



Australian Government

Department of Infrastructure, Transport,  
Regional Development and Local Government



Annual Report  
2009–10

## **Acknowledgements**

Specific acknowledgements for the use of data, photographs and other materials are included throughout this report. If there is no acknowledgement, the Department is the source of the material.

## **Editing**

WordsWorth Writing

## **Photographs**

Photographs of the Executive on page 11 and the Secretary and graduates on page 125 were taken on behalf of the Department by Geoff Comfort Photography.

## **Printing**

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This report has been printed using four colours for the cover and two colours: Pantone 194 (red), and Pantone Black for internal pages; and in two formats: perfect bound for parliamentary tabling and in half spiral bound with a more durable cover for general distribution.

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**Australian Government**

**Department of Infrastructure and Transport**

**Secretary**

The Hon Anthony Albanese MP  
Minister for Infrastructure and Transport  
Parliament House  
CANBERRA ACT 2600

Dear Minister

I am pleased to present the Annual Report for the Department of Infrastructure, Transport, Regional Development and Local Government for the year ended 30 June 2010.

This report has been prepared in accordance with section 63 of the *Public Service Act 1999* which also requires that you present this report to the Parliament.

The report summarises the Department's performance and includes the audited financial statements as required by section 57 of the *Financial Management and Accountability Act 1997*. It also includes information such as that required by:

- Paragraph 5.15(2) of the Airports (Environment Protection) Regulations 1997
- Section 29 of the *Air Navigation Act 1920*
- Section 20 of the *Aircraft Noise Levy Collection Act 1995*
- Section 94 of the *Nation Building Program (National Land Transport) Act 2009*
- Section 26 of the *Infrastructure Australia Act 2008*, and
- various whole-of-government legislation.

I also certify, as required under section 9 of Guideline 1 of the Commonwealth Fraud Control Guidelines, that the Department has prepared fraud risk assessment and fraud control plans, and has in place appropriate fraud prevention, detection, investigation, reporting and data collection procedures and processes that meet the specific needs of the Department and comply with the guidelines.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Mike Mrdak', written over a white background.

Mike Mrdak

9 October 2010

## GUIDE TO THIS REPORT

The Department's annual report focuses on explaining how the resources entrusted to it have been used. The report:

- takes into account the *Requirements for Annual Reports* approved by the Joint Committee of Public Accounts and Audit in June 2010
- uses data, photographs and other materials from a range of sources to put our activities and results into context, and
- provides advice about where other annual reports the department is required to publish or contribute to, can be obtained.

As this report contains photos, it may contain images of deceased persons and of places that could cause sorrow.

### How information is presented

Key terms and acronyms are explained as they are introduced, and are listed from page 268.

Tables throughout the report use notations as follows:

\$m    \$ million                      —    either zero or nil                      na    not applicable

Amounts are generally rounded to the 100 thousand dollars. All totals are the rounded sum of unrounded amounts and thus may not be the strict sum of the figures presented.

### How to get copies of this report or more information

Reports are available in printed form from more than 35 libraries around Australia under the Australian Government library deposit and free issue scheme. For a list of these libraries, please contact the Australian Government Information Management Office <[www.agimo.gov.au](http://www.agimo.gov.au)>.

This report is also available on our website <[www.infrastructure.gov.au/department/annual\\_report/index.aspx](http://www.infrastructure.gov.au/department/annual_report/index.aspx)>. It is published in a variety of digital formats to make it accessible to the largest possible audience, including people in regional areas and people with a disability. It is usually available online the day after it is tabled in the Parliament.

Before making decisions or acting on information in this report, you are advised to contact the Department. This report was up-to-date when it was printed, but details can change over time due to legislative, policy and other developments.

Equally, if you have suggestions about how we could improve our annual report, please let us know.

To contact our annual report team:

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✉ (no stamp required): Annual Report Coordinator,  
Reply Paid 594, CANBERRA ACT 2601

Contact details for other parts of the Department can be found on its website <[www.infrastructure.gov.au](http://www.infrastructure.gov.au)>.

# CONTENTS

<b>1. Year in review</b> .....	<b>1</b>
Secretary's report .....	2
Financial performance 2009–10.....	5
<b>2. Department overview</b> .....	<b>9</b>
Minister and Parliamentary Secretaries.....	10
Executive team.....	11
Organisational structure .....	12
The Portfolio .....	15

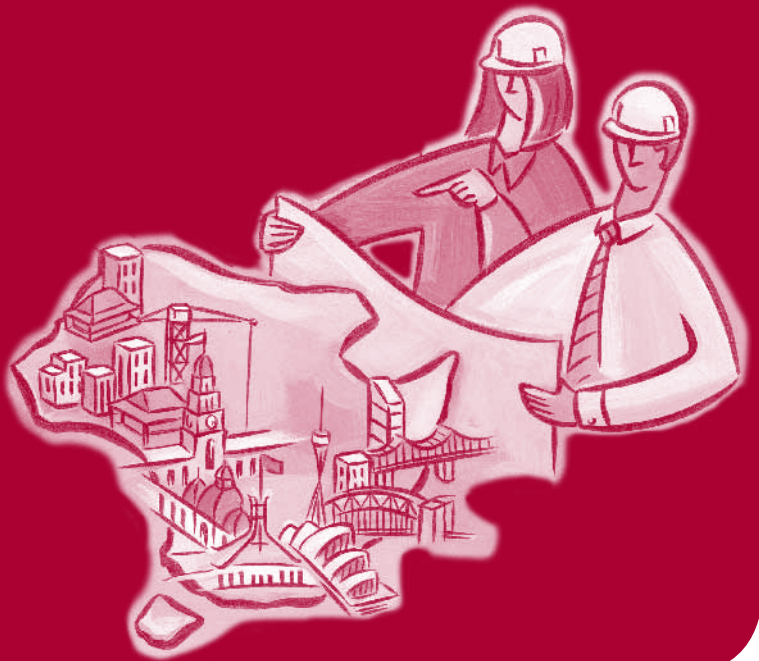
## REPORT ON PERFORMANCE

<b>3. Infrastructure</b> .....	<b>17</b>
What this chapter covers.....	18
Outcome 1 and programs .....	18
Program 1.1 Infrastructure investment .....	19
Program 1.2 Infrastructure investment coordination.....	31
<b>4. Transport</b> .....	<b>33</b>
What this chapter covers.....	34
Outcome 2 and programs .....	34
Program 2.1 Transport security .....	35
Program 2.2 Surface transport .....	45
Program 2.3 Road safety .....	59
Program 2.4 Air transport .....	68
<b>5. Regional development and local government</b> .....	<b>85</b>
What this chapter covers.....	86
Outcome 3 and programs .....	86
Program 3.1 Regional development .....	87
Program 3.2 Local government .....	97

<b>6. Infrastructure Australia .....</b>	<b>105</b>
Program 1.2 Infrastructure investment coordination.....	107
<b>7. Management and accountability .....</b>	<b>115</b>
Corporate governance .....	116
External scrutiny .....	122
Management of human resources .....	124
<b>Appendices</b>	
A. Agency resource statements and resources for outcomes .....	130
B. Departmental procurement practices and outcomes.....	140
C. Report under the Commonwealth Disability Strategy.....	145
D. Report under the <i>Environment Protection and Biodiversity Conservation Act 1999</i> .....	153
E. Report under the <i>Freedom of Information Act 1982</i> .....	160
F. Report under the <i>Occupational Health and Safety Act 1991</i> .....	164
G. List of grants programs .....	166
H. Additional human resource statistics .....	167
I. Airport performance data .....	169
J. Infrastructure, Transport, Regional Development and Local Government portfolio bodies.....	172
K. List of requirements .....	174
<b>FINANCIAL STATEMENTS .....</b>	<b>177</b>
<b>INDEX AND KEY TERMS</b>	
Glossary.....	268
Acronyms and abbreviations .....	270
Index.....	272
CONTACT US.....	INSIDE BACK COVER

# CHAPTER 1

Year in review





## YEAR IN REVIEW

### SECRETARY'S REPORT

It gives me great pleasure to deliver this annual report as Secretary of the Department of Infrastructure, Transport, Regional Development and Local Government.

As the newly appointed Secretary, early in 2009–10, I commissioned a strategic audit to assess the Department's capability and capacity to respond to the Australian Government's priorities, and to deliver the Australian Government's agenda across the portfolio. Two of the initial outcomes of this audit saw the establishment of the Major Infrastructure Projects Office and the Policy and Research Division.

The strategic audit also highlighted that effective dialogue with all our stakeholders is crucial to build support for and enable an exchange of views to inform the Department's policies and programs. To enhance and focus the Department's capacity to engage effectively with stakeholders, I established a Community Engagement Branch to take carriage of all stakeholder engagement and communication functions.

#### **Our operating environment**

The Department, through its three outcomes, played a key role in supporting the Australian Government to assist Australia face current and emerging economic challenges in an environment of rapid change, including by:

- developing 21st century infrastructure
- fostering efficient and secure transport systems, and
- addressing local government and regional issues.

The Department delivered a range of programs and services which benefit all Australians, and provide policy advice to the Australian Government, underpinned by targeted economic analysis and informed by active engagement with stakeholders.

The Department's key accomplishments during 2009–10 are summarised below. Detailed reports on how the Department performed against the performance indicators published in the 2009–10 Portfolio Budget Statements (PBS) appear in chapters 3, 4 and 5. Chapter 6 is the annual report of the activities of Infrastructure Australia, a portfolio advisory council for which the Department provides supporting staff (shown in the PBS as Program 1.2). Chapter 7 provides a report on the Department's management and accountability during 2009–10. A series of appendices and audited financial statements provide additional detail on particular facets of the Department's performance.



## Infrastructure investment

The Department administered programs that provided more than \$6.5 billion in direct and indirect grants for the construction and maintenance of land transport infrastructure. This was an increase over the \$5.9 billion provided during 2008–09 and included supplementation of more than \$1.3 billion in additional appropriations as part of the Australian Government’s National Building—Economic Stimulus Plan.

The Major Infrastructure Projects Office was established within the Department to provide governance, information, training, tools and value-adding services for major infrastructure project delivery.

## Transport security

The Department continued to administer Australia’s transport security arrangements. The Department led work which resulted in the Australian Government’s decision on 9 February 2010 to implement measures to improve passenger screening and cargo security at Australia’s major international and regional airports.

## Surface transport

The Department continued to lead the development and implementation of the Council of Australian Governments’ decisions to implement reform proposals to introduce single national regulatory systems for heavy vehicles, maritime safety and rail safety. This included the development of National Partnership Agreements, designed in conjunction with the state and territory governments, to underpin the national regulatory systems.

## Road safety

The Department facilitated the establishment of the seven-member National Road Safety Council. The new council advises the Australian Transport Council on the implementation of national road safety measures. Also, in conjunction with the Australian Automobile Association, the Department has been working to implement keys2drive, a national program for learner drivers.

## Air transport

The Department supported the Australian Government to complete and publish the Aviation White Paper as a comprehensive statement of national aviation policy. The Aviation White Paper was launched by the Minister in December 2009, setting out a range of policy settings and initiatives for the Australian aviation industry over the next 20 years. A range of initiatives were implemented immediately while others require enabling legislation or further input from stakeholders and consideration by the Australian Government before they can be put into operation.

## Regional development

Regional Development Australia (RDA) committees were appointed in all states and territories, and the first RDA National Forum was held, in March 2010, at the Australian Parliament House, Canberra. The forum brought together committee chairs and deputy chairs to network and find solutions to common issues facing their regions, and to learn about relevant government programs, services and initiatives.

Working with the Western Australian Government, the Shire of Wyndham – East Kimberley and other direct providers, the Department implemented the delivery of the \$195.2 million East Kimberley Development Package. The projects deliver social and common use infrastructure investment for the social and economic development of the East Kimberley region of Western Australia.

## Local government

The Department hosted the third meeting of the Australian Council of Local Government in June 2010. Under the theme of ‘Sustainable Communities’, the meeting covered issues such as strengthening economic security, infrastructure investment, adapting to environmental pressure and the impact of population change.

During 2009–10 the Department administered the Regional and Local Community Infrastructure Program that provided more than \$329.5 million for 1,592 community infrastructure projects identified by local communities as priority investments for their regions.

## Strategic policy and research

The Policy and Research Division was established in February 2010 to strengthen the Department’s strategic policy capabilities. The work of the division assists in areas such as infrastructure, cities, transport reform, local government and regional development. The new division includes the existing Bureau of Infrastructure, Transport and Regional Economics, which continued its data collection and economic analysis role, including a number of influential publications.

## In summary

The year 2009–10 was one of significant achievement for the Department, as we implemented the Australian Government’s policy and program initiatives and continued to assist the Australian Government in delivering its Economic Stimulus Plan to counter the effects of the global recession. Throughout the year, the dedication and professionalism of staff at all levels ensured that the Department continued to successfully meet its challenges.

I thank all departmental staff for their contributions of the past year.

Mike Mrdak  
SECRETARY

## FINANCIAL PERFORMANCE 2009–10

‘Departmental activities’ involve the use of assets, liabilities, revenue and expenses controlled or incurred by the Department in its own right. ‘Administered activities’ involve the management or oversight by the Department, on behalf of the Australian Government, of items controlled or incurred by the Australian Government.

This section should be read in conjunction with the Department’s audited financial statements for 2009–10 which appear in the section of this report entitled ‘Financial Statements’.

### Departmental finances

In 2009–10, the Department reported an operating deficit of \$0.2 million. This result was within the Department’s approved operating deficit of \$2.4 million.

Revenue from the Australian Government in 2009–10 reduced by \$33.7 million, due mainly to the transfer of appropriation following the establishment of the Australian Transport Safety Bureau (ATSB) as a separate agency, and changes in the funding profile of several measures.

The Department’s net assets reduced by \$36.4 million, due mainly to the transfer of assets to the ATSB and the return of prior-year appropriation funding to the Department of Finance and Deregulation.

The Department’s commitment to financial management continues to be reflected in its financial performance and unqualified financial statements. The Department also continued its strong focus on compliance with the *Financial Management and Accountability Act 1997* (FMA Act), and implemented system improvements to enhance its FMA Act compliance regime.

**Table 1.1 Summary of departmental financial performance and position (\$m)**

		2005–06	2006–07	2007–08	2008–09	2009–10	Change last year
Revenue from government		217.4	213.3	239.8	242.5	208.8	(33.7)
Other revenue		5.1	4.1	4.5	4.6	7.0	2.4
Gains		1.0	1.1	0.6	0.9	1.0	0.1
<b>Total income</b>		<b>223.5</b>	<b>218.5</b>	<b>244.9</b>	<b>248.0</b>	<b>216.8</b>	<b>(31.2)</b>
Employee and supplier expenses		209.5	208.2	220.5	234.8	201.3	(33.5)
Depreciation		9.7	11.8	13.6	13.6	12.9	(0.7)
Other expenses		4.0	3.2	5.0	2.7	2.8	0.1
<b>Total expenses</b>		<b>223.2</b>	<b>223.2</b>	<b>239.1</b>	<b>251.0</b>	<b>217.0</b>	<b>(34)</b>
<b>Operating result (Loss)</b>		<b>0.3</b>	<b>(4.7)</b>	<b>5.8</b>	<b>(3.0)</b>	<b>(0.2)</b>	<b>2.8</b>
Financial assets	A	105.0	92.2	98.6	100.9	67.4	(33.5)
Non-financial assets	B	63.9	57.7	64.9	71.8	58.7	(13.1)
Liabilities	C	51.1	55.1	54.7	68.9	58.6	(10.3)
<b>Net assets = A + B – C</b>		<b>117.7</b>	<b>94.8</b>	<b>108.8</b>	<b>103.9</b>	<b>67.5</b>	<b>(36.4)</b>

Note: Historical data prior to 2006–07 reflects the respective year's financial statements as signed off by the Australian National Audit Office at the time. As such, it may not reflect current accounting policies or comparative figures published in later statements. For comparative purposes, figures for 2006–07 have been amended to reflect current accounting policies.

### Asset management

The Department manages \$58.7 million of non-financial assets comprising several asset classes: land and buildings; property, plant and equipment; intangibles (software); inventories; and other non-financial assets. Of these, the major investments are in land and buildings (\$29.3 million) and intangibles (\$15.9 million).

The Department's capital program is underpinned by centralised approval processes. Business divisions submit proposals for consideration by the Department's Strategic Information Technology and Security Committee (for IT-related projects) and the Executive (for all other proposals above \$50,000). Below this threshold the Chief Financial Officer can consider non-IT project proposals. All decisions are informed by input from the Financial Services Branch.

Assets were independently revalued to market selling price (for leasehold improvements to depreciated replacement cost), with the exception of leasehold make-good assets which were revalued internally on a current market basis.

The Secretary has issued a Chief Executive's Instruction on asset management and the Department has documented asset policies and procedures on the management and safeguarding of assets. Asset registers are maintained and annual stocktakes are undertaken to verify their accuracy.

### **Administered finances**

Total administered expenditure in 2009–10 was \$8.4 billion; of this, \$4.6 billion was appropriated directly to the Department for grants, subsidies and other administered expenses.

Major expense items in 2009–10 were:

- Nation Building Program (\$4,979.3 million)
- Local Government Financial Assistance Grants (\$1,979.9 million)
- Nation Building Plan for the Future (\$411.0 million)
- Regional and Local Community Infrastructure Program (\$332.2 million)
- Payments to CAC Act bodies (\$259.8 million)
- Tasmanian Freight Equalisation Scheme (\$98.3 million), and
- Interstate Road Transport Fees (\$62.5 million).

In aggregate, the administered programs managed by the Department were under-expensed by \$216.4 million or 2.6 per cent, against the latest budget published in the 2010–11 Portfolio Budget Statements.

Taxation revenue collected on behalf of the Australian Government increased by \$5.0 million in 2009–10, largely due to increased revenue from interstate road transport registrations.

Non-taxation revenue reduced by \$489.2 million overall, due mainly to changes in the profile of funds received from the Building Australia Fund (\$594.0 million), partially offset by increases in the Australian Maritime Safety Authority levies (\$12.5 million), the dividends from Airservices Australia (\$10.0 million) and the revenue from Motor Vehicle Standards Regulations fees (\$3.6 million).

In 2009–10, administered net assets increased by \$582.4 million, due mainly to increases in the net asset value of administered investments in government authorities and companies (\$1.1 billion), partially offset by decreases in prepayments balances due to the expensing of some prepayments made in 2005–06 and 2006–07 (\$348.8 million) and an increase in payables balances (48.2 million).

The Department of the Treasury (the Treasury) is appropriated directly for payments to and through states and territories for National Partnership Agreements.

Table 1.2 is based on information reported in the Department's financial statements and excludes items for which the Treasury is appropriated directly.

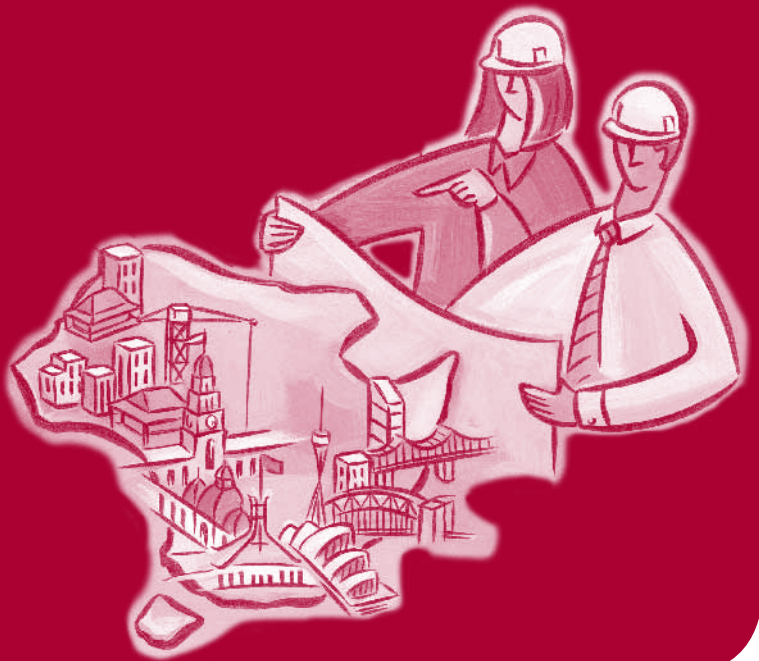
**Table 1.2 Summary of administered financial performance and position**

		2005–06	2006–07	2007–08	2008–09	2009–10	Change
		\$m	\$m	\$m	\$m	\$m	last year
Taxation revenue		150.1	77.1	80.7	84.0	89.0	5.0
Non-taxation revenue		135.7	168.3	154.1	1,089.1	599.8	(489.3)
Gains		36.7	0.6	7.7	0.0	0.0	0.0
<b>Total income</b>		<b>322.5</b>	<b>246</b>	<b>242.5</b>	<b>1,173.1</b>	<b>688.8</b>	<b>(484.3)</b>
Grants		3,841.7	4,319.8	4,966.6	8,465.3	3,734.1	(3731.2)
Subsidies		136.3	128	142.4	155.2	147.5	(7.7)
Other expenses		88.9	117.6	123.8	22.2	27.4	5.2
<b>Total expenses</b>		<b>4,066.9</b>	<b>4,565.5</b>	<b>5,232.8</b>	<b>8,642.7</b>	<b>3909.0</b>	<b>(4,733.7)</b>
Financial assets	A	2,118.3	1,937.3	1,974.1	2,468.9	3461.7	992.8
Non-financial assets	B	2,494.7	2,459.4	1,459.5	461.0	98.7	(362.3)
Liabilities	C	25.2	31.5	30.3	17.2	65.4	48.2
<b>Net assets = A + B + C</b>		<b>4,587.8</b>	<b>4,365.1</b>	<b>3,403.3</b>	<b>2,912.7</b>	<b>3495.1</b>	<b>582.4</b>

Note: Historical data prior to 2006–07 reflects the respective year's financial statements as signed off by the Australian National Audit Office at the time. As such, it may not reflect current accounting policies or comparative figures published in later statements. For comparative purposes, figures for 2006–07 have been amended to reflect current accounting policies.

# CHAPTER 2

## Department overview





## DEPARTMENT OVERVIEW

During 2009–10, the Department of Infrastructure, Transport, Regional Development and Local Government contributed to the wellbeing of all Australians by delivering a range of outputs that supported the following three outcomes.

