contour. Where the contour intersects a residential property within a street block, insulation eligibility is extended out from the contour line to include all other houses in that street block up to a break in continuity of residential properties—normally a street, drain or open area. This is done to prevent a situation where neighbouring houses might be treated differently.</td>
</tr>
</tbody>
</table>

Quality

<table>
<thead>
<tr>
<th>Work is carried out by qualified professionals and is rated as good or better by 80% of building owners</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residents have been asked through the programme to rate the quality of our work through post-insulation surveys. As no residences were insulated during 2005–06, no information was collected on ratings. Table 3.12 shows trend information for previous years.</td>
</tr>
</tbody>
</table>

Quantity

<table>
<thead>
<tr>
<th>Approximately 4,755 eligible homes and 96 eligible public buildings are insulated from aircraft noise</th>
</tr>
</thead>
<tbody>
<tr>
<td>Both the Sydney and Adelaide programmes are nearing completion. By 30 June 2006, all eligible buildings had been identified. All eligible residences whose owners had accepted the offer of insulation have now been insulated. Over 100 public buildings have been insulated, with work underway on a remaining 4. Trend information on aircraft noise amelioration is provided in table 3.12.</td>
</tr>
</tbody>
</table>

Location

<table>
<thead>
<tr>
<th>Adelaide, Sydney</th>
</tr>
</thead>
<tbody>
<tr>
<td>For information on the properties that have been insulated, visit <a href="http://www.dotars.gov.au/transport/programs/">www.dotars.gov.au/transport/programs/</a>.</td>
</tr>
<tr>
<td>For information on noise and flight path monitoring at major airports, visit <a href="http://www.airservices.gov.au/reports/">www.airservices.gov.au/reports/</a>.</td>
</tr>
</tbody>
</table>
Cost

Adelaide: $7.0m
Sydney: $5.4m (up from $4.3m at Budget)

The actual cost of this programme in 2005–06 was $4.6 million. This was lower than planned due to the nature of the programme and difficulties in accurately forecasting the timing of building projects. Some $2.7 million has been carried forward to 2006–07 and 2007–08.

Overall performance

Table 3.12 Trends in aircraft noise amelioration

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Adelaide Airport</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Programme outcomes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private homes insulated</td>
<td>13</td>
<td>220</td>
<td>208</td>
<td>240</td>
<td>4</td>
<td>-</td>
</tr>
<tr>
<td>Public buildings insulated</td>
<td>-</td>
<td>-</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Work rated very good or better by clients</td>
<td>Not reported</td>
<td>90%</td>
<td>88%</td>
<td>83%</td>
<td>100%</td>
<td>n/a</td>
</tr>
<tr>
<td>Cost of works to government</td>
<td>$1.9m</td>
<td>$11.1m</td>
<td>$13.2m</td>
<td>$13.9m</td>
<td>$7.6m</td>
<td>$1.3m</td>
</tr>
<tr>
<td><strong>Sydney Airport</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Programme outcomes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private homes insulated</td>
<td>474</td>
<td>268</td>
<td>113</td>
<td>12</td>
<td>12</td>
<td>-</td>
</tr>
<tr>
<td>Public buildings insulated</td>
<td>3</td>
<td>7</td>
<td>2</td>
<td>1</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Work rated very good or better by clients</td>
<td>Not reported</td>
<td>82%</td>
<td>&gt;80%</td>
<td>82%</td>
<td>100%</td>
<td>n/a</td>
</tr>
<tr>
<td>Cost of works to government</td>
<td>$37.2m</td>
<td>$24.9m</td>
<td>$7.7m</td>
<td>$3.9m</td>
<td>$6.2m</td>
<td>$3.3m</td>
</tr>
</tbody>
</table>
### ADMINISTERED PROGRAMME—PAYMENT SCHEME FOR AIRSERVICES AUSTRALIA’S EN ROUTE CHARGES

*(Aviation and Airports Business Division)*

#### Effectiveness

| Costs are reduced for airlines providing regular public transport and/or aeromedical services using aircraft with a take-off weight of less than 15 tonnes | This programme helps operators provide services to regional communities by reimbursing them for Airservices Australia’s en route air traffic control charges. A review is to be conducted in 2006–07 into the ongoing need for Airservices en route charges subsidies for regional aviation services, which are due to cease at the end of 2006–07. |

#### Quality

| Claims from airlines are processed efficiently and accurately | The turnaround time for invoices is a maximum of seven days from receipt of all information required to process the claim. Payment runs for the department occur weekly. No complaints were received from recipient operators about the accuracy or timeliness of processed claims during 2005–06. |

#### Quantity

| Approximately 40 airlines are reimbursed for Airservices Australia’s en route air traffic control charges | The department processed claims from a total of 35 airlines in 2005–06, which is down from 41 last year. The programme is demand driven. |

#### Cost

| $5.6m | The actual cost of this programme in 2005–06 was $6.0 million, up from $4.7 million in 2004–05. This was due to some airlines making claims for charges incurred in previous financial years and as a result of the extension of the scheme to an additional category of eligible aircraft in Western Australia only. |

#### Overall performance

![Three check marks]
ADMINISTERED PROGRAMME—SYDNEY WEST AIRPORT—RENTAL PROPERTIES

(*Aviation and Airports Business Division*)

<table>
<thead>
<tr>
<th>Effectiveness</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>The Australian Government meets its obligations as a landlord</em></td>
</tr>
<tr>
<td>The Australian Government owns and leases out 254 commercial and residential properties at Badgerys Creek. The properties are on the site originally acquired for a proposed second major airport for Sydney, and are managed by an agent on behalf of the department.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Quantity/Location</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Approximately 254 commercial and residential properties are maintained at Sydney West Airport site (Badgerys Creek)</em></td>
</tr>
<tr>
<td>In 2005–06, costs included water and land rates, and maintenance to ensure properties remain in reasonable condition. There is limited scope to reduce the scale of works given the department's duty of care to tenants and responsibility to keep the assets in good condition.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2.7m</td>
</tr>
<tr>
<td>The actual cost of this programme in 2005–06 was $1.9 million, and was offset by revenue from tenants. In 2006-07 we expect to spend a similar amount on general maintenance.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Overall performance</th>
</tr>
</thead>
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