

## EXECUTIVE MINUTE

on

### JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT REPORT 412 *AUDIT REPORTS REVIEWED DURING THE 41<sup>ST</sup> PARLIAMENT*

ANAO Report No. 31, 2005-06, Roads to Recovery

#### Recommendation 20

**The Committee recommends that the Department of Infrastructure, Transport, Regional Development and Local Government assess whether the staffing and resources, including the new IT systems, of teams supporting R2R and future such programs are adequate to perform their monitoring and information functions.**

The Department regularly assesses the staffing and resources allocated to Departmental functions.

The Department considers that the present Roads to Recovery team have the necessary staffing and resources to efficiently and effectively administer the current program. In peak periods the Department has the option of contracting additional personnel for short periods to manage activities such as large mail outs or systematic follow up with Councils. The Department completed the AusLink Program Management System for this program in 2007. This system supports the day to day administration and monitoring of the program providing the payments and reporting interface for 561 Councils. The system also provides reports for Departmental staff so they can effectively monitor the program.

ANAO Report No. 29, 2006-2007, Implementation of the *Sydney Airport Demand Management Act 1997*

#### Recommendation 39

**The Committee recommends that a standard definition of aircraft movement be used for the purposes of administering and reporting on compliance with the SADM Act and that this definition directly relate to aircraft movement on runways.**

This recommendation is supported with qualifications.

The ANAO identified inconsistencies relating to the interpretation of the term 'aircraft movement'.

The SADM Act was amended in 2008 to clarify the definition relating to *aircraft movement* and to overcome the inconsistencies in interpretation which the ANAO identified. The amendments introduce the concept of a *gate movement* for slot

administration while retaining *aircraft movement* for measuring compliance with the movement cap.

The SADM Act and its supporting schemes cover two related but distinct elements:

- the measurement of runway movements for the purpose of compliance with the movement cap; and
- the allocation of slots for scheduling the arrival and departure of aircraft at terminal gates, which achieves both an orderly flow of traffic and a rationing of movements to manage the movement cap.

The definition of *aircraft movement* in Schedule 1 of the SADM Act relates to movements of aircraft on and off a runway. *Aircraft movements* are used for the purposes of administering and reporting on compliance with the maximum movement limit set under the SADM Act. Airservices Australia monitors compliance with the maximum movement limit and provides the Minister with quarterly compliance reports that are tabled in Parliament. In response to the ANAO audit, Airservices Australia now retains tower flight strips indefinitely so that radar data on *aircraft movements* can be legitimately verified.

In accordance with worldwide practice, slots are allocated based on airline scheduled arrival and departure times or **gate times** and not runway times. An airline's business performance is measured against slot times and therefore gate times. Airline schedules are prepared on the basis of gate times as these are the times that passengers can reasonably expect to rely on as the arrival and departure times. While there is an overall correlation between *gate movements* and *aircraft (runway) movements*, there can be significant differences in the period between a gate movement and its related runway movement, depending on a range of operational factors.

To rely on *aircraft movement* times alone for slot allocations would create operational problems inconsistent with the intent of the SADM Act because airlines operate in a global network and a departure from worldwide practice could move airline operations at Sydney Airport out of step with operations at other international airports. Following the 2008 amendments, the SADM Act now cleanly permits the slot allocation system to be administered according to *gate movement* times.

To improve the data available to assess the performance of actual *gate movement* times against slot allocations, amendments to the *Sydney Airport Demand Management Regulations 1998* commenced on 4 May 2009 to require operators to provide a time for which a *gate movement* occurred and reasons why a *gate movement* occurred when it did. The Regulations prescribe a penalty of 50 penalty units for not complying with the provision.

The movement cap established by the SADM Act has not been changed, and compliance with that cap is measured solely on the basis of *aircraft movements* on runways.

## Recommendation 40

**The Committee recommends that the SADM Act be used as the sole guide for slot compliance procedures.**

This recommendation is supported.

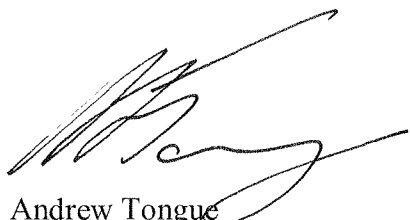
As noted on page 85 of the ANAO Report, the Deputy Secretary of the Department wrote to the Slot Manager, Airport Co-ordination Australia Pty Ltd (ACA), in December 2006 stating that the slot allocation process specified by the slot management regime must prevail where it diverges from the generally applied International Air Transport Association's Worldwide Scheduling Guidelines.

The Minister also wrote to ACA in August 2007 advising them of his expectation that the Board of ACA will ensure the slot regime at Sydney Airport is managed in accordance with the legislation (the SADM Act and its subordinate instruments).

As under Recommendation 30 above, amendments have been passed to improve alignment between the SADM Act and the practicalities of running a slot management scheme. The Department formed a Working Group comprising the Department, the Slot Manager, Airservices Australia (Airservices) and airline and industry representatives that has considered improvements to the Slot Management Scheme and Compliance Scheme (the schemes) and developed proposals to address the ANAO findings. Following the amendments already made to the Act and Regulations, and proposed amendments to the schemes, we expect slot compliance processes to be conducted entirely according to the legislation.

The Department has also developed, in consultation with ACA, expected outcomes and performance measures to assess ACA's adherence to the processes, including:

- a requirement for the Slot Manager to provide a report to the Department on the outcomes of each seasonal slot allocation process;
- holding annual reviews of the Slot Manager's performance against agreed performance measures; and
- compliance with record keeping protocols consistent with regulations introduced for this purpose.



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20 May 2009