1. Improved infrastructure across Australia through investment in and coordination of transport and other infrastructure.
2. An efficient, sustainable, competitive, safe and secure transport system for all transport users through regulation, financial assistance and safety investigations.
3. Coordinated community infrastructure and services in rural, regional and local government areas through financial assistance.

In delivering these outcomes the Department provided a range of infrastructure, transport, regional and local government services and information to, and in partnership with, government, industry and the broader community.

The Department operates under the *Financial Management and Accountability Act 1997*.

### MINISTER AND PARLIAMENTARY SECRETARIES

Throughout 2009–10, the Department was accountable to:

- the Hon Anthony Albanese MP, Minister for Infrastructure, Transport, Regional Development and Local Government,
- the Hon Maxine McKew MP, Parliamentary Secretary for Infrastructure, Transport, Regional Development and Local Government, and
- the Hon Gary Gray AO MP, Parliamentary Secretary for Western and Northern Australia.



The Hon Anthony  
Albanese MP



The Hon Maxine  
McKew MP



The Hon Gary Gray  
AO MP

## EXECUTIVE TEAM



### *Mike Mrdak—Secretary*

Mike Mrdak led the Department in its policy development, regulatory and program implementation work. Mike chaired the Secretary's Business Meeting, the Executive Management Team and the Senior Executive Service Management Team which played pivotal roles in leading the Department. Mike also chaired the Standing Committee on Transport and the Standing Committee on Regional Development which supports the work of the Australian Transport Council and Regional Development Council. These councils comprise Commonwealth, state and territory government ministers.



### *Stephanie Foster—Deputy Secretary*

In her role as Deputy Secretary, Stephanie took responsibility for the delivery of the regional development and local government programs as well as the work of the Policy and Research Division.



### *Lyn O'Connell—Deputy Secretary*

In her role as Deputy Secretary, Lyn took responsibility for the delivery of the infrastructure investment, surface transport, and road safety programs.



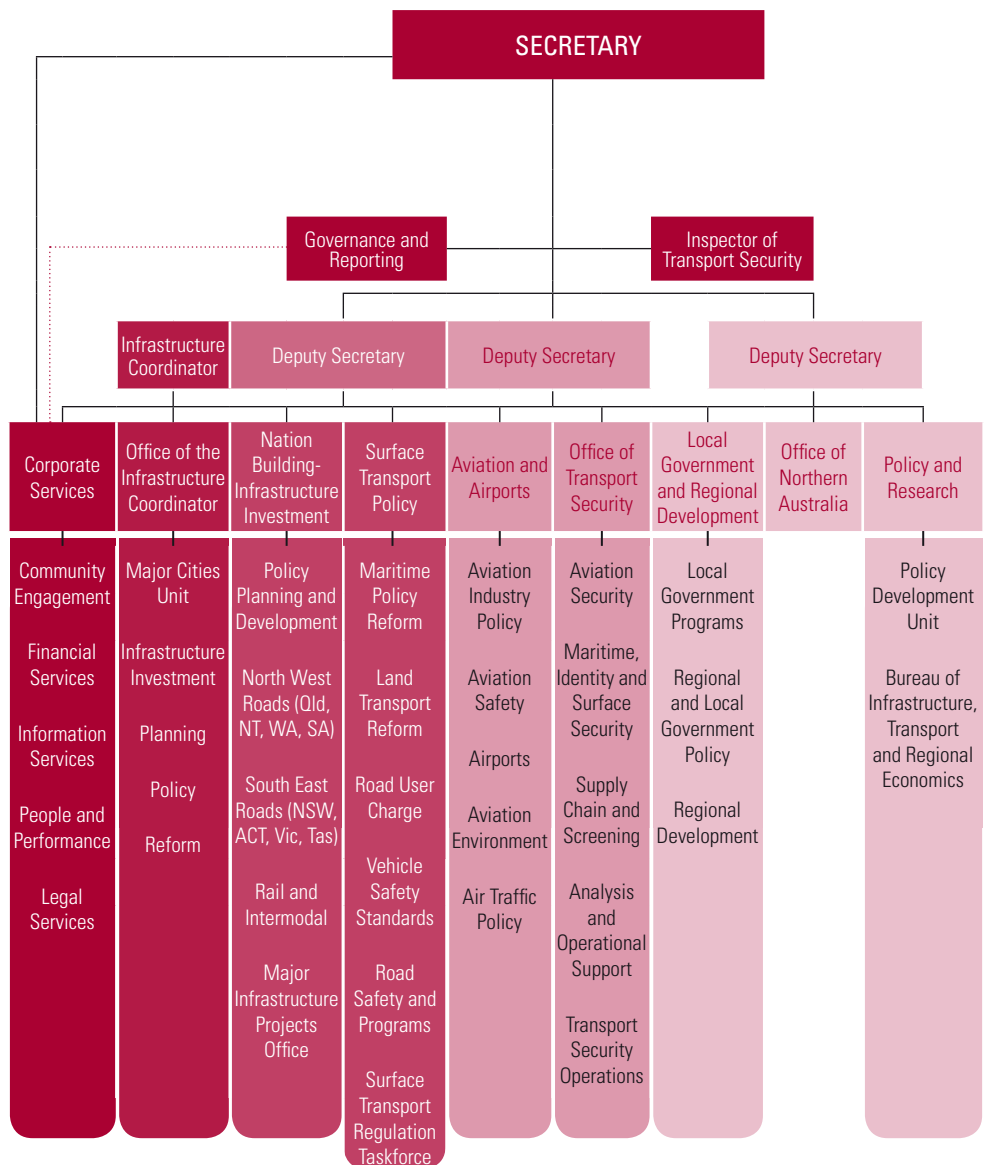
### *Andrew Wilson—Deputy Secretary*

Andrew was appointed Deputy Secretary in January 2010. Andrew took responsibility for the delivery of the transport security and air transport programs.

## ORGANISATIONAL STRUCTURE

The Department administered \$8.4 billion across a number of major business lines, as illustrated in Figure 2.1. The Corporate Services and Policy and Research divisions provided support to all business divisions by delivering essential services, advice and research for all programs. For more information about the results achieved against the performance indicators that were published in the 2009–10 Portfolio Budget Statements (PBS), see the reports on performance (chapters 3, 4, 5 and 6).

Figure 2.1 Organisational structure at 30 June 2010



Following the Administrative Arrangements Order issued on 14 September 2010 the Department of Infrastructure, Transport, Regional Development and Local Government became the Department of Infrastructure and Transport, and regional development and local government functions were transferred to the new Department of Regional Australia, Regional Development and Local Government, within the Prime Minister and Cabinet Portfolio. Along with these functions a commensurate level of staffing and financial resources were also transferred to the new Department.

The Department of Infrastructure and Transport will deal with matters of:

- infrastructure planning and co-ordination
- transport safety, including investigations
- land transport
- civil aviation and airports
- transport security
- maritime transport, including shipping, and
- major projects facilitation.

### **Outcome and program structure**

There have been no changes to the Department's outcome structure since the 2008–09 annual report. However, from the 2009–10 Budget, all General Government Sector entities are required to report on a program basis. Commonwealth programs deliver benefits, services or transfer payments to individuals, industry/business or the community as a whole and are the primary vehicles for government agencies to achieve the intended results of their outcome statements. Figure 2.2 details the Department's outcome and program structure for 2009–10.

The reports on performance in this annual report reflect the outcome and program structure and key performance indicators published in the 2009–10 PBS.

**Figure 2.2 Departmental outcome and program structure at 30 June 2010**

Outcome	Program	Division or Office	More info
<b>Outcome 1</b> <i>Improved infrastructure across Australia through investment in and coordination of transport and other infrastructure</i>	1.1 Infrastructure Investment	Nation Building–Infrastructure Investment	page 19
	1.2 Infrastructure Investment Coordination <sup>1</sup>	Infrastructure Australia	pages 31 and 107
<b>Outcome 2</b> <i>An efficient, sustainable, competitive, safe and secure transport system for all transport users through regulation, financial assistance and safety investigations</i>	2.1 Transport Security	Office of Transport Security	page 35
		Office of the Inspector of Transport Security	page 35
	2.2 Surface Transport	Surface Transport Policy	page 45
	2.3 Road Safety	Surface Transport Policy	page 59
	2.4 Air Transport	Aviation and Airports	page 68
<b>Outcome 3</b> <i>Coordinated community infrastructure and services in rural, regional and local government areas through financial assistance</i>	3.1 Regional Development	Local Government and Regional Development	page 87
		Office of Northern Australia	page 87
	3.2 Local Government	Local Government and Regional Development	page 97

<sup>1</sup> Program 1.2 is delivered through work undertaken by the Office of the Infrastructure Coordinator in support of Infrastructure Australia.

## THE PORTFOLIO

This annual report focuses on the Department of Infrastructure, Transport, Regional Development and Local Government; it also reports on the activities and performance of Infrastructure Australia (see Chapter 6). Information about other portfolio agencies can be obtained from their annual reports and websites.

The main Commonwealth authorities and statutory advisory bodies in the portfolio at 30 June 2010 were:

- Airservices Australia <[www.airservicesaustralia.com](http://www.airservicesaustralia.com)>
- Australian Maritime Safety Authority <[www.amsa.gov.au](http://www.amsa.gov.au)>
- Australian Transport Safety Bureau <[www.atsb.gov.au](http://www.atsb.gov.au)>
- Civil Aviation Safety Authority <[www.casa.gov.au](http://www.casa.gov.au)>, and
- Infrastructure Australia <[www.infrastructureaustralia.gov.au](http://www.infrastructureaustralia.gov.au)>.

Other bodies and corporations in the portfolio included:

- Australian Rail Track Corporation <[www.artc.com.au](http://www.artc.com.au)>
- International Air Services Commission <[www.iasc.gov.au](http://www.iasc.gov.au)>, and
- National Transport Commission <[www.ntc.gov.au](http://www.ntc.gov.au)>.

Four portfolio agencies, including the Department, belong to the General Government Sector. Figure 2.3 illustrates how these agencies contribute to portfolio outcomes. A complete list of portfolio bodies, including agencies which are outside the General Government Sector, appears at Appendix J.

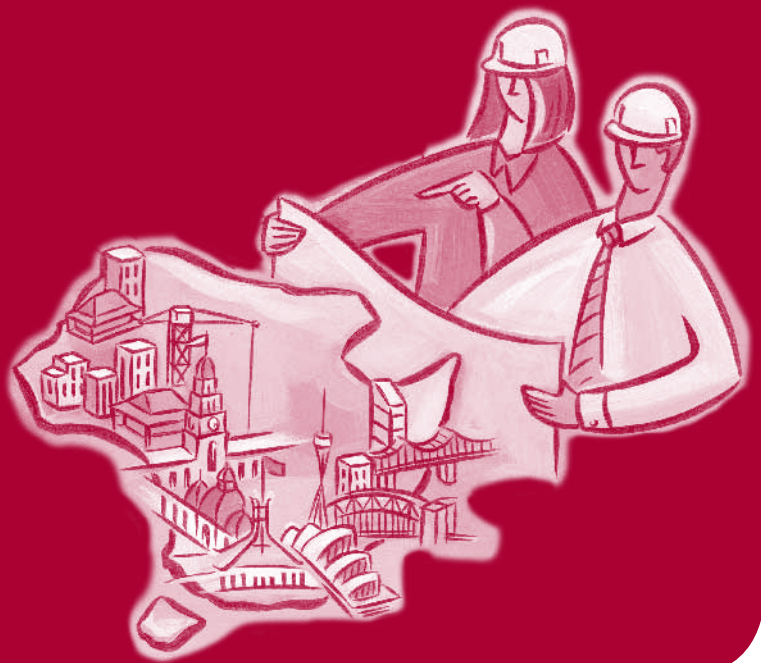
**Figure 2.3 Relationship of portfolio agencies in the General Government Sector at 30 June 2010**





# CHAPTER 3

## Infrastructure



# INFRASTRUCTURE

## WHAT THIS CHAPTER COVERS

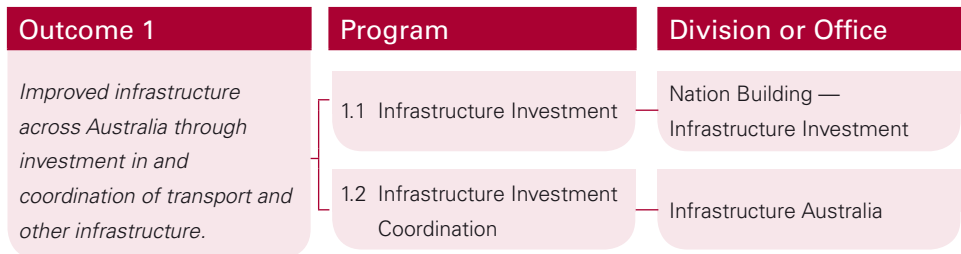
This chapter describes the Department’s infrastructure portfolio outcome, Outcome 1 and reports on performance for the individual programs and administered items. Each report includes:

- an overview of the program’s functions and how it was delivered
- a summary of the program’s results against the key performance indicators and deliverables and their targets published in the 2009–10 Portfolio Budget Statements (PBS)
- a summary of the results for any administered items delivered by the program in 2009–10, and
- a detailed report on the performance of the program in 2009–10 against the applicable components from the 2009–10 PBS.

## OUTCOME AND PROGRAMS

Figure 3.1 shows the relationships between Outcome 1 and its programs, and identifies the business divisions of the Department responsible for delivering the programs.

Figure 3.1 Outcome 1 and programs



## PROGRAM 1.1—INFRASTRUCTURE INVESTMENT

### Highlights

The Department administered programs under Outcome 1 that provided more than \$5.9 billion in direct and indirect grants for the construction and maintenance of land transport infrastructure. This was an increase over the \$5.2 billion provided in 2008–09.

The 2009–10 Budget provided \$8.5 billion over six years for the Nation Building Plan for the Future measure, including \$1.2 billion in 2008–09 and \$411.0 million in 2009–10.

The Department worked closely with Australian Government agencies, state and territory governments and the Australian Rail Track Corporation (ARTC) to administer this funding, and to implement infrastructure initiatives announced as part of the Nation Building Plan for the Future measure.

The Department established the Major Infrastructure Projects Office and associated Major Infrastructure Projects Board to manage a number of key infrastructure projects, including through the role of an ‘independent advisor’.

In addition, the Department administered programs to deliver the Australian Government’s Nation Building—Economic Stimulus Plan (NB–ESP). Funding in 2009–10 was supplemented by more than \$1.3 billion in additional appropriations as part of the NB–ESP, comprising:

- \$60.0 million additional funding for the road safety Black Spot program
- \$100.0 million for boom gates for rail crossings
- \$382.1 million brought forward from the forward estimates to 2009–10 to build better roads, and
- \$766.9 million was provided in 2009–10 to fund 17 rail projects as part of the Australian Government’s \$1.2 billion equity injection in the ARTC.

In the 2010–11 Budget, the Australian Government announced:

- \$976.7 million to be brought forward from the forward estimates to 2009–10 to reflect significant progress or early commencement of road projects funded by the Nation Building Investment Program and
- a further \$1.0 billion will be invested in the ARTC to upgrade the national rail network.

## Overview

Program 1.1 was delivered by the Nation Building—Infrastructure Investment Division by increasing the efficiency and safety of Australia’s land transport infrastructure while strengthening the Australian economy. This was accomplished by providing policy advice to the Australian Government and delivering a suite of administered items.

Program 1.1 included the following administered items:

- Nation Building Program<sup>1</sup>
  - » Nation Building Program Investment
  - » Nation Building Black Spot Projects
  - » Nation Building Boom Gates for Rail Crossings
  - » Nation Building Heavy Vehicle Safety and Productivity (previously known as Nation Building Heavy Vehicle Safety)
  - » Nation Building Roads to Recovery
  - » Nation Building Off-Network Projects (previously known as Nation Building Strategic Regional)
  - » Nation Building Off-Network—supplementary (previously known as Nation Building Strategic Regional—supplementary)
  - » Nation Building Improving Local Roads, and
  - » Nation Building Improving the National Network
- Nation Building Plan for the Future, and
- Management of residual issues of former Australian National Railways Commission.

The budget and actual expenditure for each administered item is listed in Appendix A.

## Summary of performance

Tables 3.1 and 3.2 summarise the Department’s results in delivering Program 1.1 against the key performance indicators and deliverables and their targets published in the 2009–10 PBS.

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<sup>1</sup> Payments made to the states and territories under the Nation Building Program and the Nation Building Plan for the Future are appropriated through the Department of the Treasury. Further information on these arrangements can be found in that Department’s Portfolio Budget Statements and in Budget Paper No. 3, *Australia’s Federal Relations 2009–10*.

Table 3.1 Summary of performance—Program 1.1 key performance indicators

Key performance indicator	Target	Result
<i>Australian land transport networks are safer.</i>	Projects that improve road and rail safety are delivered.	<i>Achieved</i> Projects funded by the Australian Government are designed to the highest safety standards and improve the overall safety of the nation's road and rail network. Major projects completed during 2009–10 are shown in tables 3.4 and 3.5.  The Black Spot Projects program and the Boom Gates for Rail Crossings program were established specifically to address dangerous locations on the nation's road network.  During 2009–10 655 Black Spot projects were completed. In addition 300 Boom Gates for Rail Crossings projects were complete or substantially completed.
<i>Australian land transport networks are more efficient.</i>	Projects that improve road and rail efficiency are delivered.	<i>Achieved</i> Projects to reduce travel times and freight costs that were completed during 2009–10 included stage 1 of the Bunbury Port Access Road; New Perth Bunbury Highway upgrade; Ipswich Motorway /Logan Motorway Interchange; Pacific Highway—Karuah to Bulahdelah Stages 2 and 3; Southern Hume Accelerated Package; and the Coolac Bypass (Hume Highway).
<i>States, territories and local governments are appropriately funded for network and off-network projects.</i>	Payments are within 5% of forecast.	<i>Achieved</i> The Department achieved payments of 99.8% of funding allocated for 2009–10.
<i>Access to air services for remote communities is maintained or improved.</i>	Funded projects are completed and the Department manages all projects funded by the Government in accordance with contracted requirements.	<i>Achieved</i> The scheme provided 244 remote and isolated communities across 10 geographical regions with access to a regular air service for the carriage of passengers and goods including medicines, fresh food and educational materials.  Air operator contracts were managed according to contractual requirements.

**Results Key**

Not achieved	None or minimal progress was made against targets in 2009–10
Partially achieved	Some targets were met, and any issues are being managed
Substantially achieved	Targets were mostly met, and any issues are being managed
Achieved	All targets for 2009–10 were met or exceeded

**Table 3.2 Summary of performance—Program 1.1 deliverables**

<b>Deliverable</b>	<b>Target</b>	<b>Result</b>
<i>Provision of policy input to the National Transport Commission regulation impact statement for the introduction of incremental charges.</i>	Report prepared for ATC and COAG consideration.	At its meeting in July 2009, COAG agreed to the recommendations of the Phase I Report on Heavy Vehicle Charging, including merging the incremental pricing work stream with the feasibility study due in 2011. It was considered appropriate and efficient to develop incremental pricing as part of the mass–distance–location pricing framework as many issues are common to both streams of work.
<i>Collaboration with state, territory and local governments to plan and evaluate land transport investments consistent with Government priorities.</i>	States report monthly on progress of investments and quarterly on program implementation.	States and territories submitted reports for evaluation of their proposed projects, and monthly project progress reports.
<i>Deliver the Nation Building administered items in cooperation with state, territory and local governments.</i>	50% of new projects approved.	75% of new Nation Building network and off-network projects were approved or partially approved.
<i>Number of funding recipients receiving Roads to Recovery funding.</i>	565 councils receive funding.	As a result of local government amalgamations 561 councils were eligible for Roads to Recovery funding in 2009–10. Five state/territory authorities responsible for roads in unincorporated areas, the Indian Ocean Territories, the Lord Howe Island Board, the Local Government Association of the NT and the South Australian Local Government Grants Commission are also eligible funding recipients. Of these eligible bodies, 540 received funding for approximately 3,700 projects.
<i>Completion of the Strategic Regional projects and approval of all Nation Building off-network commitments.</i>	53 projects completed, with 80% of projects approved.	34 Strategic Regional projects were completed. Major flooding in several regional areas delayed the completion of a number of projects.  80% of new off-network projects were approved.
<i>Completion of remaining Strategic Regional (supplementary) projects.</i>	50 projects completed	Of the remaining Strategic Regional—supplementary projects, 38 were completed. Major flooding in several regional areas delayed the completion of a number of projects.
<i>Efficient and effective management of administered items.</i>	Items are administered in accordance with relevant legislation, published guidelines and ANAO guidance.	Administered items were administered in accordance with relevant legislation, published guidelines and ANAO guidance.

ANAO = Australian National Audit Office, ATC = Australian Transport Council, COAG = Council of Australian Governments

Table 3.3 provides a summary of the results achieved by each of the administered items under Program 1.1.

**Table 3.3 Summary of performance—Program 1.1 administered items**

Administered item	Result
Nation Building Program	
<i>Nation Building Program Investment</i>	The Department administered more than \$3.8 billion of funding in 2009–10 (this includes the 2010–11 budget measure to accelerate payments of \$976.7 million for projects that are progressing well). This funding contributed to the progress of 190 road and rail projects across Australia.
<i>Nation Building Black Spot Projects</i>	The Department administered \$113.6 million in support for projects to improve road safety at identified crash sites. The program has reduced the risk of crashes through measures such as traffic lights, roundabouts, signage and edge sealing at dangerous locations on roads around Australia.  655 Black Spot projects were completed during 2009–10 and a further 209 were underway at 30 June 2010.
<i>Nation Building Boom Gates for Rail Crossings</i>	\$150.0 million was provided over 2008–09 and 2009–10 for 300 level crossing upgrade projects, of which \$100.0 million was provided to the states and the Northern Territory in 2009–10.  At 30 June 2010, 300 projects had been completed with 81 remaining to be commissioned.
<i>Nation Building Heavy Vehicle Safety and Productivity (previously Nation Building Heavy Vehicle Safety)</i>	\$16.0 million was provided to improve safety and productivity for the Australian heavy vehicle transport industry.  At 30 June 2010, 114 projects had been completed and 43 were underway.
<i>Nation Building Roads to Recovery</i>	\$350.0 million was provided for a range of purposes, including road work, bridge work and the installation of traffic lights. Councils lodged audited financial statements stating how they had spent the program funds.
<i>Nation Building Off-Network Projects (previously Nation Building Strategic Regional)</i>	\$280.2 million was provided to state governments and local councils for the planning and construction of off-network projects. 37 projects were completed in 2009–10.
<i>Nation Building Off-Network—supplementary (previously Nation Building Strategic Regional—supplementary)</i>	The Department provided \$250.0 million to state governments and local councils in 2006–07 for the planning and construction of off-network projects. The jurisdictions report each month on progress. Total expenses to 30 June 2010 were \$208.3 million, with \$96.4 million expensed in 2009–10.
<i>Nation Building improving local roads</i>	The Department distributed \$307.5 million to local councils, three state governments, the Northern Territory Government and the Indian Ocean Territories in June 2006. Total funding expensed over the life of the program up to 30 June 2010 amounted to \$306.5 million, with \$4.1 million expensed in 2009–10.



