

**NHULUNBUY CORPORATION LIMITED**

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**Submission to the Productivity Commission on Cost Recovery**

My submission relates particularly to cost recovery regarding the aviation industry and agencies involved in audit procedures.

Nhulunbuy Corporation Limited (NCL) is a small private company, in remote Northern Australia, providing the normal municipal functions of a local Council to the town of Nhulunbuy. Part of its role is the ownership/licenced operation of Gove Airport. This facility became the sole responsibility of NCL in 1991 under the Aerodrome Local Ownership Plan, prior to which the Federal Government under the auspices of the Civil Aviation Authority had responsibility for 50% of the costs associated with maintaining the aerodrome and ensuring standards/regulations were met.

Since that time the Department has been broken into a number of bodies eg Civil Aviation Safety Authority (CASA), Air Services Australia, Department of Transport & Regional Services, many responsible for a regulatory auditing role. Also since that time regulations and requirements have begun to be applied that were apparently unnecessary when funding was 50% Government. These Departments are now moving to cost recovery and as such can virtually demand whatever charges they require --particulaly where hourly rates, are used. This is in reference to finding problems, re-visits to ensure problems are rectified and interpretation etc.

Many times difficulties arise from interpretation and certainly the Rules and Practices for Aerodromes was supposed to undergo a complete re-write to remove any possible ambiguities. This re-write has been ongoing for at least 8 years to my knowledge. It appears to me that the bottom line requirement for the Government in the Aviation Industry is undoubtedly air and passenger safety. To achieve this it seems reasonable that appropriate Rules and Regulations are in place and that any body involved in the industry should be audited to ensure compliance. Such audits however should not be charged to the service provider unless they happen to be habitual offenders who would probably be better out of the Industry.

The auditing facet of the Aviation Industry is virtually a monopoly situation, and in this case probably rightly so, however the costs for the provision of this service should I believe lie totally within the Federal Government Budget. This is probably true of all auditing activities of other Departments and agencies. It seems to me that if Government deem it necessary to ensure that Rules and Regulations are being enforced by means of an audit system, they should be the ones to foot the bill.

This is exactly what the police forces throughout Australia are responsible for to enforce the law, surely the next step of cost recovery is not to pass on the police costs to criminals or to people who suffer from a crime!!!!

Michael Hindle

**TOWN ADMINISTRATOR**