**Table 3.3 Summary of performance—Program 1.1 administered items**

Administered item	Result
<i>Nation Building improving the National Network</i>	The Department provided \$1.8 billion as prepayments to New South Wales, Queensland, Western Australia, South Australia, Tasmania and the Northern Territory to accelerate works on 10 National Network highways in June 2006. The jurisdictions report each month on progress. Total expenses to 30 June 2010 were \$1.8 billion, with \$190.9 million expensed in 2009–10.
Nation Building Plan for the Future	<p>A total of \$411.0 million was paid in 2009–10. Payments comprised \$365.0 million for the Gold Coast Rapid Transit project; \$36.0 million for the Gawler Line Modernisation; and \$10.0 million for the Noarlunga to Seaford Rail Extension project in South Australia.</p> <p>\$80.1 million of the \$91.0 million provided for the West Metro project was returned by New South Wales following the state's decision to postpone the project indefinitely, in February 2010. A second and final invoice will be issued for the remaining unspent funds following the completion of a final independent audit.</p> <p>The remaining projects are at various stages and, with the exception of the two ports projects, payments will be made in accordance with the National Partnership Agreements with each of the states and territories as milestones are met. The Australian Government has set aside funding for the Oakajee Port common user facilities (\$339.0 million) and the expansion of Darwin Port (\$50.0 million) subject to further advice by Infrastructure Australia.</p>
Management of residual issues of former Australian National Railways Commission	The Department is progressing the Australian National Railways Commission residual projects. A tender process for the disposal of the GM-1 locomotive commenced in late 2009. Negotiations for the management of the Plant Room, Adelaide, are continuing with the state government.

### Detailed report on performance

The following report is against the components of Program 1 as set out in the 2009–10 PBS.

#### I Infrastructure policy initiatives

The Department led the development of a number of key reforms driven by the Council of Australian Governments (COAG) Infrastructure Working Group and subgroups. It also provided policy input into a range of infrastructure initiatives, including the development of a national prequalification regime; the House of Representatives Standing Committee on Infrastructure, Transport, Regional Development and Local Government's Inquiry into Smart Infrastructure; and financing options.

The Department also contributed infrastructure policy input to the whole of Australian Government development of climate change adaptation position for COAG consideration.

## II Raising the standard of land transport infrastructure

In 2009–10, works commenced on a total of 57 land transport infrastructure projects, including projects managed under the investment and off-network programs, the Nation Building Plan for the Future and the Australian Rail Track Corporation (ARTC) equity injection.

Work was completed on 46 land transport infrastructure projects, 33 road and 13 rail, as shown in Tables 3.4 and 3.5.

**Table 3.4 Road projects completed in 2009–10**

State	Project
New South Wales	Barton Highway—Capricorn Corner Realignment
	Southern Hume Accelerated Package
	Hume Highway Coolac Bypass
	Pacific Highway—Karuah to Bulahdelah Stages 2 and 3
Victoria	Springvale Road
	Upgrade of the Colac–Lavers Hill Road
Queensland	Bruce Highway—Gympie Four-laning
	Bundaberg Port Road
	Caboolture Motorway Upgrade and Widening
	Ipswich Motorway/Logan Motorway Interchange
	Ipswich Motorway—priority interim safety works package
	Ipswich Motorway—Wacol to Darra Stage 1
	Ipswich Motorway—Wacol to Darra Stage 2
	Pacific Motorway Upgrade—Nerang (South) Interchange
Wills Development Road Upgrade Project	
Western Australia	Bunbury Port Access Road Stage 1
	Dampier Highway Stage 1B
	Great Northern Highway Kimberley bridges
	Great Northern Highway Muchea to Wubin
	Great Northern Highway Port Hedland improvements
	New Perth Bunbury Highway
South Australia	Advanced Traffic Management System (Phase 2: Adelaide to Crafers)
	Advanced Traffic Management System (Phase 3: Crafers to Bridgewater)
	Churchill Road, Prospect
	South Road Upgrade—Planning study for South Road between the Port River Expressway and Regency Road
	Sturt Highway Upgrade—Duplication between Gawler and Argent Road
Tasmania	Bass Highway Sister’s Hills Upgrade
	Batman Highway Junction, Egg Island Creek, Dalrymple upgrade projects (Accelerated East Tamar Highway Upgrade Package)
	Midland Highway Safety Upgrade (Constitution Hill)
	Tebrakunna Bridge (North East Freight Roads project)
	Westbury Road/Mt Leslie Road Intersection Upgrade

**Table 3.4 Road projects completed in 2009–10**

State	Project
Northern Territory	National Network Widening and Rehabilitation
	Victoria Highway—Victoria River Bridge and Lifting Works on Joe, Lost and Sandy Creek Bridges

**Table 3.5 Rail projects completed in 2009–10**

State	Project
New South Wales	Maldon–Dombarton Pre-Feasibility Study
	New South Wales Grain Freight Review
	Four projects undertaken by ARTC as part of the Economic Stimulus Plan
	Hunter Valley: Minimbah Bank Third Rail Line
	Hunter Valley: St Heliers to Muswellbrook Duplication
	Cootamundra to Parkes Track Upgrade
	Sydney to Brisbane New, Extended and Upgraded Loops
Victoria	Two projects undertaken by ARTC as part of the Economic Stimulus Plan
	Western Victoria Track Upgrade
	Seymour to Wodonga Track Upgrade
Queensland	Queensland Border to Acacia Ridge Upgrade, undertaken by ARTC as part of the Economic Stimulus Plan
South Australia	Adelaide Rail Freight Movement Study
	The Adelaide to Kalgoorlie New and Extended Loops, undertaken by ARTC as part of the Economic Stimulus Plan
Western Australia	Western Australian Daddow Road Grade Separation
	The Adelaide to Kalgoorlie New and Extended Loops, undertaken by ARTC as part of the Economic Stimulus Plan

ARTC = Australian Rail Track Corporation

*Equity injection for rail infrastructure*

The Australian Government's investment in ARTC equity under the Nation Building—Economic Stimulus Plan facilitated the implementation of rail infrastructure works. In 2009–10, ARTC completed eight of 17 projects over its interstate and Hunter Valley (New South Wales) networks.

On the interstate freight network, these projects are working to:

- reduce transit times by nearly half an hour between Melbourne and Sydney and by as much as an hour between Sydney and Perth, and
- reduce maintenance and train-operating costs by improving the quality of the infrastructure.

In the Hunter Valley, ARTC's works are significantly expanding the capacity of the Hunter Valley coal chain, ensuring that the rail network keeps pace with anticipated improvements to the mine and port capacity for coal exports.

*Nation Building Plan for the Future*

The Nation Building Plan for the Future measure was introduced in the 2009–10 Budget, providing funding for 15 nationally significant road, rail and port infrastructure projects, with funding commencing from June 2009. During 2009–10, construction work was underway on three projects and pre-construction activities commenced on a further five projects. With the exception of the two port projects, the remaining projects are in various stages of planning. Funding for the Oakajee Port and Darwin Port expansion projects are subject to further advice by Infrastructure Australia.

**III Remedial road projects to improve safety and productivity***Black Spot Projects*

Black Spot Projects improve the safety of road sites which have been identified as high-risk areas for serious crashes. Most funding goes to projects to treat sites that have a record of at least three accidents involving casualties over a five-year period and can demonstrate a robust benefit to cost ratio of at least 2:1.

In 2009–10, the Department continued to work with state and territory agencies to ensure that the program was administered efficiently and cost-effectively across all jurisdictions.

The number of Black Spot Projects approved varies each year depending on the cost of approved works. A total of 1,174 black spot projects were approved for treatment over 2008–09 and 2009–10; 607 of these projects were approved as a direct result of the Economic Stimulus Plan. The total payment made to Black Spot Projects in 2009–10 was \$113.6 million.

### *Boom Gates for Rail Crossings*

The Australian Government invested \$150.0 million over 2008–09 and 2009–10 to install boom gates and other safety measures at 300 high-risk level crossings around Australia. The work has improved safety for road users, train drivers and pedestrians.

### *Heavy Vehicle Safety and Productivity*

Through the Nation Building Heavy Vehicle Safety and Productivity program, the safety of the drivers of heavy vehicles is addressed through fatigue management and road enhancement projects, such as rest areas and bridge upgrades. In 2009–10, more than \$16.0 million was provided for around 180 projects across Australia; more than 90 projects have been completed under the program. An additional 56 projects were approved in 2009–10, with Australian Government funding totalling \$31.3 million over the life of the program.

## **IV Increasing the ability of local councils to improve land transport infrastructure**

### *Roads to Recovery*

The Nation Building Roads to Recovery program provides funding for projects at a local level. Each local authority across Australia is guaranteed a share of the program funding. In 2009–10, a total of \$350.0 million was paid under the program to local councils, three state governments, the Northern Territory and Australian Capital Territory governments and the Indian Ocean Territories. Over the period 2009–10 to 2013–14, a total of \$1.8 billion will be paid to councils.

Shares are determined by a formula, based on population and road length, set by the local government grants commission in each state and the Northern Territory. Funding is provided directly by the Australian Government to each council. Decisions on projects to be funded are made locally and reported to the Australian Government.

### *Off-Network projects*

The Off-Network Projects program (previously known as the Strategic Regional program) is designed to improve road and rail infrastructure not included on the national land transport network. It improves safety, assists industry development and supports job creation in local communities. A total of \$280.2 million was paid under the program to local councils and state and territory governments during 2009–10.

## **V Major projects facilitation**

Seven projects received Major Project Facilitation (MPF) status in 2009–10, in the sectors of coal, iron ore, fertiliser and liquefied natural gas.

The Department provides facilitation services to all MPF proponents, by helping to coordinate all necessary Australian Government approval processes, and ensuring that those processes are coordinated with relevant state and territory government processes so they occur simultaneously with minimal duplication. The program also ensures that other government agencies respond promptly to any issues that proponents raise during the approval process, so projects can proceed to development as quickly as possible.

## **VI COAG Infrastructure Working Group and COAG Business Regulation and Competition Working Group**

The Department coordinated and led a number of COAG transport reforms, including the development of National Partnership Agreements to progress COAG's national regulator initiatives for the heavy vehicle, maritime and rail sectors. The Department also helped to develop implementation plans for COAG's transport reform agenda, and reports on relevant reforms to the COAG Business Regulation and Competition Working Group.

The Department continued to work to achieve reform through the COAG Infrastructure Working Group. A report was presented to the Commonwealth Coordinator-General, evidencing the work undertaken to streamline and integrate major infrastructure approval processes by states, territories and the Australian Government. Through a subgroup, the Infrastructure Working Group commenced implementing reform to achieve harmonisation of a national pre-qualification regime, to be in place by 1 January 2011. This means that contractors who are pre-qualified to tender for the construction of roads and bridges, as well as non-residential construction projects, in one jurisdiction will be able to tender for similar projects in other jurisdictions. This will save the contractors the expense of applying for pre-qualification in more than one jurisdiction. It will also improve the level of competition in tendering for such projects.

## **VII COAG Road Reform Plan**

As well as playing a key oversight role through membership of the COAG Road Reform Plan Project Board, the Department is providing ongoing policy input for the development of the Phase II report on road reform that is due to be presented to COAG by December 2010. This report will include an initial assessment of high-level options for alternative models of road pricing (for example, mass–distance–location charging) and models of funding, against the conceptual framework presented to COAG in mid 2010. The final feasibility study of options for more direct charging of heavy vehicles is due to be presented to COAG by December 2011.

## Case study—Mandurah Entrance Road

A major new entrance road to Mandurah, Western Australia, is being constructed with the assistance of funding provided through the Nation Building Off-Network Projects program. Off-Network Projects are aimed at improving regional and local infrastructure networks, improving safety, assisting industry development, and supporting job creation in local communities.

The Mandurah Entrance Road project involves:

- construction of a 6.5 kilometre four-lane dual carriageway and associated intersections between the Kwinana Freeway Extension and the city of Mandurah
- construction of a new railway tunnel, and extension of an existing tunnel
- provision of on-road cycling lanes, and
- construction of a boardwalk and other improvements to walking trails in the adjacent Marlee Reserve.

The project will provide a shorter, faster and safer link between the city and the freeway, bypassing congested local roads and avoiding several sets of traffic lights. The infrastructure upgrade will cater for the growth of population in the region, which is predicted to reach around 100,000 by 2022.

The Australian Government and the Western Australian Government have each committed \$77.5 million to the \$155.0 million project. As part of the Economic Stimulus Plan, the Australian Government brought \$16.5 million forward into 2008–09 to enable the early commencement of the project, which saw the interchange with the Kwinana Freeway Extension completed in September 2009.

Construction of the new road commenced in September 2009 and is being managed by the Southern Gateway Alliance. At the end of July 2010, sealing is complete and asphaltting is well advanced, the rail tunnels are structurally complete and traffic is using the newly constructed roundabout at Mandurah Road. Work on the boardwalk and walking trails within the Marlee Reserve is also nearing completion. The project is expected to be finished in mid-October 2010, ahead of schedule.



## PROGRAM 1.2—INFRASTRUCTURE INVESTMENT COORDINATION

### Overview

Program 1.2 is delivered through the work undertaken by the Office of the Infrastructure Coordinator in support of Infrastructure Australia.

Infrastructure Australia is a statutory advisory council. It provides advice to governments, investors and infrastructure owners on a wide range of issues. These include Australia's current and future infrastructure needs; mechanisms for financing infrastructure investments; policy, pricing and regulation and their impact on investment; and on the efficiency of the delivery, operation and use of national infrastructure networks. The Infrastructure Australia Council also advises on the development of regulatory frameworks and the more efficient operation and delivery of infrastructure, to promote productivity improvements.

Infrastructure Australia has 12 members, who were formally appointed by the Minister for Infrastructure, Transport, Regional Development and Local Government.

The Infrastructure Coordinator is a statutory office holder.

Program 1.2 has no administered programs.

A complete report on the performance of Infrastructure Australia appears in Chapter 6.

### The Major Cities Unit

The Major Cities Unit was established to provide coordinated action across all spheres of government, the private sector and the community to improve the prosperity, liveability and sustainability of our cities, and to assist in securing the nation's economic, social and environmental wellbeing. The unit's primary focus during 2009–10 was the establishment of a national urban policy agenda.

In March 2010, the *State of Australian Cities 2010* report was released. This report provided the first national snapshot of Australia's cities and benchmarked Australian cities across a range of international and domestic economic, social and environmental indicators. The report was prepared with input from the Bureau of Infrastructure, Transport and Regional Economics.

The data from the *State of Australian Cities 2010* report provided a platform for the development of the national urban policy agenda, which is being developed by the unit in consultation with state, territory and local authorities and with other Australian Government agencies.

Input was provided by groups such as the Council of Capital City Lord Mayors; the National Growth Areas Alliance; national planning and local government officials; the Government Land Developers group; the Australian

Local Government Association; and agencies of the Australian Government's transport, infrastructure, housing and planning portfolios.

Peak industry associations, including the Property Council of Australia; the Planning Institute of Australia; the Urban Development Institute of Australia; Infrastructure Partnerships Australia; the Australian Institute of Architects; Engineers Australia, the Australian Conservation Foundation and the Green Building Council of Australia have also contributed to the national urban policy agenda, as have academics and research entities from around the country.

The unit held an international forum, in conjunction with the newly formed Australian Centre for Excellence in Local Government and the international Forum of Federations, to consider city governance.

# CHAPTER 4

## Transport



# TRANSPORT

## WHAT THIS CHAPTER COVERS

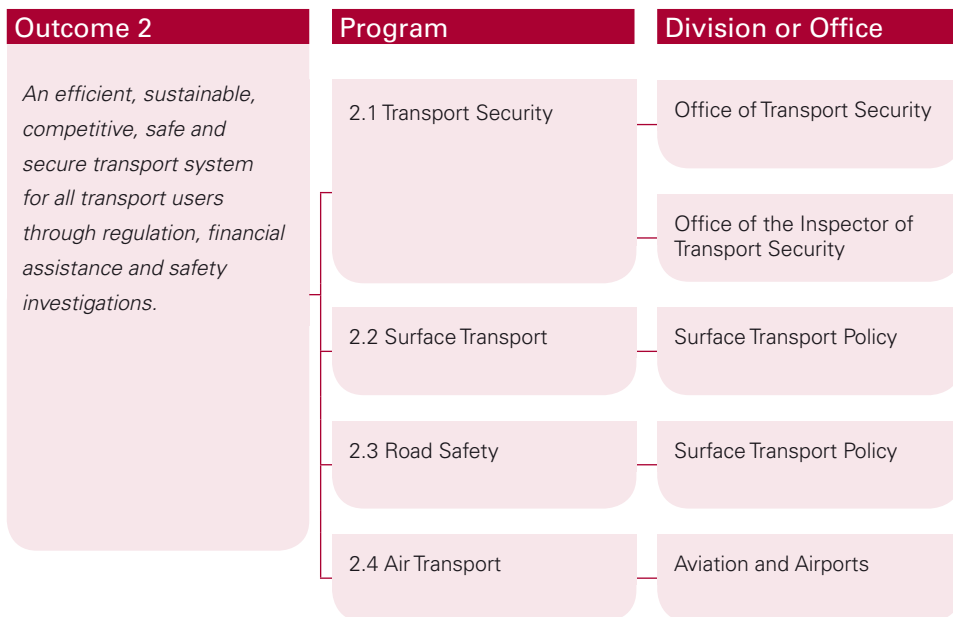
This chapter describes the Department’s transport portfolio outcome, Outcome 2, and reports on performance for individual programs and administered items. Each report includes:

- an overview of the program’s functions and how it was delivered
- a summary of the program’s results against the key performance indicators and deliverables and their targets published in the 2009–10 Portfolio Budget Statements (PBS)
- a summary of the results for any administered items delivered by the program in 2009–10, and
- a detailed report on the performance of the program in 2008–09 against the applicable components from the 2009–10 PBS.

## OUTCOME AND PROGRAMS

Figure 4.1 shows the relationships between Outcome 2 and its programs, and identifies the business divisions responsible for delivering the programs.

**Figure 4.1 Outcome 2 and programs**



## PROGRAM 2.1—TRANSPORT SECURITY

### Highlights

On 9 February 2010, the Prime Minister announced a range of aviation security measures, including passenger screening and cargo security measures based on the national aviation policy statement that will continue to strengthen aviation security.

The Department developed the 2010 Offshore Oil and Gas Security Risk Context Statement, which provides an updated assessment of threat and risk to the Australian offshore oil and gas sector, based on current strategic intelligence.

Improved procedures were introduced for auditing and inspecting industry compliance and for testing the robustness of security arrangements at Australian airports.

The Department advanced its transport security outcomes through a range of international engagement activities with international institutions, international partners, regional dialogue, and bilateral engagement.

International benchmarking and research into residual vulnerabilities in the air cargo supply chain were conducted, and a proposal to further enhance supply chain security was agreed to by the Australian Government.

Transport Security Programs for 143 regional non screened airports and regional air service operators were reviewed and brought up to date. Improved guidance material was developed to assist smaller industry participants to develop their security plans.

The Department conducted nine aviation security assessments of international airports with direct flights to Australia. The results of these assessments informed regional capacity-building projects.

An Air Cargo Examination Notice was issued to strengthen security arrangements for international export cargo.

The *Maritime Transport and Offshore Facilities Security Act 2003* was amended to establish a head of power for the issuing of maritime screening notices for passenger ship operations.

The Maritime Transport and Offshore Security Regulations 2003 were amended to provide enhanced security through the Maritime Security Identity Card scheme.

The Australian Shipping Counter Piracy and Armed Robbery at Sea Advisory Guidelines, a supportive brochure and the International Piracy and Armed Robbery at Sea Security Inquiry Report were presented by the Inspector of Transport Security to the Minister for Infrastructure, Transport, Regional Development and Local Government.

## Overview

Program 2.1 was delivered through the Office of Transport Security and the Office of the Inspector of Transport Security. The program was designed to ensure a more secure Australian transport system through clarity of roles and responsibilities between transport industry participants and the Australian Government. Operators are responsible for facility level preventive security with compliance assured by the Australian Government. Against this context, the program's objective is to ensure a secure Australian transport system against terrorist attack.

Program 2.1 included the following administered items:

- Aviation security enhancements
  - » improving international aviation security, and
  - » regional passenger screening

The budget and actual expenditure for each administered item is listed in Appendix A.

## Summary of performance

Tables 4.1 and 4.2 summarise the Department's results in delivering Program 2.1, against the key performance indicators and deliverables and their targets published in the 2009–10 PBS.

**Table 4.1 Summary of performance—Program 2.1 key performance indicators**

Key performance indicator	Target	Result
<i>Activity is underpinned by a sound understanding of the threat and security risk environment as it affects transport security.</i>	Sound understanding of threat and risk is demonstrated through the analysis of available intelligence and vulnerability indicators; appropriate action by the Department and industry to mitigate against new or emerging threats and the heightened likelihood of attacks; appropriate briefings and threat-related products by the Department to industry.	<i>Achieved</i> The Department engaged extensively with the industry and with Australian intelligence and law enforcement communities throughout the year, to ensure that a contemporary understanding of the transport security threat and risk environment was maintained. The Department received and analysed more than 500 threat assessments and intelligence reports which set the foundations for the Department's risk-based transport security regulatory framework.  The Department has increased its emphasis on ensuring that security risk assessment processes are robust and drive the development and assessment of transport security plans and programs.

Table 4.1 continued

Key performance indicator	Target	Result
<i>Policy and regulatory activity ensures that industry achieves effective and sustainable transport preventive security outcomes.</i>	<p>Effective policy leads to timely changes in transport security legislation and facility level transport security plans/programs, provides a framework for preventive security mitigation measures, minimises unintended consequences for transport operators and can be implemented at the facility level/operating environment in a flexible manner.</p> <p>Effective regulatory activity is demonstrated by a high degree of compliance and enhanced security culture by industry operators, a reduction in transport security vulnerabilities with appropriate Departmental compliance activity.</p>	<p><i>Achieved</i></p> <p>The Aviation Transport Security Regulations were amended to reflect the current nature and level of threat.</p> <p>The <i>Maritime Transport and Offshore Security Act 2003</i> was amended to establish a head of power for the issuing of maritime screening notices for passenger ship operations.</p> <p>The Maritime and Offshore Security Regulations 2003 were amended to provide enhanced security through the Maritime Security Identity Card scheme.</p> <p>The Department engaged a service provider who undertook 40 courses of hand wand training at regional airports around Australia and trained 172 participants.</p> <p>Industry security outcomes were enhanced through:</p> <ul style="list-style-type: none"> <li>• 2,668 compliance activities including 589 audits of aviation, maritime and registered air cargo industry participants, and</li> <li>• during compliance activities, identification of 1,136 non-compliances that were brought to the attention of industry participants.</li> </ul>

Table 4.1 continued

Key performance indicator	Target	Result
<p><i>The transport security context domestically and internationally is influenced to advance Australian interests.</i></p>	<p>The Department works with international partners and bodies to improve international transport security frameworks and awareness, and works with other international regulators to develop effective preventive security measures in response to terrorist threats.</p> <p>The Department incorporates international aviation and maritime agreements and utilises international best practice guidance materials within Australia’s national transport preventive security regimes.</p> <p>The Department works with other government agencies to develop nationally consistent surface and mass transport security outcomes, and to provide risk mitigation advice to transport critical infrastructure.</p>	<p><i>Achieved</i></p> <p>The Office of Transport Security (OTS) continued to engage with both domestic and international security technology communities to maintain awareness of, and influence the development of, emerging technologies that may have applications in transport security. This included supporting several Australian research projects.</p> <p>OTS continued to work with international partners to harmonise security screening technology performance criteria and testing methodologies.</p> <p>The Department contributed to the Australian Delegation attending the eighty-seventh International Maritime Organization Maritime Safety Committee meeting in London in May 2010.</p> <p>The Department continued to work with state and territory governments to develop a nationally consistent approach to surface transport security and provided risk mitigation advice to transport-critical infrastructure through the work of the Trusted Information Sharing Network.</p>

**Results Key**

Not achieved	None or minimal progress was made against targets in 2009–10
Partially achieved	Some targets were met, and any issues are being managed
Substantially achieved	Targets were mostly met, and any issues are being managed
Achieved	All targets for 2009–10 were met or exceeded



Table 4.2 Summary of performance—Program 2.1 deliverables

Deliverable	Target	Result
<i>Aviation security is addressed in the Government's Aviation Policy White Paper.</i>	Submissions on the National Aviation Policy Statement will continue to inform transport security development initiatives.	The Aviation White Paper was released on 16 December 2009.
<i>Any legislative or policy component of a transport security risk mitigation strategy is delivered efficiently and with the minimum impact on industry and the travelling public.</i>	Policy, legislation and regulation development complies with Office of Best Practice Regulation (OBPR) standards.	Amendments to the <i>Maritime Transport and Offshore Security Facilities Act 2003</i> and <i>Aviation Transport Security Act 2004</i> complied with the OBPR standards.  Despite the low industry impact a business cost calculator should have been completed before proceeding with amendments to the Maritime Transport and Offshore Security Regulations 2003. A business cost calculator assessment has now been submitted to the satisfaction of the OBPR.
<i>Work with international regulators in targeted last ports of call locations to develop effective preventive security measures.</i>	Annual engagement with key regional regulators, international bodies and industry participants.	Nine last port of call aviation security assessments were conducted at airports selected, and prioritised, using a risk assessment methodology. The outcomes informed aviation security capacity-building activities with East Timor, Indonesia, the Philippines and Thailand.
<i>Percentage of 'high risk' cases subject to compliance activity within 12 months.</i>	95%.	98.4% at 30 June 2010.
<i>Effective administration of regulatory approval processes.</i>	Regulatory responsibilities are met.	Regulatory responsibilities were met, with 99.3% of approvals processed within the timeframe expected by legislation. The small number of exceptions (four) related to process or communication issues within the Department. A total of 568 regulatory approvals submitted by industry participants were finalised in accordance with legislative requirements.
<i>Industry forums are consulted as required to inform policy and legislation development.</i>	All regulated industry sectors are consulted at intervals not exceeding 12 months.	Regular meetings were hosted by the Department for all regulated industry sectors.

Table 4.2 continued

Deliverable	Target	Result
<i>Sector specific risk context statements and transport security advisories reviewed and issued in a timely fashion to inform industry and Government preventive security measures.</i>	<p>Sectoral Risk Context Statements are produced and disseminated to industry within four months of receipt of a sectoral threat assessment.</p> <p>Transport Security Advisories are issued within seven days of receipt of significant intelligence or following a security incident with relevance to transport preventive security outcomes.</p>	<p>A revised Offshore Oil and Gas Security Risk Context Statement was developed in 2009–10 and subsequently released to industry on 1 July 2010.</p> <p>A revised Bridges and Tunnels Security Risk Context Statement was developed and released in June 2010.</p> <p>14 Transport Security Advisories were produced and released in 2009–10.</p> <p>A scoping brief for production of an air cargo supply chain threat assessment was completed.</p>
<i>Inspector of Transport Security undertakes inquiries as directed by the Minister.</i>	Reporting outcomes of inquiries to the Minister and Secretary in a reasonable timeframe as specified by the Minister. Inquiry, report and recommendations accepted by the Minister.	The Inspector of Transport Security completed and presented to the Minister the International Piracy and Armed Robbery at Sea Security Inquiry Report, Australian Shipping Counter Piracy and Armed Robbery at Sea Advisory Guidelines and supportive brochure.

Table 4.3 provides a summary of the results achieved by each of the administered items under Program 2.1.

Table 4.3 Summary of performance—Program 2.1 administered items

Administered item	Result
Aviation security enhancements	The National Aviation Policy Statement was released on 16 December 2009.
— <i>improving international aviation security</i>	Strengthening of aviation security measures based on National Aviation Policy Statement were announced on 9 February 2010.
— <i>regional passenger screening</i>	The regional passenger screening program was managed on time and within budget. Training in the use of hand wands for 2009–10 took place at 40 locations around Australia; 172 staff participated in the training.

## Detailed report on performance

The following report is against the components of Program 2.1 as set out in the 2009–10 PBS. The component called ‘Transport security inspections’ in the 2009–10 PBS is now called ‘Transport security inquiries’ to better reflect the activities undertaken.

### I Domestic engagement

The Department engaged extensively with the industry and Australian intelligence and law enforcement communities throughout the year to ensure that it maintained a contemporary understanding of the transport security threat and risk environment.

The Department collected, investigated and analysed maritime and aviation security event and incident reporting to assist in identifying and mitigating security vulnerabilities within the aviation and maritime transport sectors.

The Department was an active participant in a range of whole-of-government national security activities. These activities included programs to enhance the national crisis and consequence management framework; national contingency planning; and injection of transport security advice into the national security policy development process.

The *Maritime Transport and Offshore Facilities Security Act 2003* was amended to allow more effective outcomes based transport security regulation of security regulated ships, including passenger ship operations.

The Maritime Transport and Offshore Security Regulations 2003 were amended to provide enhanced security through the Maritime Security Identity Card scheme.

### II International engagement

During 2009–10, the Department continued its international engagement through bilateral engagement, regional dialogues and transport security capacity-building activities in the Asia–Pacific region. Officers posted to Australian diplomatic missions in Indonesia, the Philippines and the United States worked collaboratively with departmental officers in Australia to assist with the delivery of these activities.

The Department also participated in the Department of Foreign Affairs and Trade International Counter Terrorism Coordination Group, established to help strengthen counter-terrorism cooperation and coordination in the region. Through the group, the Department supports and contributes to Australia’s whole-of-government counter-terrorism agenda.

*Engagement with multilateral institutions*

The Department engaged with a number of international organisations dealing with transport security issues during 2009–10.

- The Department continued as a member of the security sub-groups of the Aviation Experts Group and the Maritime Experts Group of the Asia–Pacific Economic Cooperation Transportation Working Group.
- The Department was a member of the Pacific Maritime Association and provided maritime security technical assistance and advice on a range of port security issues to countries in the South Pacific.

The Department continued to play a leading role in facilitating an informal mechanism for high-level discussions between Australia, Canada, the European Commission and the United States. These strategic discussions focused on global transport security issues and helped shape international responses to transport security threats. These high-level discussions provided for ongoing cooperation and harmonisation in transport security policy and regulation, to address global threats to transport security.

*Cooperation in the region*

During 2009–10, the Department continued to assist countries in the Asia–Pacific region to enhance their compliance with international transport security standards, including the International Maritime Organization (IMO) International Ship and Port Facility Security (ISPS) Code and the International Civil Aviation Organization (ICAO) Annex 17 standards.

In South East Asia, the Department:

- delivered practical and theoretical training activities to assist the Indonesian Directorate General of Civil Aviation to plan, implement and regulate aviation security at Jakarta and Denpasar Airports
- sponsored Vietnamese aviation security officials to attend ICAO training, and delivered a range of international standard, aviation security training courses in Vietnam, and
- supported officers from overseas transport security regulators under the Australian Leadership Awards – Fellowships program from Thailand, Indonesia, Philippines, and East Timor to undertake short term secondments with the Department.

The Department continued its program of conducting aviation security assessments of international airports with direct flights to Australia. Nine last port of call aviation security assessments were conducted. These include a comprehensive assessment of airport and airline aviation security operations based on Annex 17 to the Chicago Convention on International Civil Aviation. The assessment outcomes informed aviation security capacity-building activities with East Timor, Indonesia, the Philippines and Thailand.

### III Transport security inquiries

On 2 February 2009, the Minister for Infrastructure, Transport, Regional Development and Local Government formally directed the Inspector of Transport Security to conduct an inquiry into international piracy and armed robbery at sea security. The purpose of the inquiry was to gain an accurate and comprehensive understanding of the impact or potential impact of current worldwide acts of piracy on Australian maritime trade and to identify ways in which security enhancements for Australian international shipping and international shipping carrying Australian cargo and or crew could be further improved.

As part of the inquiry process, the Inspector of Transport Security worked closely with the IMO and the international shipping industry to develop the Australian Shipping Counter Piracy and Armed Robbery at Sea Advisory Guidelines. The guidelines, which draw heavily from maritime circulars and best management practices, were developed to provide a broad range of advice for both piracy on the high seas and armed robbery at sea in the territorial waters of a state. They outline the preventive measures that are recommended to detect, deter and prevent piracy and armed robbery at sea attacks. Although their primary focus is on international commercial shipping, they also give advice for fishing vessels and pleasure yachts transiting waters at risk of piracy and armed robbery. The Minister formally launched the guidelines and the supportive brochure at the IMO General Assembly in London on 3 December 2009.

As part of the inquiry process, the Inspector of Transport Security and key members of his team liaised with a range of senior stakeholders including the United Nations Office on Drugs and Crime (UNODC), INTERPOL, IMO, the International Maritime Bureau (IMB), and military, industry and diplomatic stakeholders to complement wider international initiatives. As a direct result of the conduct of the inquiry the opportunity for Australia to make a contribution to the UNODC Counter Piracy Programme arose. An officer from the Office of the Inspector of Transport Security was seconded to the UNODC Counter Piracy Programme in East Africa for a two-month period.

The Inspector of Transport Security completed the inquiry into International Piracy and Armed Robbery at Sea Security. The inquiry's final report was presented to the Minister on 22 April 2010, and was tabled in Parliament on 11 May 2010.

## Case study—Revision of the prohibited items list

As explained in the *National Aviation Policy White Paper: Flight Path to the Future* (the Aviation White Paper), Australia's national aviation policy aims to mitigate the key risks to the security of travellers, with minimal disruption to passengers.

One of the policy undertakings made by the Australian Government in the Aviation White Paper, to minimise inconvenience to passengers without compromising security, is to simplify the list of items prohibited from being taken onto aircraft by passengers. The Aviation White Paper lists revisions to the prohibited items list that reflect the current nature and level of threat and international aviation security practice.

When the Aviation White Paper was released, in December 2009, the Australian Government's intention to amend the Aviation Transport Security Regulations 2005 to simplify the prohibited items list received widespread media coverage, such that members of the public may have assumed that the changes had already been made. This potential confusion could have led to delays at airport security screening points, particularly over the busy holiday period, and to travellers losing items that they had justifiably believed they would be allowed to carry.

To avoid such problems, the Department moved quickly to assist the Australian Government to amend the regulations so that the changes could take effect from 25 December 2009. As a result of the amendments, the following items are now permitted to be carried on an aircraft:

- knitting and crochet needles
- nail clippers
- umbrellas with metal points
- pointed metal nail files, including ones attached to nail clippers
- corkscrews, and
- racquets used in squash, tennis, badminton or any other sport.

As well as being convenient for travellers, these changes allow security personnel to focus on the items which pose a high risk to aviation security and improve the flow of passengers through security screening.

The revised regulations also permit the use of rounded metal cutlery on an aircraft or in a landside security zone such as an airport cafeteria. The resulting reduction in plastic cutlery waste going to landfill will have significant environmental benefits.

## PROGRAM 2.2—SURFACE TRANSPORT

### Highlights

The Department continued to implement the Council of Australian Governments' (COAG) decisions to establish national regulatory systems for heavy vehicles, maritime safety and rail safety, including the development of National Partnership Agreements to underpin the national regulatory systems, in conjunction with the governments of the states and territories.

The Department's work towards establishing national regulatory systems also involved supporting the work of the Australian Transport Council (ATC) in deciding key elements of the national regulatory frameworks.

The Department played a key role in supporting the implementation of the ATC response to the 2009 National Transport Commission (NTC) Review recommendations, which was considered and endorsed by COAG on 7 December 2009. Amendments to the *National Transport Commission Act 2003*, that give effect to part of the ATC's response, were introduced into Parliament on 23 June 2010.

In June 2010, the Department released a discussion paper on the rewrite of the *Navigation Act 1912*.

### Overview

Program 2.2 was delivered through the work of the Surface Transport Policy Division. The activities of Program 2.2 sought to improve the performance of the surface transport industry for the benefit of all Australians.

Program 2.2 included the following administered items:

- Bass Strait Passenger Vehicle Equalisation Scheme
- International Maritime Organization—contribution
- Interstate Road Transport Fees
- National Transport Commission
- OECD Road Transport—contribution
- Oil Pollution Compensation Fund
- Tasmanian Freight Equalisation Scheme
- Tasmanian Wheat Freight Scheme, and
- Payments to CAC Act bodies—AMSA.

The budget and actual expenditure for each administered program is listed in Appendix A.

## Summary of performance

Tables 4.4 and 4.5 summarise the Department's results in delivering Program 2.2 against the key performance indicators and deliverables and their targets published in the 2009–10 PBS.

**Table 4.4 Summary of performance—Program 2.2 key performance indicators**

Key performance indicator	Target	Result
<i>Targeted transport regulatory reform initiatives are developed and progressed through COAG, including to enable single national systems of heavy vehicle registration and licensing regulation, maritime safety legislation and rail safety regulation and investigation.</i>	The COAG national reform agenda is actively progressed in conjunction with all state and territory governments.	<i>Achieved</i> On 2 July 2009, COAG agreed to establish national systems for heavy vehicle regulation and maritime safety. It also agreed that the Australian Maritime Safety Authority (AMSA) will become the national regulator for all commercial vessels in Australian waters. On 7 December 2009, COAG agreed to establish a national rail safety regulator, to be hosted by South Australia, and agreed to establish a national rail safety investigator by expanding the role of the Australian Transport Safety Bureau (ATSB).
<i>Ensure the competitiveness and sustainability of Australian coastal shipping.</i>	Develop policy position in response to House of Representatives Standing Committee recommendations.	<i>Achieved</i> The Department progressed the development of options for a government response to the House of Representatives Standing Committee on Infrastructure, Transport, Regional Development and Local Government's report <i>Rebuilding Australia's Coastal Shipping Industry</i> .
<i>Policy advice is influential in COAG consideration to improve the environmental performance of the Australian new vehicle fleet.</i>	COAG consideration of a package of vehicle fuel efficiency measures designed to move Australia towards international best practice.	<i>Achieved</i> COAG agreed relevant measures within the National Strategy on Energy Efficiency. The Department commenced action on COAG-endorsed measures to improve vehicle fuel efficiency.

### Results Key

Not achieved	None or minimal progress was made against targets in 2009–10
Partially achieved	Some targets were met, and any issues are being managed
Substantially achieved	Targets were mostly met, and any issues are being managed
Achieved	All targets for 2009–10 were met or exceeded



Table 4.5 Summary of performance—Program 2.2 deliverables

Deliverable	Target	Result
<i>ATC and COAG decisions on developing and implementing national approaches to heavy vehicle regulation, maritime safety and rail safety regulation and investigation are progressed.</i>	Initiatives accurately reflect the views of jurisdictions and COAG decisions, and facilitate decision making by ATC Ministers.	<p>In conjunction with the jurisdictions, the Department facilitated decisions by the ATC that reflect COAG's agreement to implement national systems for heavy vehicle regulation, rail safety and maritime safety.</p> <p>In collaboration with its counterparts in Queensland and South Australia, the Department established project offices to manage implementation of the heavy vehicle and rail safety reforms.</p> <p>The Department worked closely with:</p> <ul style="list-style-type: none"> <li>• the AMSA, in expanding its role as the national maritime safety regulator</li> <li>• the ATSB, in expanding its role as the national rail safety investigator and</li> <li>• state and territory governments and the National Transport Commission (NTC), in developing advice on key policy elements of national rail safety and national heavy vehicle laws, to inform ATC decision making.</li> </ul>
<i>Provision of timely and robust advice on the development of the Government's response to the House of Representatives Review on Australia's coastal shipping policy and regulation.</i>	Develop policy options in response to committee recommendations. Implement agreed actions.	<p>The House of Representatives Standing Committee on Infrastructure, Transport, Regional Development and Local Government's report <i>Rebuilding Australia's Coastal Shipping Industry</i> raised a number of complex and contentious issues. The Department consulted with key stakeholders in the development of policy options aimed at revitalising the Australian shipping sector and provided advice to the Minister for consideration.</p>

Table 4.5 continued

Deliverable	Target	Result
<i>Maintain the Green Vehicle Guide (GVG) website as the principal place for information on the environmental performance of new light vehicles in the Australian market place.</i>	Positive email feedback. Increased web hits and citation of GVG ratings in elements of the media.	The GVG was kept up to date and maintained its visitation rates. The GVG regularly receives feedback from the general public and most emails are positive or offer constructive comment.  The GVG was regularly quoted by the media in vehicle test reports and broader articles on environmental aspects of vehicles. GVG ratings were also used by many fleet managers as the measure of environmental performance in their purchasing criteria.
<i>COAG agreed measures on vehicle fuel efficiency and low-emission vehicles are implemented in consultation with the states, territories and key stakeholders.</i>	Progress delivery of agreed reforms within agreed timeframes.	The Department has commenced work on vehicle fuel efficiency measures in the National Strategy on Energy Efficiency, including well advanced preparations for a regulation impact statement on carbon dioxide emissions standards for light vehicles.
<i>Advise COAG on the outcomes of the independent review of the National Transport Commission (NTC) and associated recommendations.</i>	Meet 2009 COAG timeframes and implement decisions.	The Department played a lead role in facilitating the ATC's response to the 2009 Review of the NTC, which was endorsed by COAG on 7 December 2009, and in ensuring that appropriate action is taken to implement the ATC's response. Amendments to the <i>National Transport Commission Act 2003</i> that give effect to part of the response were introduced into Parliament on 23 June 2010.  The ATC has identified the development of national legislation to underpin the national heavy vehicle and rail safety regulators, along with pricing reforms under the COAG Road Reform Plan, as the key priorities for the National Transport Commission's future work programs to 2011–12.
<i>Government endorsed actions in response to the Review of Disability Standards for Accessible Public Transport are implemented.</i>	Develop and implement agreed Government actions in consultation with key stakeholders. Meet Government timeframes and guidelines.	The Department has accepted the independent consultant's final report on the review of the <i>Disability Standards for Accessible Public Transport</i> . The Government's response to the report is expected to be released in 2010–11.

Table 4.5 continued

Deliverable	Target	Result
<i>Contribute to the development and implementation of international shipping conventions to protect the environment.</i>	Ongoing international and domestic stakeholder engagement.  Development and implementation of legislation and regulations in line with agreed government policy and international conventions.	Australia was re-elected to the IMO Council and the Minister addressed its 26th Assembly.  Australia became a party to the Protocol of 2003 to the International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage. The Department is a member of the management committee to the National Plan to Combat Pollution of the Sea by Oil and other Hazardous and Noxious Substances.
<i>Efficient and effective management of administered items.</i>	Items are administered in accordance with relevant legislation, published guidelines and ANAO guidance.	Administered items were administered in accordance with relevant legislation, published guidelines and ANAO guidance.

Table 4.6 provides a summary of the results achieved by each of the administered items under Program 2.2.

Table 4.6 Summary of performance—Program 2.2 administered items

Administered item	Result
Bass Strait Passenger Vehicle Equalisation Scheme	The aim of the scheme—to alleviate the cost disadvantage associated with transporting eligible passenger vehicles across Bass Strait—was fully achieved and service operators were reimbursed in a timely manner.
International Maritime Organization—contribution	The Department administered the payment of Australia’s annual membership fee to the International Maritime Organization (IMO), an agency of the United Nations, which promotes safe, secure and efficient shipping on clean oceans. Membership allows Australian Government officers to promote Australia’s interests by participating in meetings of IMO committees and subcommittees.
Interstate Road Transport Fees	Revenue collected by the states and territories from heavy vehicle registration charges for 2009–10 totalled \$61.9 million. Latest available data showing the number of heavy vehicles and trailers operating under the Federal Interstate Registration Scheme (FIRS) in 2008–09, the latest year in which data is available, was 20,516. All revenue collected is paid to the Commonwealth for redistribution to the states and territories for expenditure on road maintenance.
National Transport Commission	Governments were assisted to increase transport productivity, efficiency, safety and sustainability through the NTC’s work to develop consistent and effective national reforms for road, rail and intermodal transport. Total Commonwealth operational funding for the NTC in 2009–10 was \$2.8 million.
OECD Road Transport—contribution	Australia participated in the International Transport Forum (26–28 May, Leipzig, Germany) and highlighted Australian transport innovations.  The Bureau of Infrastructure, Transport and Regional Economics (BITRE) provided quarterly and annual statistics to the OECD on transport and infrastructure and advice on international statistical standards.

Table 4.6 continued

Administered item	Result
Oil Pollution Compensation Fund	The Department efficiently managed Australia's obligations under the Funds, which provide compensation to cover the damages resulting from an oil spill from an oil tanker if the costs exceed the tanker owner's liability or the owner's ability to pay. All persons (including oil companies) that received more than 150,000 tonnes of crude oil or heavy oil by sea made contributions in accordance with levies imposed by the International Oil Pollution Compensation Funds.
Tasmanian Freight Equalisation Scheme	The aim of the scheme—to alleviate the sea freight cost disadvantage for businesses shipping eligible goods to and from Tasmania—was achieved, although claims processing performance was reduced in the first half of the year.
Tasmanian Wheat Freight Scheme	The aim of the scheme—to alleviate the sea freight cost disadvantage for wheat shipments across the Bass Strait—was fully achieved and assistance was paid in a timely manner.

### Detailed report on performance

The following report is against the components of Program 2.2 as set out in the 2009–10 PBS.

#### I Tasmanian transport schemes

##### *Bass Strait Passenger Vehicle Equalisation Scheme*

The Bass Strait Passenger Vehicle Equalisation Scheme lowers the cost of seagoing travel for eligible passengers, by reducing the cost disadvantage associated with transporting eligible passenger vehicles across Bass Strait.

The rebate payable for each crossing depends on the vehicle type. In 2009–10, rebates ranged from \$25 for a bicycle to \$366 for a motor home or a vehicle towing a caravan. Up to \$183 was payable for cars.

The rebate is provided as a reduction in the fare charged by service providers to the drivers of eligible passenger vehicles. Drivers who fly across Bass Strait but ship their vehicles may also be eligible for a rebate.

The service provider is reimbursed for the total rebate provided to eligible passengers. In 2009–10, the major recipient was TT-Line, which operates the passenger ferries between Devonport and Melbourne.

Claims are processed by Centrelink's Hobart office under a purchaser-provider arrangement. In 2009–10, 80 per cent of claims were paid within seven days of receipt from the service operators.

The scheme is demand driven. Costs vary with the number and mix of vehicles shipped across Bass Strait. The assistance delivered by the scheme rose from \$35.1 million in 2008–09 to \$36.5 million in 2009–10.

The scheme was reviewed by the BITRE in 2009. The report, published in December 2009, covered the operation and impact of the scheme for the period 1 July 2007 to 30 June 2009.

### *Tasmanian Freight Equalisation Scheme*

The Tasmanian Freight Equalisation Scheme aims to alleviate the sea freight cost disadvantage for businesses shipping eligible goods to the mainland for use or sale and to Tasmania as an input to a production process. Assistance of up to \$855 per twenty foot equivalent unit is available.

As announced by the Australian Government in November 2008, the Tasmanian freight schemes will be reviewed in 2011–12. In May 2010, the Minister announced that changes to the Tasmanian Freight Equalisation Scheme Ministerial Directions would not proceed. Claims are processed by Centrelink's Hobart office through a purchaser–provider arrangement. A substantial increase in the number of claims and claimants accessing the scheme led to lower claims processing performance in the first several months of the year. The Department worked with Centrelink in addressing this issue and there were significant improvements in claims processing performance from November 2009 onwards. There was a return to normal claims processing levels by the end of the financial year.

There was a positive uptake of the online claim lodgement facility, which was launched in the previous year. Some 40 per cent of claims were lodged through this facility.

The scheme is demand-driven. The number of claims lodged continued to increase from 10,751 in 2008–09 to 14,473 in 2009–10. Assistance delivered by the scheme in 2009–10 amounted to \$98.3 million, with 12,955 claims paid.

### *Tasmanian Wheat Freight Scheme*

In 2009–10, the Tasmanian Wheat Freight Scheme provided assistance for around 5,000 tonnes of bulk wheat shipments across Bass Strait. Assistance of up to \$20.65 per tonne was available.

Claims are processed by Centrelink's Hobart office under a purchaser-provider arrangement, and in 2009–10 all claims were processed within 30 days.

Demand for the scheme decreased in 2009–10, with assistance delivered amounting to \$101,000 compared with almost \$320,000 in 2008–09.

## **II Maritime safety and environment**

### *Rewrite of the Navigation Act 1912*

The Department undertook extensive consultation with a number of government departments and agencies to progress solutions to the key policy questions involved in the *Navigation Act 1912* rewrite.

In June 2010, the Department, in conjunction with the AMSA, released a public consultation paper on issues to be addressed in the rewrite of the *Navigation Act 1912*, in June 2010.

### *Review of maritime penalties*

The Department commenced work on a review of maritime penalties, following an announcement by the Minister on 18 April 2010 in response to the environmental damage caused by the grounding of the bulk carrier *Shen Neng 1* on the Great Barrier Reef. The outcomes of this work will be implemented through the rewrite of the *Navigation Act 1912*.

### *Amendments to the Convention on the International Mobile Satellite Organization*

The 2008 Amendments to the Convention on the International Mobile Satellite Organization (IMSO) were tabled in both Houses of Parliament on 15 June 2010. The amendments, which were adopted at the 20th session of the IMSO Assembly on 2 October 2008:

- extend IMSO's oversight responsibility to all maritime mobile satellite communication service providers by the IMO for the Global Maritime Distress and Safety System established in February 1999, and
- enhance IMSO's role as the coordinator of the long range identification and tracking of ships, established in May 2006 by the IMO Maritime Safety Committee in response to the growing threat from terrorism.

The amendments are expected to be considered by the Joint Standing Committee on Treaties early in 2010–11. The committee is expected to make a recommendation on whether Australia should accept the amendments.

### *Denunciation of the Convention on Limitation of Liability for Maritime Claims, 1976*

A proposal to denounce the Convention on Limitation of Liability for Maritime Claims, 1976 (1976 LLMC Convention) was tabled in both Houses of Parliament on 24 June 2010. Australia is a party to a 1996 protocol which amends the 1976 LLMC Convention to, among other things, increase shipowners' liability limits. The proposed denunciation of the 1976 LLMC Convention will ensure that, if an incident in Australia involves a ship registered in a state which is a party to the 1976 Convention but not a party to the 1996 protocol, the shipowner will not be entitled to claim that the lower liability limits set out in the 1976 Convention apply.

The proposal to denounce the 1976 LLMC Convention is expected to be considered by the Joint Standing Committee on Treaties early in 2010–11. The committee is expected to make a recommendation on whether Australia should denounce the 1976 LLMC Convention.

### *Ratification of the Maritime Labour Convention*

The Maritime Labour Convention (MLC), which is intended to ensure decent working conditions for all seafarers, was adopted by the International Labour Organization in 2006. The Department has been working with the Department

of Education, Employment and Workplace Relations (DEEWR) to ensure that Australian law and practice complies with the MLC. This includes proposed amendments to the *Navigation Act 1912*.

Once Australian law and practice complies with the MLC, DEEWR will arrange its ratification. It is expected that the international entry into force conditions will be met in 2010–11.

#### *Increase in the protection of the sea levy*

The Protection of the Sea (Shipping Levy) Amendment Regulations 2010 increased the levy rate on 1 April 2010 from 11.25 cents to 14.25 cents per net registered ton per quarter. The levy is used to fund the operations and management of the National Plan to Combat Pollution of the Sea by Oil and other Noxious and Hazardous Substances (the National Plan).

The national plan incurred costs as a result of the fuel oil spill from the *Pacific Adventurer* incident off Queensland in March 2009. The increase in the levy will be used to fund the expected shortfall in the actual clean-up costs that were not able to be recovered from the shipowner. The increase is expected to raise revenues of approximately \$4.0 million per year.

#### *Governance of the Australian Maritime Safety Authority*

The Department performs a number of tasks relating to governance and liaison with AMSA, such as briefing the Minister on its board appointments, corporate plan and annual report.

The Department also liaised with AMSA in the preparation of briefings and Ministerial responses, including a significant number arising from:

- the Montara Wellhead Platform incident off the northwest coast of Australia, on 21 August 2009, and
- the *Shen Neng 1* grounding at Douglas Shoal north of Gladstone, on 3 April 2010.

### III Shipping policy and regulation

#### *Regulation of coastal shipping*

All vessels carrying cargo or passengers interstate are required to be licensed under Part VI of the *Navigation Act 1912*. Permits to engage in the coastal trade may be granted, either for a single voyage or on a continuing voyage basis, where a licensed ship is not available or is not adequate for the task and granting a permit is in the public interest.

The Department administered the licence/permit system in accordance with the provisions of Part VI of the Act, the Navigation (Coasting Trade) Regulations 2007 and the Ministerial Guidelines for Granting Licences or Permits to Engage in Australia's Domestic Shipping. Amendments to the Ministerial Guidelines were made on 2 July 2009 in respect of assessing applications for passenger cruise

ship permits; specifically, the required consideration to be given to whether the granting of such permits could have a significant adverse impact on the viability of Australian licensed and crewed cruise ships. Additional amendments, which came into effect on 21 December 2009 alert licence and permit holders to their obligations under the *Fair Work Act 2009* and that failure to comply will be one of the factors considered in assessing future permit applications.

In 2010, the BITRE published *Australian sea freight 2008–09*, which provided summary data on the use of permits in coastal shipping, including the number of permit voyages, tonnes and containers of freight carried.

### *Regulation of liner shipping*

Liner cargo ships are those which regularly sail on shipping trade routes to predetermined and publicly advertised ports of call, carrying mainly containerised (non-bulk) freight. Part X of the *Trade Practices Act 1974* (the TPA) allows liner shipping operators to form 'conferences' involving agreements by members in relation to servicing and pricing, with protection from the competition safeguards of the TPA.

Part X, which is administered by the Department, was designed to be an effective, low-cost, limited intervention regulatory regime. Many of our trading nations also permit liner shipping to form conferences in order to ensure that regular, reliable and competitive shipping services are available to shippers of exports and imports.

To assist in the effective and efficient administration of Part X, the Department developed an online register of shipping agreements to enable shippers and shipping lines to monitor when new agreements or variations are lodged, when they are approved and when they come into effect. The online register is expected to be available to any interested person or organisation in the latter part of 2010.

### *Australian Maritime College*

The Australian Maritime College (AMC) is the premier centre for maritime training, education and research in Australia. Integrated with the University of Tasmania in January 2008, the AMC is required to report, in each of the five years post integration, on its operations under the *Maritime Legislation Amendment Act 2007*. In January 2010, the AMC reported to the Minister on its second year of integration. On 22 April 2010, the Minister issued a certificate to the Minister for Education, confirming that he was satisfied that all the required conditions of the Act had been met.



#### IV Road transport policy

The Department worked with jurisdictions and the National Transport Commission to extend implementation of national transport reforms to improve transport efficiency and safety. Fatigue regulation has been in place for a number of years in some jurisdictions and the Department participated in an evaluation of its implementation to identify opportunities to enhance its effectiveness.

The Department participated in Performance Based Standards (PBS) Review Panel evaluations of applications for innovative higher productivity and improved safety PBS vehicles and encouraged wider access to the road network for these and other higher productivity vehicles. The Department was also active in evaluations of opportunities for refining and enhancing the effectiveness of the PBS scheme.

Agencies commenced work to evaluate the extent to which new technologies are able to be utilised to assist the industry to comply with heavy vehicle regulation and to provide improved mechanisms for regulators to enforce those regulations. Electronic log books, electronic speed management and on board mass monitoring are technologies being evaluated and this work is likely to lead to trials of these technologies for compliance and enforcement.

#### V National heavy vehicle regulation

In May 2009 the Australian Transport Council (ATC) endorsed a regulatory impact statement, developed by the Department, covering options for a national approach to heavy vehicle regulation. On 2 July 2009, COAG agreed to implement a national framework for heavy vehicle regulation, comprising a national heavy vehicle regulator and national laws, by 2013.

In February 2010, governments agreed that Queensland would host the national heavy vehicle regulator and national heavy vehicle laws, to be applied by each other state and territory. A project office has been established with assistance from the Department. The Department supported the ATC in deciding key elements of the national regulatory framework including governance arrangements, scope and function of the national heavy vehicle regulator and major policy aspects of the national laws.

The Department continued to oversight the Federal Interstate Registration Scheme (FIRS) administered by the states and territories. The Department amended the FIRS legislation to implement the nationally agreed annual adjustment to heavy vehicle registration charges for FIRS vehicles to apply from 1 July 2010. The future operation of the FIRS will be considered in the context of the implementation of the national regulator and laws.

## VI Transport standards

The Department accepted the independent consultant's final report on the review of the *Disability Standards for Accessible Public Transport*. The Australian Government's response to the report is expected to be released early in 2010–11.

## VII Environmental standards

### *International Maritime Organization*

The IMO is a specialised agency of the United Nations which is responsible for measures to improve the safety and security of international shipping and to prevent marine pollution from ships. Its responsibilities include the development of conventions and standards.

Following Australia's re-election to the IMO Council, the Minister addressed the 26th Assembly of the IMO. The Council is the executive organ of the IMO and is responsible, under the Assembly, for supervising the work of the IMO in between the two-yearly Assembly meetings.

In 2009–10, the IMO adopted the 2010 Hazardous and Noxious Substances Protocol. The 2010 protocol addresses issues relating to packaged chemicals; contributions to the Hazardous and Noxious Substances Fund in respect of liquefied natural gas; and the non-submission of contributing cargo reports. When the 1996 International Convention on Liability and Compensation for Damage in Connection with the Carriage of Hazardous and Noxious Substances by Sea, as amended by the 2010 protocol, enters into force internationally, it will ensure that more than \$400.0 million is available to Australia to pay compensation to victims suffering damage (including pollution damage) or injury resulting from an incident involving the carriage of hazardous and noxious substances carried on ships. Payments will be paid by the ship-owner and the Hazardous and Noxious Substances Fund, an international fund financed by contributions levied on persons and organisations who receive hazardous and noxious substances after transport by sea.

### *International fund for compensation for oil pollution damage*

On 13 October 2009, Australia became a party to the Protocol of 2003 to the International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage 1992 (the Supplementary Fund Protocol). The Supplementary Fund Protocol established the Supplementary Fund. Under previous arrangements, the maximum amount of compensation available to victims of pollution damage resulting from a spill of oil from an oil tanker was approximately \$350.0 million. The Supplementary Fund supplements this amount so that the maximum amount payable in respect of any one incident is now approximately \$1.3 billion. The Supplementary Fund is an international fund financed by contributions levied on persons and organisations who receive oil after its transport by sea.

### *National plan to combat pollution of the sea by oil and other hazardous and noxious substances*

The National Plan to Combat Pollution of the Sea by Oil and other Hazardous and Noxious Substances is a national integrated government and industry organisational framework enabling effective response to marine pollution incidents. AMSA manages the operations of the National Plan, in consultation with state jurisdictions, the Northern Territory Government and industry stakeholders. The Department is a member of the National Plan Management Committee, which provides strategic direction to maximise Australia's marine pollution response capabilities.

### *Vehicle emissions*

The Department continued to progress initiatives which deliver or facilitate improvements in the environmental performance of the road transport sector, including by:

- maintaining and updating the GVG website <[www.greenvehicleguide.gov.au](http://www.greenvehicleguide.gov.au)>
- developing amendments to the mandatory fuel consumption labelling standard to address electric vehicles
- concluding the public consultation phase on the Department's regulation impact statement (RIS) examining the case for upgrading Australia's existing vehicle air pollutant emissions standards to adopt stricter international ("Euro 5/6") standards aimed at maintaining improvements in urban air quality in our major cities, with commensurate health benefits, and
- commencing the implementation of COAG-endorsed measures to improve vehicle fuel efficiency under the National Strategy on Energy Efficiency, including engaging a consultant to prepare the consultation RIS on carbon dioxide emissions standards for light vehicles (the RIS is expected to be released for public comment early in 2010–11).

### *Energy efficiency and carbon dioxide emissions*

Through BITRE, the Department continues to provide the Australian Government's transport energy and carbon dioxide emissions analysis and projections, including for international reporting obligations, and contributed to the Prime Minister's Taskforce on Energy Efficiency recommendations on transport.

## **VII National transport strategy**

During 2009–10, the Department worked with its counterparts in other jurisdictions to:

- finalise the National Transport and Logistics Workforce Planning and Skills Strategic Action Plan, which was endorsed by the ATC in November 2009—in conjunction with the Transport and Logistics Centre and the Victorian Department of Transport, the Department will host a forum to discuss ways

to achieve the objectives outlined in the strategic action plan, in the second half of 2010

- develop a complete set of national urban transport performance indicators and an annual national reporting program, to help assess the impact of current and future network management initiatives at both the local level and the national level
- finalise the Australian Strategic Transportation Agenda for Research and Technology, which was endorsed by the ATC in November 2009, as an initial step towards a future technology framework—the Department also played a lead role in facilitating the establishment of the House of Representatives Standing Committee on Infrastructure, Transport, Regional Development and Local Government’s Inquiry into Smart Infrastructure, and
- finalise the National Guidelines for Passenger Transport and Land Use Planning Integration, to guide best practice in reconciling passenger transport needs with urban land use planning. These guidelines were endorsed by the ATC in April 2010 and have been referred to the Local Government and Planning Ministers’ Council for consideration. The guidelines are being trialled in Victoria and South Australia as a possible national benchmark to support COAG’s strategic planning criteria for capital cities.

In 2009–10, COAG agreed to implement, by 2013, a package of reforms designed to lift the productivity, safety and efficiency of Australia’s transport network through nationally consistent regulation of heavy vehicles, rail safety and maritime safety.

The national rail safety regulator will be established under legislation of the South Australian Parliament, to regulate all rail operations and administer national rail safety law. The Department assisted with establishing a project office in South Australia to manage implementation and transition processes.

COAG further agreed to extend the ATSB’s role to operate as an enhanced national rail safety investigator covering almost all commercial rail operators. The Department is assisting the ATSB to implement its expanded role.

The Department continued to collaborate with the states, territories and industry to support the ATC in deciding key elements of the national regulatory frameworks. Central to this work has been the negotiation of National Partnership Agreements for COAG’s consideration in 2010–11 to establish the necessary frameworks to implement the national heavy vehicle, rail safety and maritime safety systems by 2013.

## PROGRAM 2.3—ROAD SAFETY

### Highlights

The Department facilitated the establishment of the seven-member National Road Safety Council (NRSC) on 6 November 2009. The NRSC advises the ATC on the implementation of national road safety measures.

The Department has been working with the Australian Automobile Association to implement keys2drive, a national learner driver program.

The Department became a member of the Australasian New Car Assessment Program (ANCAP), with two directors on the ANCAP Board. ANCAP's consumer awareness program complements regulation in promoting vehicle safety.

The Department prepared a proposal for the development of an international vehicle standard to improve vehicle crashworthiness in side impacts with narrow objects. This will also improve crashworthiness in side impacts more generally and in rollovers. The proposal was agreed by the United Nations Economic Commission for Europe (UNECE), the peak body on vehicle regulations, in June 2010. Australia will now lead an international working group to develop the standard and has commenced a major crash test program to support this work.

### Overview

Program 2.3 was delivered through the work of the Surface Transport Policy Division. Program 2.3 contributed to the development of a safer road transport system by working to make vehicles and occupants safer, and drivers more informed.

Program 2.3 included the following administered items:

- keys2drive
- National Road Safety Council – contribution, and
- Seatbelts on regional school buses.

The budget and actual expenditure for each administered item is listed in Appendix A.

### Summary of performance

Tables 4.7 and 4.8 summarise the Department's results in delivering Program 2.3, against the key performance indicators and deliverables and their targets published in the 2009–10 PBS.

Table 4.7 Summary of performance—Program 2.3 key performance indicators

Key performance indicator	Target	Result
<i>Australia's motor vehicle safety standards are aligned with international standards.</i>	Ongoing policies and legislation are sufficiently robust to enable a safe, efficient and environmentally responsible light and heavy vehicle sector.	<i>Achieved</i> The Department completed one major and 11 minor Australian Design Rule (ADR) amendments. The major amendment mandated front under-run protection for heavy vehicles (over 12 tonnes).  The Department notified the United Nations Economic Commission for Europe (UNECE) of the application of 29 UNECE vehicle regulations in ADR.
<i>Road vehicles supplied to the Australian market meet appropriate safety, emissions, anti-theft and environmental standards.</i>	Ongoing provision of technical and administrative framework.	<i>Achieved</i> The Department continued to ensure that road vehicles supplied to the market met legislative and administrative requirements.
<i>Contribute to the development of a safe road transport system.</i>	Statistical analysis and information published is accurate and robust. Stakeholders are assisted to evaluate and improve transport safety outcomes.	<i>Achieved</i> The Bureau of Infrastructure, Transport and Regional Economics (BITRE) published regular statistical bulletins containing accurate and robust analysis and information, which was disseminated to stakeholders to assist them to evaluate and improve road safety outcomes.  BITRE also publishes safety statistics for rail, air and sea transport in the Australian Transport Statistics yearbook.

**Results Key**

Not achieved	None or minimal progress was made against targets in 2009–10
Partially achieved	Some targets were met, and any issues are being managed
Substantially achieved	Targets were mostly met, and any issues are being managed
Achieved	All targets for 2009–10 were met or exceeded

Table 4.8 Summary of performance—Program 2.3 deliverables

Deliverable	Target	Result
<p><i>The collection and publication of up-to-date national statistics on fatal road crashes:</i></p> <ul style="list-style-type: none"> <li>publish regular statistical bulletins on national road deaths</li> <li>undertake an annual national survey to monitor community attitudes, perceptions and behaviours on a wide range of road safety issues.</li> </ul>	<p>Updated statistics published within 2 weeks of the end of each month.</p> <p>Develop and conduct survey. Analyse survey data. Disseminate survey data among stakeholders by December 2009.</p> <p>Develop policy initiatives for government consideration. Implement government decisions as appropriate.</p>	<p>BITRE published regular monthly statistical bulletins on national road deaths within two weeks of the end of each month.</p> <p>A report was published detailing the results of a 2009 survey of community attitudes to road safety.</p>
<p><i>Coordinate development of a draft National Road Safety Strategy for the Australian Transport Council (ATC).</i></p>	<p>Draft strategy submitted to ATC by June 2010.</p>	<p>Proposed content for the draft national road safety strategy was submitted to the ATC for consideration in April 2010.</p>
<p><i>Provide secretariat support for the National Road Safety Council (NRSC), including development of a 2009–10 work program for ATC consideration.</i></p>	<p>Work program submitted to ATC in early 2009–10.</p>	<p>The NRSC held consultations with key stakeholders, identified several areas for priority action and engaged a consultant to develop a communications strategy. The NRSC prepared a report for ATC consideration on its proposed work program and budget for 2010–11.</p>
<p><i>The assessment and certification of road vehicles in Australia.</i></p> <p><b>Vehicle certification arrangements:</b></p> <ul style="list-style-type: none"> <li>number of vehicle certification approvals</li> <li>percentage of approvals within 32 days (service charter)</li> <li>number of audits of vehicle production and/or test facilities</li> <li>applications for inclusion on the Register of Specialist and Enthusiast Vehicles are assessed and concluded</li> </ul>	<p>3,400</p> <p>100%</p> <p>50</p> <p>70</p>	<p>4,445</p> <p>95%</p> <p>72</p> <p>84</p>
<p><b>Registered Automotive Workshop Scheme:</b></p> <ul style="list-style-type: none"> <li>number of workshop inspections</li> <li>proportion of workshop inspections completed in six weeks</li> </ul>	<p>200</p> <p>85%</p>	<p>168</p> <p>74%</p>

Table 4.8 continued

Deliverable	Target	Result
<ul style="list-style-type: none"> <li>proportion of evidence examinations completed within 20 working days</li> </ul>	85%	86%
<ul style="list-style-type: none"> <li>number of used vehicle import plates issued.</li> </ul>	7,200	8,076
Vehicle imports applications:		
<ul style="list-style-type: none"> <li>number of applications processed</li> </ul>	16,000	21,638
<ul style="list-style-type: none"> <li>proportion processed within 17 working days (approvals/refusals).</li> </ul>	90%	61%
Safety and investigations:		
<ul style="list-style-type: none"> <li>number of safety investigations</li> </ul>	100	107
<ul style="list-style-type: none"> <li>number of recalls monitored.</li> </ul>	170	174
<i>Efficient and effective management of administered items.</i>	Items are administered in accordance with relevant legislation, published guidelines and ANAO guidance.	All programs were administered in accordance with relevant legislation, guidelines and ANAO guidance.
<i>Facilitate the continuing development and delivery of the keys2drive education program for learner drivers.</i>	Assist the Australian Automobile Association in the development of the program.	The keys2drive program was launched in all states and the Australian Capital Territory.
<i>The number of school buses equipped with seatbelts for students in rural and regional areas are increased as a consequence of the Seatbelts on regional school buses administered item.</i>	Applications are processed and buses are fitted or retrofitted within specified guidelines.	As a result of the program, 63 school buses were fitted with seatbelts. The program is demand driven.



Table 4.9 provides a summary of the results achieved by each of the administered items under program 2.3.

**Table 4.9 Summary of performance—Program 2.3 administered items**

Administered item	Result
Keys2drive	The program is delivering the first driving instructor accreditation scheme in Australia. The program aims to deliver around 200,000 free driving lessons to learner drivers accompanied by their supervisors over the five years to 2011–12.
National Road Safety Council – contribution	The NRSC, established in November 2009, consulted with key stakeholders to identify road safety areas for priority action.
Seatbelts on regional school buses	A total of 56 school bus operators applied for funding to fit seatbelts in 88 buses; funding approval was granted for 87 of the 88 buses. The fitting of seatbelts has been completed in 63 buses.

### Detailed report on performance

The following report is against the components of Program 2.3 as set out in the 2009–10 PBS.

#### I National road safety leadership

The Department provides the secretariat function for the new NRSC and assists the council with the development of its work program. During the year, the NRSC held several meetings with representatives from major road safety stakeholder groups, engaged a consultant to develop a communications strategy and established a public website presenting a series of road safety fact sheets and other material.

In 2009–10, the Department led and coordinated national efforts to develop a new 10-year national road safety strategy for the period 2011 to 2020. The new strategy will set national goals and priorities for road safety action over the coming decade. Working with state, territory and local government representatives, the Department prepared advice for the ATC on key elements of the proposed strategy and subsequently produced a detailed draft strategy to be used for public consultation in the second half of 2010. This draft strategy was informed by key research and modelling work which the Department commissioned and managed.

The Department maintained the Australian Road Deaths Database, updating it with fatal road crash data obtained every month from state and territory road safety authorities. The database provided the source information for the production and release of various statistical publications during the year, including 12 monthly bulletins on national road crash deaths and four quarterly

bulletins on fatal heavy vehicle crashes. The Department also provided direct public access to an online version of the database.

In January 2010, the Department published detailed findings of the 2009 Survey of Community Attitudes to Road Safety. This survey involved interviewing 1,600 people across the nation about their road safety beliefs, attitudes and practices in relation to many road safety issues, including perceived crash factors, speeding, drink-driving, seatbelt usage, traffic regulation and enforcement, driver fatigue and mobile phone usage.

## II Driver training programs

The keys2drive program, which commenced in all states and the Australian Capital Territory, is delivering the first driving instructor accreditation scheme in Australia. The program aims to provide around 200,000 free driving lessons to learner drivers accompanied by their supervisors over the five years to 2011–12.

The keys2drive program also provides a range of information materials and support for learner drivers and their supervisors.

## III Seatbelts on regional school buses

A total of 56 school bus operators applied for funding to fit seatbelts in 88 buses, funding approval was granted for 87 of the 88 buses. In 2009–10, the fitting of seatbelts was completed in 63 buses and \$1.0 million in funding was paid to school bus operators.

The program is demand driven and the level of funding provided reflects the number of applications received.

## IV Vehicle Safety

### *New vehicles*

Before vehicle manufacturers and importers can supply vehicles to the Australian market, they must meet all appropriate provisions of the *Motor Vehicle Standards Act 1989* and demonstrate that their vehicle types meet all applicable ADRs. There was a 20 per cent increase in the number of vehicle types approved for identification plates and supply to the Australian market, from 3,700 in 2008–09 to 4,445 in 2009–10.

### *New vehicle regulations*

The Department is continuously reviewing the ADRs to harmonise them, where possible, with international standards developed under the UNECE framework. Harmonisation minimises trade barriers and allows vehicles manufactured for world markets to be supplied to Australia without the need for extensive modifications. It leads to lower costs and better access to safer, more environmentally friendly vehicles.

As part of this process, in 2009–10 the Department completed:

- one major amendment to mandate the fitting of front underrun protection on heavy goods vehicles (over 12 tonnes) from 1 January 2011 for new model vehicles and 1 January 2012 for all new vehicles
- minor amendments to 11 ADRs covering matters such as standards for vehicle lighting, electronic stability control and mechanical connections between vehicles, and
- notification to the UNECE of the application of 29 UNECE vehicle regulations in ADRs. This will facilitate future updating of ADRs incorporating these regulations and provides Australia with voting rights on these regulations.

The harmonisation process is being carried out in consultation with representatives of the state and territory governments, vehicle manufacturing and operating industries, and consumer groups.

#### *Imported vehicles*

The Department processed 21,638 applications to import vehicles compared to 18,219 processed in 2008–09, a 19 per cent increase.

Due to this increase in applications, the proportion processed within the target timeframe of 17 working days decreased to 61 per cent. Processes practices were improved to deal with higher application levels.

#### *Specialist and enthusiast vehicles*

The Specialist and Enthusiast Vehicles Scheme enables Australians to have access to some new or used vehicles that meet particular interests and are otherwise not available in Australia. The Department assesses vehicle models to determine their eligibility under the scheme, and eligible models are entered on the Register of Specialist and Enthusiast Vehicles. In 2009–10, the Department assessed 84 applications under the scheme.

#### *Registered automotive workshops*

Most vehicle models that are supplied to the market in limited volumes in Australia are used imported vehicles that are processed through the Registered 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. RAWS vehicle models (other than used motorcycles for which volumes are not restricted) must be listed on the Register of Specialist and Enthusiast Vehicles. The inspection and evidence examination processes are resource intensive and closely scrutinise compliance with the RAWS requirements. The Department assessed 109 new and existing RAWS workshop applications: 12 new RAWS workshops were approved and 64 existing RAWS workshops were renewed. The Department conducted 168 RAWS inspections. The decrease in the number of inspections, from 201 in 2008–09, was due to reduced demand.

### *Audit*

The number of vehicle production and/or test facilities audited totalled 72, following 76 audits in 2008–09. The number of audits was increased in the last two years to take into account the risks associated with the importation of trailers and vehicles from developing markets.

### *Safety investigations and recalls*

The Department assists the Australian Competition and Consumer Commission on matters relating to the recall of automotive-related products under the provisions of the *Trade Practices Act 1974*. In 2009–10, the Department conducted 107 safety investigations and monitored 174 new voluntary recalls notified by vehicle suppliers.

## Case study—National Road Safety Council

The NRSC was established in April 2009, as an advisory body to the ATC, under a National Partnership Agreement between the Australian Government and the governments of the states and territories. The Department provides secretariat services to the NRSC and assists with the development of its work program.

The NRSC aims to contribute to a reduction in death and serious injury on Australian roads by enhancing the national implementation of effective road safety measures, which includes facilitating the timely and effective implementation of road safety measures in the National Road Safety Strategy. The NRSC will also raise the profile of road safety as a major public health issue across government, industry, business and community sectors.

In November 2009, the Australian Transport Council announced the appointment of seven prominent community leaders as members of the NRSC. They are:

- Mr Roger Cook AM—Chair, Motor Accident Commission of South Australia
- Emeritus Professor MaryAnn Bin-Sallik—Former Dean, Indigenous Research and Education, Charles Darwin University
- Ms Ann Bunnell—Chair, Australian Foundation of the Alliance for Healthy Cities
- Ms Freda Crucitti—President, Australian Automobile Association
- Mr Wayne Gardner AM—former world motorcycle racing champion
- Dr Soames Job—Director, NSW Centre for Road Safety, Roads and Traffic Authority, and
- Professor Ian Johnston AM—Deputy Chair, National Transport Commission.

Five ‘national road safety ambassadors’ were also appointed, to help focus community attention on road safety issues and complement the work of the NRSC. They are:

- Ms Melissa Doyle—co-host of the Channel 7 Sunrise program
- Mr Lindsay Fox AC—founder of the LinFox Group, an Australian-based international transport and warehousing corporation
- Assistant Commissioner John Hartley APM—Commander, Traffic Services Branch, NSW Police
- Mr Neil Mitchell AO—host of 3AW talkback radio, and
- Mr David Wirrpanda—former AFL footballer and WA Young Australian of the Year 2009.

Since commencing a regular meeting schedule in February 2010, the NRSC has been building the capacity of members in relation to road safety issues, engaging with key stakeholders, and contributing to the development of the National Road Safety Strategy for 2011–20. The NRSC has identified six priority areas for early attention: young driver safety; fleet safety (including heavy vehicle fleets); safer speeds; Indigenous road safety; motorcycle safety; and alcohol and drug issues.

More information about the NRSC and road safety issues in Australia is available from the council’s website, at <[www.nrsc.atcouncil.gov.au](http://www.nrsc.atcouncil.gov.au)>.

## PROGRAM 2.4—AIR TRANSPORT

### Highlights

The Department supported the Minister to complete and publish the Australian Government's Aviation White Paper as a comprehensive statement of national aviation policy.

The Aviation White Paper was launched by the Minister on 16 December 2009 setting out a range of policy settings and initiatives for the Australian aviation industry over the next 20 years. The White Paper details over 130 initiatives for implementation following an extensive process of public consultation and policy analysis. Some initiatives were implemented immediately, others require enabling legislation or further input from stakeholders and consideration by the Australian Government.

The Department provided assessments of eight airport master plans, 15 airport environment strategies and four major development plans to the Minister for consideration. This resulted in the Minister approving master plans for Adelaide, Canberra, Brisbane, Perth, Hobart, Jandakot, Launceston and Moorabbin airports and rejecting the master plan for Parafield Airport.

Airport environment strategies were approved for Adelaide, Alice Springs, Archerfield, Bankstown, Brisbane, Camden, Canberra, Darwin, Gold Coast, Jandakot, Moorabbin, Parafield, Perth, Sydney, and Townsville airports. Approval was granted for four major development plans.

The Department negotiated enhanced air services arrangements with a number of countries including China, Cook Islands, Papua New Guinea, Turkey and the United Arab Emirates.

### Overview

Program 2.4 was delivered through the work of the Aviation and Airports Division supported by the aviation data and research services provided by BITRE, ensuring that the aviation industry operated within a clear and robust safety regulatory environment and by facilitating access to competitive international and domestic air services for Australian businesses and consumers.

Program 2.4 included the following administered items:

- Airport Lessee Companies—reimbursement of parking fines
- Compensation for the sale of airport land

- Fort Street High School—noise insulation<sup>1</sup>
- Implementation of noise amelioration for Adelaide and Sydney Airports
- International Civil Aviation Organization—contribution
- Payment scheme for Airservices Australia’s en route charges
- Remote Aerodrome Safety
- Sydney West Airport—rental properties, and
- Payments to CAC Act bodies—CASA

The budget and actual expenditure for each administered item is listed in Appendix A.

### Summary of performance

Tables 4.10 and 4.11 summarise the Department’s results in delivering Program 2.4 against the key performance indicators and deliverables and their targets published in the 2009–10 PBS.

**Table 4.10 Summary of performance—Program 2.4 key performance indicators**

Key performance indicator	Target	Result
<i>Policy advice is influential in the Government’s response to current and emerging international and domestic aviation industry issues.</i>	Draft White Paper is endorsed by Government.	<i>Achieved</i>  The Aviation White Paper, identifying more than 130 initiatives, was launched by the Minister on 16 December 2009. Implementation of initiatives commenced immediately. Funding was allocated in the 2010–11 Budget, enabling legislation was progressed through Parliament, and new regulations were established.
<i>Aviation regulation, policies and administered items effectively support future investment in safe, efficient and environmentally responsible aviation infrastructure.</i>	Ongoing investment in infrastructure by government agencies and industry.	<i>Achieved</i>  Airservices Australia has committed to invest almost \$900 million in air traffic and rescue and firefighting infrastructure over five years.  The Aviation White Paper includes initiatives to facilitate airport industry investment.

#### Results Key

Not achieved	None or minimal progress was made against targets in 2009–10
Partially achieved	Some targets were met, and any issues are being managed
Substantially achieved	Targets were mostly met, and any issues are being managed
Achieved	All targets for 2009–10 were met or exceeded

<sup>1</sup> National Partnership Payment components that were previously part of the *Fort Street High School—noise insulation* administered item are now appropriated through the Treasury. Further information on these arrangements can be found in that department’s Portfolio Budget Statements and in Budget Paper No. 3, *Australia’s Federal Relations 2009–10*.

Table 4.11 Summary of performance—Program 2.4 deliverables

Deliverable	Target	Result
<i>Aviation industry operates within a clear and robust regulatory framework. New aviation safety agency governance arrangements implemented.</i>	Aviation White Paper completed. Finalise review of air carriers' liability. Smooth and effective introduction of new governance arrangements for aviation safety agencies.	<p>The Aviation White Paper was completed and released. Amendments were made to the <i>Civil Aviation Act 1988</i> and <i>Transport Safety Investigation Act 2003</i> to implement new agency governance arrangements.</p> <p>The new Civil Aviation Safety Authority (CASA) Board and the Australian Transport Safety Bureau (ATSB) Commission were appointed.</p> <p>Key outcomes of the review of air carriers' liability were announced in the Aviation White Paper.</p>
<i>Businesses and consumers have access to competitive international and domestic air services. Agreements which provide increased flexibility and capacity are established, consistent with Government policy.</i>	10 sets of air services talks with key countries.	<p>Updated air services agreements/arrangements were negotiated with six countries. A range of matters were discussed by correspondence with a further six countries.</p> <p>Discussions continued with the European Commission on the proposed comprehensive air services agreement with the European Union.</p>
<i>Leased airports are regulated in accordance with the Airports Act 1996. Master Plans and Major Development Plans assessed in accordance with legislative requirements and advice provided to Minister.</i>	Master and Major Development Plans assessed in accordance with legislative requirements.	The Department assessed a number of airport statutory planning documents and provided advice to the Minister in accordance with the requirements of the <i>Airports Act 1996</i> . The documents included master plans for the Adelaide, Brisbane, Canberra, Hobart, Jandakot, Launceston, Moorabbin and Perth airports.
<i>Aviation environmental impact on communities including aircraft noise is monitored, to ensure operator compliance with airport curfews; implementation of Government's noise amelioration programs (Adelaide and Fort Street); and appropriate noise disclosure in Airport Master Plans.</i>	Dispensation reports tabled; successful prosecution of curfew breaches; insulation expenditure recouped through industry levy in timely manner; stakeholders informed of noise impacts in Master Plans.	<p>Dispensation reports were tabled for all curfewed airports. All compliance with curfew requirements was monitored and enforced.</p> <p>Collection of the aircraft noise levy at Adelaide Airport ceased on 31 March 2010, following collection of adequate funds to complete the program.</p> <p>Eight airport master plans approved by the Minister included noise disclosure information.</p>



Table 4.11 continued

Deliverable	Target	Result
<i>Efficient and effective management of administered items.</i>	Items are administered in accordance with relevant legislation, published guidelines and ANAO guidance.	Administered items were administered in accordance with relevant legislation, published guidelines and ANAO guidance.

ANAO = Australian National Audit Office

Table 4.12 provides a summary of the results achieved by each of the administered items under Program 2.4.

Table 4.12 Summary of performance—Program 2.4 administered items

Administered item	Result
Airport Lessee Companies—reimbursement of parking fines	The Department reimbursed the participating airports an agreed proportion of parking infringement revenue collected and remitted to the Commonwealth.
Compensation for the sale of airport land	No program activity during 2009-10 (no budget, no expenditure)
Fort Street High School—noise insulation	The New South Wales Government is managing this project on behalf of the Commonwealth under a National Partnership Agreement. The project is being carried out over a series of stages to minimise the impact on students and school operations. Payments are made on completion of milestones and progress reports.
Implementation of noise amelioration for Adelaide and Sydney Airports	Insulation work commenced on two churches that were identified as eligible buildings in 2008–09. All other insulation works are complete.

Table 4.12 continued

Administered item	Result
International Civil Aviation Organization—contribution	Australia actively participated in the International Civil Aviation Organization (ICAO) Council during 2009–10, with two employees based in the Montreal office representing Australia in ICAO Council matters and on the ICAO Air Navigation Commission. Australia's annual contribution was paid during January 2010.
Payment scheme for Airservices Australia's en route charges	22 airlines sought assistance during 2009–10. The Department paid invoices in a timely manner, conducting payment runs weekly.
Remote Aerodrome Safety	Upgrades to a total of 44 aerodromes in remote locations across Australia were approved for funding under the program in 2009–10. These upgrades improved safety and access for aircraft operators and their passengers, through a range of infrastructure measures such as: <ul style="list-style-type: none"> <li>• runway sealing, resealing and pavement repairs</li> <li>• installation of runway lighting to enable night operations, including medical evacuations, and</li> <li>• installation of animal-proof perimeter fences.</li> </ul>
Sydney West Airport—rental properties	The Department effectively administered the leases to ensure that the Australian Government met its obligations as a landlord. This included authorising maintenance and paying water and land rates.

### Detailed report on performance

The following report is against the components of Program 2.4 as set out in the 2009–10 PBS.

#### I Development of a National Aviation Policy White Paper

The Aviation White Paper, *Flight Path to the Future*, was released on 16 December 2009.

In the six months after its release, many of its 130 policy initiatives were implemented. Processes are in place to plan and progress the remaining initiatives.

New funding of \$200.0 million over four years was provided in the 2010–11 Budget to invest in new and improved security technologies for passenger and luggage screening, increased policing at airports, and enhanced security procedures (including securing the air cargo supply chain), as well as strengthened international cooperation.

An additional \$89.9 million over four years was provided in the 2010–11 Budget for the Civil Aviation Safety Authority (CASA), the aviation safety regulator. The funding will enable the recruitment of frontline safety staff, expanded surveillance and ongoing investment in training, while securing CASA's long-term funding needs.

On 24 June 2010, the Airports Amendment Bill 2010 was introduced into Parliament. The amendments in the Bill will give effect to several Aviation White Paper initiatives to improve planning at Australia’s major airports. The Bill provides for implementation of:

- a requirement for more detailed master plans, incorporating ground transport plans and airport environment strategies, and a reduced requirement for major development plan assessments for low-impact aviation facilities
- a requirement that all developments with a significant economic or social impact on communities must go through a major development plan assessment, which will enable the Australian Government to better assess the impact of airport development on surrounding communities—this trigger will be supplemented by administrative guidelines which are being developed in consultation with industry
- a strengthened barrier to prevent incompatible developments, such as residential developments and schools, on federal airport sites, unless exceptional circumstances exist, and
- a provision giving the Minister discretion to reduce the public comment period around major development plans if the material features of the proposed development have already been addressed in master plan consultations.

Initiatives are also in progress to establish:

- the Sydney Aviation Capacity Study, in partnership with the New South Wales Government, to identify a strategy to address Sydney’s future needs for airport and related infrastructure, and
- regulations to prohibit or restrict the operation of older, noisy jet aircraft.

## II Maintaining aviation safety

### *Air traffic management*

The Department provides policy and governance advice to the Government on air traffic management issues.

Following consultation with government aviation agencies and industry, in December 2009 the Minister released an updated Australian Airspace Policy Statement, which came into effect on 1 January 2010. The new statement emphasises the safety of passenger transport services as the first priority in airspace administration, and outlines three specific airspace policy objectives related to support for international harmonisation, enhanced services to regional aerodromes and effective cooperation between agencies.

The four major government agencies involved in aviation policy, regulation and service provision—the Department, Airservices Australia, CASA and the Royal Australian Air Force—continued to work together on a range of aviation policy issues which have cross-agency implications.

The Secretary of the Department is Chair of the Aviation Policy Group; the group's other members are the chief executive officers of the two portfolio agencies and the Chief of the Air Force. While the group offers a forum to maintain strong working relationships between the agencies and coordinate joint action where appropriate, each agency retains the individual authority and accountability for its own functions at all times.

The Aviation Policy Group met six times during 2009–10, and discussed issues such as the finalisation of proposed air traffic management policy initiatives for the Aviation White Paper, civil and military aviation harmonisation, airspace management, technology and ICAO-related matters.

The supporting Aviation Implementation Group, also chaired by the Department and including senior officials from each of the three key government aviation agencies, continued to develop advice on issues identified by the Aviation Policy Group. The implementation group set up improved arrangements for working with the Australian Strategic Air Traffic Management Group, the industry advisory group on air traffic management issues.

#### *Participation in international forums*

The Department, in conjunction with CASA and Airservices Australia, maintained an office at the ICAO headquarters in Montreal, Canada. The two departmental employees based in Montreal provided strong representation of Australian interests through their roles on the ICAO Council and Air Navigation Commission. The Department administered Australia's annual ICAO contribution.

The Department also participated in an interagency delegation which attended the High-Level Safety Conference convened by ICAO in March 2010. The conference considered a range of initiatives for addressing safety matters, as well as ICAO's role in monitoring and reporting on safety oversight in member states. The Australian delegation made positive contributions to the outcomes of the conference, particularly in relation to ICAO's proposed continuous monitoring approach to reviewing state safety systems and the sharing and protection of safety data and information. The outcomes of this conference will be considered by the ICAO triennial assembly in September–October 2010, leading to specific actions for the ICAO Secretariat and member states.

Throughout 2009–10, the Department led an interagency working group managing the implementation of the Corrective Action Plan that resulted from the February 2008 ICAO audit of Australia's safety system. The Department provided regular reports on progress to the Aviation Implementation Group and the Aviation Policy Group. By 30 June 2010, 60 corrective actions had been completed and more than 60 per cent of the audit findings had been addressed.

The Department also participated in a range of other international forums, and presented papers to the Directors General of Civil Aviation Conference held in Japan during November 2009.

### *Cooperation in the Asia–Pacific region*

The Department took part in projects to assist Australia's neighbours to improve the safety, security and effectiveness of their air transport regulation. This included providing policy, safety and security advisers to Papua New Guinea through the Strongim Gavman Program, and assistance to the Pacific Aviation Safety Office through the Pacific Public Sector Linkages Program (formerly known as the Pacific Governance Support Program).

In November 2009, senior transport officials from Australia and Papua New Guinea signed a memorandum of understanding on cooperation in the transport sector. Four annexes were also signed, covering initial work programs in the areas of accident investigation, aviation safety regulation, air traffic management and transport policy.

The Department continued to coordinate the Australian Government's Indonesia Transport Safety Assistance Package, for which funding has been extended to 2014. The package provides technical and training assistance to support Indonesia in addressing its aviation, maritime and road transport safety challenges. The support is provided through the Department, Airservices Australia (ASA), AMSA, the ATSB and CASA. Significant outcomes during 2009–10 included:

- the completion of two civil joint Australia–Indonesia search and rescue exercises, and
- the delivery of:
  - » air navigation-specific safety management and awareness training for more than 100 air navigation staff
  - » human factors training for accident investigators, and
  - » training in inspector mentoring, including lead auditing, human factors and safety management systems.

### *Aviation safety regulation*

The Department worked closely with CASA and ASA to help ensure the safety of the aviation sector, and provided strategic oversight advice to the Minister on the operations of CASA and ASA.

In 2009–10 CASA and ASA both completed corporate plans and statements of intent in relation to their future operations, in response to the Australian Government's specific statements of expectations for both organisations. The statements of expectations and intent are published on the agencies' websites.

### III Expanding aviation markets

#### *International air services arrangements*

In 2009–10 the Department:

- settled new or enhanced air services arrangements on behalf of the Australian Government with Cambodia, China, Cook Islands, Papua New Guinea, Turkey and the United Arab Emirates, resulting in the expansion of commercial rights for airlines of both sides, and
- engaged in correspondence with French Polynesia, Japan, Kuwait, Serbia, Thailand and the United States on a range of ongoing commercial and treaty matters.

Discussions are ongoing with the European Commission on the proposed comprehensive air services agreement with the European Union (EU). The negotiations, encompassing issues such as market access, protection of the environment, aviation safety and security, will expand opportunities for airlines to provide a competitive network of air services. An agreement with the EU would complement the 'open skies' arrangements settled with the United States in 2007–08.

BITRE provided traffic summaries and detailed route analysis services to assist the negotiating teams involved in these air service negotiations.

The Department continued to regulate scheduled international air services in accordance with the requirements of the *Air Navigation Act 1920* and associated regulations. The Department granted 262 timetable approvals, 168 timetable variations, 18 non-scheduled flight approvals and 81 approvals for International Airline Licences in 2009–10, and completed a review and overhaul of International Airline Licence regulations and processes.

#### *Current aviation market*

The air services arrangements negotiated by the Department provide capacity entitlements exceeding current demand, giving airlines flexibility to deliver air services in a commercially viable way. Approximately 56 international airlines operated services to and from Australia in 2009–10, including seven dedicated freight airlines.

In terms of market uptake, Australia's aviation performance in 2009–10 increased compared with the previous 12 months. Data from BITRE shows, in the year ending April 2010, there were 25.4 million passenger movements into and out of Australia, representing growth of 7.2 per cent when compared with the previous 12 months. This represents a much better outcome than experienced by most major aviation countries during a period of global downturn in economic activity. Of the total international passenger movements, 6.6 million passengers were short term resident departures, an increase of 13.3 per cent on the previous year, and 5.6 million passengers were short term visitor arrivals into Australia, an increase of 1.7 per cent on the previous year.

## IV Managing airport infrastructure

### *Management of leased federal airports*

The Department oversees the operation of 21 federal airports that were privatised between 1997 and 2003 through long-term leases of 50 years with an option to renew for a further 49 years.

The Department is responsible for monitoring compliance with the airport leases, ensuring compliance with the *Airports Act 1996* and associated regulations.

In 2009–10, the Department prepared the Airports Amendment Bill 2010. The Bill was introduced into Parliament on 24 June 2010 and is aimed at giving effect to policy changes identified in the Aviation White Paper to improve planning and development controls for the leased federal airports. Among its objectives are greater scrutiny of non-aviation developments, more detailed master plans and ensuring airport sites focus on aviation business.

The Department also finalised various regulatory amendments in 2009–10. These include amendments to: specify that certain developments at airports, identified as incompatible with airport operations, are considered major airport developments; require airports to publish building applications on their website; and clarify who may apply for a building approval on airports. Further regulatory amendments clarified the reporting requirements for airport ownership and requirements for parking signage plans at airports. An overview of the Department's airport regulation program is provided in Appendix I.

### *Planning approvals*

Under the *Airports Act 1996*, a master plan must be prepared for every leased federal airport except those at Mount Isa and Tennant Creek. The master plan represents the airport-lessee company's planning and development vision for the airport over a 20-year period. The master plan is reviewed every five years and must be the subject of public consultation.

A major development plan is required for each major development at an airport. Section 89 of the *Airports Act 1996* defines 'major developments'; generally, they include any significant building work or any development with a significant environmental impact on the airport site.

All leased airports (other than the Mount Isa and Tennant Creek airports) must also prepare an airport environment strategy which provides for continuous improvement in the environmental management of the airport site. An airport environment strategy is submitted by an airport-lessee company after taking into account public comments, and is reviewed every five years.

The Minister may approve or refuse to approve any master plan, major development plan or environment strategy.

In 2009–10, the Department provided assessments to the Minister, in accordance with the requirements of the *Airports Act 1996*, on:

- eight airport master plans
- four major development plans, and
- 15 airport environment strategies.

Assessment was also provided on a variation to an airport master plan and variations to two approved major development plans.

A number of the major development plans were approved subject to conditions relating to the management of the impacts of the development and ongoing operational considerations. The conditions of ministerial approval attached to each major development plan are available from the Department's website.

The Department is continuing to assess three airport master plans, two airport environment strategies and three major development plans. Details on each of these statutory planning documents is provided in Appendix I.

#### *Environmental management and building control*

Management of the environment at the airport site is the responsibility of the airport lessee. Through the *Airports Act 1996* and the Airports (Environment Protection) Regulations 1997, the Department monitors compliance and regulates activities that may have environmental impacts on the airports. Through the *Airports Act 1996* and the Airports (Building Control) Regulations 1996, the Department monitors compliance and regulates development at the airports.

The Department has appointed Airport Environment Officers and Airport Building Controllers for each of the leased airports to monitor and ensure compliance with environmental and building standards.

#### *Lease compliance reviews*

The Department conducts annual lease reviews of the 21 leased federal airports to ensure compliance with the terms of their leases. In 2009–10, the Department continued to monitor compliance with obligations under the terms of the head lease, including the requirement to make payments in lieu of land taxes and rates. The Department also assesses the adequacy of airport insurance cover each year, with the assistance of a contracted insurance adviser.

Details of the annual airport lease review meetings and the insurance review for 2009–10 are in Appendix I.

#### *Airport price regulation*

The Australian Competition and Consumer Commission (ACCC) monitors airport prices and quality of aeronautical services in accordance with Parts 7 and 8 of the *Airports Act 1996* and the *Trade Practices Act 1974*. In March 2010, the ACCC published its report for 2008–09 on prices, costs and profits, the quality



of aeronautical services, and facilities and car parking, at the five monitored airports: Adelaide, Brisbane, Melbourne (Tullamarine), Perth and Sydney (Kingsford Smith).

The ACCC reports only apply to domestic airport services and facilities that are owned and operated by the airport-lessee companies. The ACCC does not monitor prices and services provided at the Qantas-leased domestic terminals at Brisbane, Melbourne, Perth and Sydney airports or the Virgin terminal at Brisbane Airport. International terminals at the five airports are included in the monitoring.

For the 2008–09 financial year, the ACCC reported that a 0.7 per cent decrease in international passengers was offset by a 1.8 per cent increase in domestic passengers, resulting in an overall increase in passenger numbers at the five airports, to 93.3 million. Both aeronautical revenue and expenses per passenger increased at the monitored airports, resulting in little change in operating margins compared to the previous year. The quality of aeronautical services also increased slightly at all airports in 2008–09.

Car parking revenue is a significant contributors to airports' profitability; charges increased in 2008–09 at all airports except Brisbane Airport. The ACCC report suggested that airports are in a position to set car parking prices above an efficient level through monopoly rents and by controlling alternatives to land-side access to the terminal.

The Australian Government was sufficiently concerned about the ACCC findings in relation to airports' planning and investment in aeronautical services to announce that it will bring forward to 2010 the Productivity Commission review of airport price regulation that had been scheduled for 2012.

### *Regional airline access to Sydney Airport*

In the Aviation White Paper, the Government made a commitment to maintain the regional airline access arrangements for Sydney Airport. The Department worked with the Treasury to help effect this commitment. On 28 May 2010, the Australian Government issued a new declaration and direction under the *Trade Practices Act 1974*, formally extending the price-capping arrangements for regional airline services from 1 July 2010 to 30 June 2013. The direction limits future price increases for regional airline regular passenger transport flights operating wholly within New South Wales to increases matching the Consumer Price Index, and requires Sydney Airport to notify the ACCC of proposed increases.

### *Slot management at Sydney Airport*

The Department oversees slot management at Sydney Airport under the *Sydney Airport Demand Management Act 1997*. The objectives of the regime are to:

- provide an effective means of administering the movement limit
- alleviate delays caused by congestion
- safeguard access for regional airlines
- provide equal access to slots for new entrants, and
- spread aircraft movements more evenly within hours.

The Department is working with relevant industry stakeholders to develop amendments to the Slot Management Scheme 1998, and to the Determination of Sydney Airport Compliance Scheme 1998 to ensure the continued efficiency and effectiveness of this program.

Administrative reporting on the extent to which the objectives of the schemes are being addressed is being monitored by the Department in accordance with the performance measures identified in the Table 4.13. The Department is satisfied that the scheme's objectives are being met.

**Table 4.13 Objectives and performance measures of the Sydney Airport slot management legislative regime**

Objective	Performance measures
Provide an effective means of administering the movement limit	Airservices Australia movement limit reports. Monitoring of compliance with allocated slots through the Sydney Airport Compliance Committee. Annual performance reviews of the Slot Manager.
Alleviate delays caused by congestion	Graphed statistics of on-time performance of all services since implementation of the scheme.
Safeguard access for regional airlines	Graphed statistics of weekly runway movements showing the share of slots allocated to regional operators.
Provide equal access to slots for new entrant	Reporting on airlines that have requested slots or commenced operations.
Spread aircraft movements more evenly within hours	Graphed statistics of aircraft movements for each 60 minutes across the busiest operational hours at Sydney Airport.

### *Reimbursement of parking fines*

Eight leased federal airports (Brisbane, Gold Coast, Hobart, Launceston, Melbourne, Perth, Sydney and Townsville) participate in the Parking Infringement Notices Scheme. The airports administer vehicle control regimes on behalf of the Australian Government in accordance with the Airports (Control of On-Airport Activities) Regulations 1997. Revenue collected by the airports for parking offences is remitted to the Australian Government and airports are reimbursed, up to a set maximum amount, to partially offset their costs in administering the scheme.

The Australian Government enacted new regulations on 9 June 2010 to improve the level of information available to the public about parking regimes at participating airports. The airports are now required to publish Parking Signage Plans on their websites. Regulations were also enacted to provide airports greater operational flexibility in administering the scheme.

In 2009–10, a series of administrative oversights dating from 2004, which had resulted in the Department not maintaining the necessary authorisations for personnel at the participating airports, were identified. As a result of the oversights, a large number of parking infringement notices issued after 2004 were potentially invalid. The Parliament has since passed legislation to validate all potentially invalid actions performed under the regulations, including the issuing of parking infringement notices. This legislation provides certainty that people who paid parking infringement notices will remain immune from prosecution for the parking offences.

### *Ameliorating the environmental impacts of aircraft movements*

#### *Noise amelioration programs*

The Department has administered noise amelioration programs at Adelaide and Sydney airports, providing funds to install noise insulation for eligible residences and public buildings under major flight paths. The program for Sydney Airport was completed in January 2010, having proven to be an effective tool to help reduce the impacts of aircraft noise for residents living near the airport.

In Adelaide, two additional churches were identified as being eligible for funding as public buildings in 2008–09; insulation work commenced on the buildings early in 2010.

The Department's ongoing management of a limited number of warranty issues will continue in 2010–11. The Department will also continue to monitor and map the noise contours in Sydney and Adelaide on an annual basis.

The costs associated with the noise amelioration program at Adelaide Airport have been recovered through a levy on jet aircraft landings at the airport, under the *Aircraft Noise Levy Act 1995*. This levy ceased on 31 March 2010 as adequate funds have been collected to complete the program (the equivalent levy at Sydney Airport ceased on 1 July 2006). Airservices Australia was authorised to collect the levy on behalf of the Department. Receipts totalling \$7.2 million collected under the *Aircraft Noise Levy Collection Act 1995* in 2009–10 are reported in the Department's audited financial statements as required by the Act.

#### *Curfews*

To minimise the impact of night-time noise on nearby communities, restrictions on aircraft movements are applied, through legislated curfews, at the Adelaide, Essendon, Gold Coast and Sydney airports. The curfews, which operate

between the hours of 11 pm and 6 am, limit the number and type of aircraft that can be operated and stipulate which runways can be used.

In 2009–10, the Department:

- assessed 65 applications for curfew dispensation—15 for Adelaide, 2 for Gold Coast (Coolangatta) and 48 for Sydney, and
- approved 28 curfew dispensations—6 for Adelaide and 22 for Sydney.

#### *International cooperation on noise and climate change*

The Department represented Australia on the ICAO Group on International Aviation and Climate Change, which was established to recommend an aggressive program of action to address greenhouse gas emissions from international aviation. The program of action developed by the group was adopted into formal recommendations for future action on climate change by a high-level meeting of ICAO member states in October 2009. The Department is a member of a group that was set up by the President of the ICAO Council in January 2010 to take the recommendations forward to the meeting of the ICAO Assembly which is due to be held in September–October 2010.

The Department participated in the eighth triennial meeting of ICAO's Committee on Aviation Environmental Protection in February 2010. In September 2009, the Department played an active role in the second meeting of the Asia–Pacific Economic Cooperation Aviation Emissions Task Force, held in Singapore.

#### *Community resources*

The Department continued to provide secretariat support to the Sydney Airport Community Forum. The forum is a consultative committee composed of federal, state and local governments and community representatives, which considers aircraft noise issues affecting the community.

The Department also continued to refine its Transparent Noise Information Package, a software tool that enables the non-specialist to gain a better understanding of aircraft noise exposure patterns and aircraft carbon emissions. The package is available free of charge from the Department's website.

#### *Management of properties at Badgerys Creek*

The Australian Government owns and leases out commercial and residential properties on a site at Badgerys Creek, New South Wales, originally acquired for a proposed second major airport for Sydney. The Department administered the leases during 2009–10 to ensure the Australian Government met its obligations as a landlord.

As part of the delivery of the Aviation White Paper, the Australian Government announced that the construction of an airport at Badgerys Creek is no longer an option. The future of the Badgerys Creek site will be considered as part of

a joint Australian Government – New South Wales Government study to assess options for delivering additional airport capacity in the Sydney region.

### *National Airports Safeguarding Advisory Group*

In the Aviation White Paper, the Australian Government committed to work with the state and territory governments to develop a national planning regime for land use near airports and under flight paths, to minimise the location of sensitive developments in areas affected by aircraft operations.

The Department has established the National Airports Safeguarding Advisory Group to collect, evaluate information and provide advice to ministers on the formulation of a national approach to planning around airports. The group consists of officials from Australian Government and state and territory government agencies.

The first meeting of the group was held on 7 May 2010. All state and territory governments were invited to participate by nominating planning and transport representatives to the group. A representative from local government has been invited to participate in future meetings.

The safeguarding work will cover the following themes:

- development of land use planning arrangements outside the perimeter of airports that will minimise sensitive developments being located in areas affected by aircraft operations
- improvement and enhancement of public information and understanding regarding the impacts of aircraft noise
- development of guidance material for airports and off-airport planning developers and authorities on the potential wind shear and mechanical turbulence effects of new constructions
- development of guidelines for wildlife hazard management in and around airports to minimise bird strike and other wildlife hazards
- development of guidelines to address technical and navigation issues relating to wind turbine developments, with regard to the potential for electromagnetic interference as well as the potential physical obstruction for aircraft
- strengthening of arrangements to protect airspace around airports
- prevention of unnecessary lighting and other pilot distractions from off-airport sources, and
- detailed examination of the implications of public safety zones in the vicinity of airports.

## Case Study—National Aviation Policy White Paper

The National Aviation Policy White Paper: Flight Path to the Future (the Aviation White Paper), Australia's first comprehensive national aviation policy, provides a roadmap to help secure the future of the aviation industry while maintaining the highest safety and security standards and addressing community needs.

The release of the Aviation White Paper was the culmination of 20 months of policy development by the Department.

In April 2008, the Australian Government announced that it would publish Australia's first comprehensive national aviation policy. The announcement was followed by the release of an issues paper, which detailed a range of challenges and issues confronting the Australian aviation industry, by the Minister for Infrastructure, Transport, Regional Development and Local Government.

More than 290 submissions were made in response to the issues paper. The Department was responsible for coordinating the development of a green paper (policy discussion paper) covering the matters raised in the issues paper and the responses to it. This included conducting extensive consultations to ensure that all interested stakeholders had an opportunity to provide input into the policy proposals identified in the green paper.

The green paper was released in December 2008, and set out possible future policy settings in the areas of international air services; domestic and regional air services; general aviation; skills; consumer protection; airport infrastructure; greenhouse gas emissions; and aircraft noise.

Following the release of the green paper, a further 234 submissions were received from aviation stakeholders and others with an interest in the industry, the services it provides and the impacts it has on communities and the environment. The Department was responsible for analysing the submissions and facilitating further consultation to help develop the final policy document.

In December 2009, the Australian Government released the Aviation White Paper, detailing a range of policy settings and initiatives for the long-term direction of the Australian aviation industry. The Department is now coordinating the implementation of those initiatives across government agencies and the industry.

# CHAPTER 5

## Regional development and local government



# REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT

## WHAT THIS CHAPTER COVERS

This chapter describes the Department’s regional development and local government portfolio outcome, Outcome 3 and reports on performance for the individual programs and administered items. Each report includes:

- an overview of the program’s functions and how it was delivered
- a summary of the program’s results against the key performance indicators and deliverables and targets published in the 2009–10 Portfolio Budget Statements (PBS)
- a summary of the results for any administered items delivered by the program in 2009–10, and
- a detailed report on the performance of the output in 2009–10 against the applicable headings from the 2009–10 PBS.

## OUTCOME AND PROGRAMS

Figure 5.1 shows the relationships between Outcome 3 and its programs, and identifies the business divisions responsible for delivering the programs.

**Figure 5.1 Outcome 3 and programs**





## PROGRAM 3.1—REGIONAL DEVELOPMENT

### Highlights

Under the \$176.0 million Better Regions program 100 of the 106 projects approved for funding were contracted. Projects were identified by local communities as priority investments for their regions.

A total of 167 projects were contracted under the \$40.0 million Jobs Fund–Bike Paths program. The program is expected to generate approximately 1,860 long-term and short-term jobs in communities across Australia.

The \$150.0 million Jobs Fund–Infrastructure Employment Projects program implemented major, innovative projects that are expected to generate 261 jobs in communities affected by the economic downturn. Projects included the \$20.0 million upgrade of roads, walking trails and accommodation facilities in the Fitzgerald River National Park in Western Australia.

Memorandums of understanding establishing the framework for Regional Development Australia (RDA) were signed with all state and territory governments. RDA committees were appointed in all state and territories.

The first RDA National Forum was held at Australian Parliament House, Canberra, on 18 March 2010. The forum, which was hosted by the Parliamentary Secretary for Infrastructure, Transport, Regional Development and Local Government, brought together committee chairs and deputy chairs to network to find solutions to common issues facing their regions, and to learn about relevant Australian Government programs, services and initiatives.

The final report of the Northern Australia Land and Water Taskforce, *Sustainable Development of Northern Australia*, was submitted to the Australian Government in December 2009 and released in February 2010.

The Department worked with the Western Australian Government, the Shire of Wyndham – East Kimberley and direct providers, to develop 29 project plans for the \$195.2 million East Kimberley Development Package. These projects deliver social and common use infrastructure investments and complement the Western Australian Government’s Ord Irrigation Expansion Project.

## Overview

Program 3.1 was delivered through the work of the Local Government and Regional Development Division and the Office of Northern Australia contributing to a range of regionally focused stakeholder consultation and engagement, research, policy development, and administered item delivery activities.

Program 3.1 included the following administered items:

- Better Regions
- East Kimberley Development Package
- Jobs Fund—Infrastructure Employment Projects
- Jobs Fund—Bike Paths
- Regional and Rural Research and Development Grants
- Regional Development Australia committees
- Regional Partnerships
- Remote Air Services Subsidy Scheme, and
- Regional Aviation Infrastructure Fund.

The budget and actual expenditure for each administered item is listed in Appendix A.

## Summary of performance

Tables 5.1 and 5.2 summarise the Department's results in delivering Program 3.1 against the key performance indicators and deliverables and their targets published in the 2009–10 PBS.

**Table 5.1 Summary of performance—Program 3.1 key performance indicators**

Key performance indicator	Target	Result
<i>Engagement with state, territory, local government and regional communities to facilitate sustainable economic and social development.</i>	RDA has a credible role within Australia's regions.	<i>Achieved</i> Regional Development Australia (RDA) committees have been appointed, and include at least two representatives from local government. Committees have opened offices and are building relationships with local governments and with community and business organisations. The key priority of committees is to prepare a regional plan/roadmap which provides a snapshot of the region and identifies priorities for action.  Strong committees are building a local profile and collaborating with stakeholders on issues and solutions.

Table 5.1 continued

Key performance indicator	Target	Result
<i>Access to air services for remote communities is maintained or improved.</i>	Funded projects are completed and the Department manages all projects funded by the Government in accordance with contracted requirements.	<b>Achieved</b> The scheme provided 244 remote and isolated communities across 10 geographical regions with access to a regular air service for the carriage of passengers and goods including medicines, fresh food and educational materials.  Air operator contracts were managed according to contractual requirements.
<i>Policy advice informs, and provides direction to the Government about key areas of need in regional Australia.</i>	Policy and administered items are developed and implemented to address regional needs.	<b>Achieved</b> The Department provides advice to other Australian Government agencies through Regional Australia Impact Statements.  Of the 10 funded projects of the Regional and Rural Research and Development Grants program, policy-orientated projects included a regional economic model, an analysis of tree change migration, and publications on local government cooperative models and sustainability in local governments.
<i>Policies and administered items promote and support the sustainable development of Northern Australia.</i>	Delivery of final report of the Northern Australia Land and Water Taskforce by December 2009.	<b>Achieved</b> The taskforce's final report was provided to the Australian Government on 16 December 2009 and publicly released on 8 February 2010.

**Results Key**

Not achieved	None or minimal progress was made against targets in 2009–10
Partially achieved	Some targets were met, and any issues are being managed
Substantially achieved	Targets were mostly met, and any issues are being managed
Achieved	All targets for 2009–10 were met or exceeded

**Table 5.2 Summary of performance—Program 3.1 deliverables**

<b>Deliverable</b>	<b>Target</b>	<b>Result</b>
<i>Provide advice to the Government concerning Northern Australia issues.</i>	Advice as required to the satisfaction of the Minister and Parliamentary Secretary.	The Office of Northern Australia (ONA) provided briefings and advice to the Parliamentary Secretary for Northern and Western Australia on issues affecting Northern Australia and contributed to initiatives managed by Australian Government agencies.
<i>Provide secretariat, funding and other support to the Northern Australia Land and Water Task Force to enable delivery to the Government by December 2009 of the Task Force final report.</i>	Delivery of the Taskforce final report in accordance with the terms of reference.	The Northern Australia Land and Water Taskforce report, "The Sustainable Development of Northern Australia" was delivered on schedule, on 16 December 2009, and in accordance with the terms of reference. The report was released in February 2010.
<i>Coordinate delivery of the East Kimberley Development Package and other administered items as required by the Government.</i>	Coordination of efficient, effective and timely delivery of the package.	All projects in the East Kimberley Development Package have project plans, agreed by the National and State Coordinators, that detail project implementation, defining scope, budget and timeframes.
<i>Enhance awareness of Northern Australia issues - including via better statistics, an enhanced website providing information to and about Northern Australia, and sponsorship and/or hosting of awareness raising events in the region.</i>	Publication of Statistical Compendium, an enhanced website and association with suitable events in Northern Australia.	ONA promoted awareness of BITRE's Northern Australian Statistical Compendium 2009 and sponsored the Australian Bureau of Agricultural and Resource Economics conference in March 2010.  The ONA website continued to provide information on current projects and events.
<i>Regional development objectives are supported through the effective and efficient delivery of administered items.</i>	Delivery of administered items consistent with guidelines and the Government's accountability requirements.	More than \$80.0 million of funding was provided to communities for more than 350 projects funded under regional development programs.  These programs were administered in accordance with the Commonwealth Grant Guidelines, relevant legislation, published guidelines and ANAO guidance. All grants were publicly disclosed on the Department's grants reporting requirements web page.

Table 5.2 continued

Deliverable	Target	Result
<i>Coordination of regional development policy and items, engagement with regional communities, management of administered items and policy advice to Government.</i>	Policy and administered items are developed and implemented to meet regional needs.	Regional Development Australia supported the engagement with regional communities.  The Department assisted the Foundation for Rural and Regional Renewal, which provides small grants to community bodies in regional Australia, in accordance with its funding agreement.
<i>Involvement in government committees and other forums so as to put forward issues relevant to Northern Australia and enhance alignment of the Government's policies and program delivery.</i>	Involvement in government committees and other forums.	ONA has been effectively engaging with federal, state and territory agencies on key policy and programs operating in Northern Australia.
<i>Efficient and effective management of administered items.</i>	Items are administered in accordance with relevant legislation, published guidelines and ANAO guidance.	Administered in accordance with relevant legislation and guidelines.

Table 5.3 provides a summary of the results achieved by each of the administered items under Program 3.1.

**Table 5.3 Summary of performance—Program 3.1 administered items**

Administered item	Result
Better Regions	A total of 106 projects were approved by 30 June 2010, of which the Department has contracted 100.
East Kimberley Development Package	<p>The 27 projects established in 2009–10 translated into 29 project plans, all of which were approved.</p> <p>A National Partnership Agreement with the Western Australian Government covers 21 projects. The Department has funding agreements for six projects with the Shire of Wyndham – East Kimberley and two funding agreements with direct providers.</p> <p>Of the \$87.1 million allocated in 2009–10, \$82.9 million was expended. The residual \$4.3 million was re-phased for payments occurring in 2010–11.</p>
Jobs Fund—Infrastructure Employment Projects	The Department contracted four Infrastructure Employment Projects. By 30 June 2010, a total of six projects had been approved.
Jobs Fund—Bike Paths	<p>The Department assessed more than 250 applications for bike path projects;</p> <p>173 projects were approved for funding and 167 of those were contracted. Construction was completed for 75 projects.</p>
Regional and Rural Research and Development Grants	The Regional and Rural Research and Development Grants program guidelines address three strategic priorities: Australian Government regional priorities; small local government and community support; and regional development conference support. In 2009–10, the program funded 10 projects.
Regional Development Australia committees	The Department provided funding to 55 Regional Development Australia committees via Operational Funding Agreements, which set out performance, governance and financial obligations.
Regional Partnerships	The Department has finalised an additional 66 Regional Partnerships projects; the remaining 14 projects will be finalised by 30 June 2011.
Remote Air Services Subsidy Scheme	<p>The scheme provided 244 remote and isolated communities across 10 geographical regions with access to a regular air service for the carriage of passengers and goods including medicines, fresh food and educational materials.</p> <p>Air operator contracts were managed according to contractual requirements.</p>
Remote Aviation Infrastructure Fund	Inspections were undertaken of relevant airstrips receiving services under the Remote Air Services Subsidy Scheme. The program of Remote Aviation Infrastructure Fund works was developed from these inspections and the first contract for works was signed following an open tender process. This contract is for the provision of works to four aerodromes in the Anangu Pitjantjatjara Yankunytjatjara Lands in South Australia.

## Detailed report on performance

The following report is against the headings from the applicable output from the 2009–10 PBS.

### I Support for sustainable development

#### *Better Regions*

In 2007 the Australian Government committed to fund certain projects that communities had identified as priority investments for their regions. The Department manages the delivery of those projects, including conducting risk assessments and contracting, through the Better Regions program.

At 30 June 2010:

- all 106 Better Regions projects had been approved for funding
- 100 projects had been contracted
- 23 projects had been completed, and
- 10 projects had completed construction and were waiting for final reports and audits.

The support for completed projects varied from a \$2.0 million contribution to the upgrade of an indoor sports centre to cater for recreational and cultural activities in Yamba, New South Wales, to a \$40,000 contribution to the purchase and installation of a rainwater tank for a community centre in Runcorn, Queensland.

To deliver the program, the Department developed processes and procedures consistent with the requirements of the *Financial Management and Accountability Act 1997*, the Australian National Audit Office (ANAO) Better Practice Guide and the Commonwealth Grant Guidelines. The ANAO's *Implementing Better Practice Grants Administration* report, published in June 2010, referred to the Better Regions program as a good example of establishing a grant program for implementing election commitments.

#### *Regional Partnerships*

The Regional Partnerships program was closed to new and unapproved projects in the May 2008 Budget. Over the life of the program 1,553 projects were approved for funding. The Department continues to manage Regional Partnerships projects, working closely with the funding recipients to ensure that projects are finalised as soon as possible.

The Department finalised 66 Regional Partnerships projects in 2009–10. Fourteen projects remain and will be finalised by 30 June 2011. The program was expected to be finalised by 30 June 2010; however, in 2009–10 a small number of projects were delayed by factors outside the funding recipients' control.

### *Jobs Fund initiative*

The Department played a key role in delivering the Jobs Fund, a \$650.0 million initiative to create jobs and develop skills through projects that build infrastructure and social capital in local communities. The Department is responsible for two components of the Jobs Fund: the \$40.0 million investment in bike paths; and \$150.0 million investment in Infrastructure Employment Projects.

### *Bike Paths*

The Department assessed more than 250 applications for Bike Path projects, of which 173 were approved for funding. A total of 167 of the approved projects were contracted, for \$36.8 million. These projects are expected to generate approximately 1,860 long-term and short-term jobs, as well as work experience opportunities and apprenticeships.

By 30 June 2010, 75 projects had completed construction. Some projects were delayed due to factors outside the funding recipients' control, such as adverse weather conditions or delays in obtaining planning approval. The remaining projects are expected to be finalised by 30 June 2011.

Support provided for bike path projects varied from a \$2.0 million contribution to the renewal of the 15.5 kilometre Fernleigh Track in Newcastle, New South Wales, to a \$10,500 contribution to the construction of a bicycle lane on Manton Street in Hindmarsh, South Australia. Both projects are expected to create a significant number of long-term and short-term jobs.

### *Infrastructure Employment Projects*

The Department implemented the Infrastructure Employment Projects program to support jobs through major infrastructure projects. The employment opportunities include long-term and short-term positions as well as work experience opportunities and apprenticeships. Projects under the program are initiated by the Australian Government.

At 30 June 2010:

- six projects had been approved for funding
- the Department had contracted four projects, for \$37.5 million, and
- two contracts were under negotiation, for \$25.5 million.

The approved projects were developed in conjunction with state and local government and non-government organisations. Three of these projects are:

- developing state-of-the-art office and rehearsal facilities for the Queensland Symphony Orchestra (\$9.0 million)
- upgrading roads, walking trails and accommodation facilities in the Fitzgerald River National Park in Western Australia (\$20.0 million), and
- constructing new facilities for the Wayside Chapel, and delivering programs and support for disadvantaged people, in Sydney (\$3.0 million).



The National Partnership Agreement to Support Local Government and Regional Development was approved in late May 2010 for projects contracted with state and territory governments. Extended negotiations to finalise this agreement with some states and territories led to initial delays in contracting projects. An implementation plan was developed under the agreement, in line with the requirements of the Intergovernmental Agreement on Federal Financial Relations and the program guidelines.

### *Regional Development Australia*

The Department implemented Regional Development Australia (RDA), a national network of 55 committees, to grow and strengthen Australia's regions. More than 600 committee members were appointed, an operational and governance framework was put in place, and funding arrangements were agreed.

RDA committees are building partnerships across all tiers of government and with local communities, to provide strategic and targeted responses to the economic, environmental and social issues impacting on the regions of Australia. RDA committees are also developing their regional plans/roadmaps, based on guidance and templates provided by the Department.

The RDA National Forum, for RDA Chairs and Deputy Chairs, was held at Parliament House, Canberra, on 18 March 2010. Hosted by the Parliamentary Secretary for Infrastructure, Transport, Regional Development and Local Government, the forum provided a range of opportunities for committees to learn more about Australian Government programs, services and initiatives. The forum succeeded in establishing strong links between the RDA committees, particularly in their work to develop solutions to challenges facing their regions.

The RDA Executive Officers National Induction was held on 1 and 2 June 2010 in Canberra, and attended by the executive officers from 55 RDA committees. The induction focused on the operational, governance and administrative aspects of RDA.

## **II Office of Northern Australia**

The Office of Northern Australia supported the implementation of the East Kimberley Development Package, working with the Western Australian Government, the Shire of Wyndham – East Kimberley and two Indigenous organisations to develop project plans to deliver 29 infrastructure projects. The projects will continue to 2011–12.

The Office of Northern Australia also provided:

- secretariat services to the Northern Australia Land and Water Taskforce, which delivered its final report in December 2009, and
- policy advice and briefings to the Parliamentary Secretary for Northern and Western Australia, on issues affecting Northern Australia.

## Case Study—East Kimberley Development Package

The \$195.2 million East Kimberley Development Package (EKDP) is a unique approach to the delivery of infrastructure and services in north-west Western Australia, based on collaboration between the Australian Government, state and local government and the community. The investment covers Kununurra, Wyndham and surrounding communities such as Warmun, Jungdranung, Oombulgurri and Kalumburu, and complements the Western Australian Government's \$220.0 million Ord – East Kimberley Expansion Project.

The EKDP coordinates the delivery of a range of social and common-use infrastructure projects in the areas of health (\$50.0 million), education and training (\$64.0 million), housing (\$50.0 million), transport (\$15.4 million) and community infrastructure (\$15.6 million).

The projects were developed to create opportunities for local Indigenous people, to give them experience and skills for the future. This is being facilitated by a local engagement officer and an Indigenous Employment Coordination Group, to bring together key employment-related stakeholders.

The projects are being delivered by several key partners, including the Western Australian Government (through a National Partnership Agreement), the Shire of Wyndham – East Kimberley, and two Indigenous organisations. This collaborative approach encourages coinvestment by the partners, where appropriate.

The Ngnowar Aerwah Seven Mile Residential Rehabilitation Centre, near Wyndham, is an example of how this collaborative approach benefits the delivery of key infrastructure for the community. The project is being delivered on the ground by the Ngnowar Aerwah Aboriginal Corporation, with funding from the EKDP and other Australian Government grants and from the Western Australian Government.

The centre provides support to people from the region who are seeking treatment to manage substance misuse issues. The EKDP funding has been used to improve the functionality and liveability of the centre through the provision of housing and offices for staff, recreational facilities and landscaping. This complements the state-funded construction of single and family accommodation units, treatment buildings, creche and common-use areas such as dining and kitchen facilities. The entire package of works will expand and improve the facility, allowing it to treat more people and begin to work with families in a holistic approach to rehabilitation and wellbeing.

The Ngnowar Aerwah Aboriginal Corporation is committed to engaging local and Indigenous workers. The corporation employs 38 Indigenous people to manage its services. On this project, 21 Indigenous people were engaged in the first stage, setting them on paths towards apprenticeships and ongoing employment.

The project is due to be completed in December 2010.

## PROGRAM 3.2—LOCAL GOVERNMENT

### Highlights

The Australian Government hosted the third meeting of the Australian Council of Local Government, the nation's largest gathering of mayors and shire presidents, at Parliament House on 18 June 2010. This meeting provided participants with the opportunity to contribute directly to the national local government policy debate and to discuss with the Prime Minister and federal ministers a range of issues including the impact of national policies and programs on their local communities and opportunities for new and enhanced cooperation between the Australian Government and local governments. During the meeting, the Prime Minister announced the two winners of the National Awards for Excellence in Local Government and an additional investment of \$100.0 million into community infrastructure such as libraries, community centres and sports-grounds and facilities.

The Australian Centre for Excellence in Local Government opened in December 2009, and is funded through an \$8.0 million grant from the Australian Government. Based at the University of Technology, Sydney, the centre is part of a consortium with the Australian and New Zealand School of Government, the University of Canberra, Local Government Managers Australia and the Institute of Public Works Engineering Australia.

The first quarter allocation of the 2010–11 Financial Assistance Grants funding was brought forward to the 2009–10 financial year to help councils take advantage of the global recovery.

During 2009–10 funding of \$331.9 million was provided for 1,592 community infrastructure projects under rounds one and two of the Regional and Local Community Infrastructure Program. Projects were identified by local communities as priority investments for their regions. Under rounds one and two 3,222 projects were completed.

The \$25.0 million Local Government Reform Fund was established to improve the sustainability of local councils. The fund is aimed at fast tracking improvements to local government infrastructure asset and financial management; and at encouraging collaboration and cooperation between councils, particularly in service delivery and planning. To date the Minister has announced projects totalling \$16.4 million under the fund, with \$50,000 paid in 2009–10.

The year 2010 is the Year of Women in Local Government. On 9 October 2009, the Minister for Infrastructure, Transport, Regional Development and Local Government and the Minister for Housing and the Status of Women announced that the Australian Government would provide \$0.5 million for projects to help improve the participation of women in local government around Australia.

## Overview

Program 3.2 was delivered through the work of the Local Government and Regional Development Division by providing advice to the Australian Government on local government issues and delivering its components.

The Program included the following administered items:

- Regional and Local Community Infrastructure Program<sup>1</sup>
- Local Government Financial Assistance Grants
- Local Government Reform Fund, and
- Supplementary funding to South Australian councils for local roads.

The budget and actual expenditure for each administered item is listed in Appendix A.

## Summary of performance

Tables 5.4 and 5.5 summarise the Department's results in delivering Program 3.2 against the key performance indicators and deliverables and their targets published in the 2009–10 PBS.

**Table 5.4 Summary of performance—Program 3.2 key performance indicators**

Key performance indicator	Target	Result
<i>Deliver policy advice on local government matters that supports the Government's agenda and builds capacity in local government to meet new or emerging challenges.</i>	The advice is used to support the Government's initiatives and assist local government's responses to emerging challenges and pursue better practice initiatives <sup>a</sup> .	<i>Achieved</i> The Minister and the Parliamentary Secretary for Infrastructure, Transport, Regional Development and Local Government were briefed on building local government capacity through the Local Government Reform Fund, the Australian Council of Local Government (ACLG), the Local Government Financial Assistance Grants, the National Awards for Local Government, the Australian Centre for Excellence in Local Government and the Local Government and Planning Ministers' Council (LGPMC).
<i>Implement items that enhance the capacity of local government to manage their infrastructure and financial planning responsibilities, through best practice governance arrangements and targeted investment.</i>	Local government increases its capacity to plan and manage their finances and infrastructure <sup>b</sup> .	<i>Achieved</i> Applications for the Local Government Reform Fund were received from states and territories and assessed. By 30 June 2010 funding had been announced for projects in Victoria, Western Australia, South Australia and the Northern Territory.

a This target was modified in the 2009–10 Portfolio Additional Estimates Statements; it was previously 'The advice is used to support the Government's initiatives and local government's responds to emerging challenges and pursue better practice initiatives.'

b This target was modified in the 2009–10 Portfolio Additional Estimates Statements; it was previously 'Local government increases its capacity to plan and manage investment.'

### Results Key

Not achieved	None or minimal progress was made against targets in 2009–10
Partially achieved	Some targets were met, and any issues are being managed
Substantially achieved	Targets were mostly met, and any issues are being managed
Achieved	All targets for 2009–10 were met or exceeded

1 The title of this administered item was changed from Community Infrastructure Program and advised in the 2009–10 Portfolio Additional Estimates Statements.

Table 5.5 Summary of performance—Program 3.2 deliverables

Deliverable	Target	Result
<i>Regional and Local Community Infrastructure Program funding provided to local government as part of the Nation Building – Economic Stimulus Plan.</i>	Ensure that projects that received funding are delivered on time and on budget.	<p>Of the projects that were approved for funding under Round 1 of the Regional and Local Community Infrastructure Program:</p> <ul style="list-style-type: none"> <li>• under the \$250.0 million program component, 3,197 projects have been completed, and</li> <li>• under the \$550.0 million program component, \$208.5 million has been paid against milestones and three projects have reached practical completion.</li> </ul> <p>All activities funded by the Australian Government are due to be completed by July 2012.</p>
<i>National Awards for Local Government – the NALG are characterised by higher levels of participation, increased prestige and opportunities for showcasing innovation and best practice.</i>	Participation rates increase to enhance quality and competitiveness of awards.	Winners of the 2010 National Awards for Local Government were announced on 17 June 2010. While slightly fewer entries were received this year (216) than in 2009, the number of councils submitting entries increased from 113 to 118.

Table 5.5 continued

Deliverable	Target	Result
<i>Support for Local Government and Planning Minister's Council meetings.</i>	Meetings held once a year that promote nationally consistent approaches to local government and planning matters.	<p>The LGPMC met twice, at:</p> <ul style="list-style-type: none"> <li>a meeting in Darwin on 8 and 9 October 2009, which included a joint session with the ACLG Steering Committee, and</li> <li>a meeting in Canberra on 12 February 2010, which included a session with the Housing Ministers' Conference to collaborate on the Council of Australian Governments' housing supply and affordability agenda.</li> </ul> <p>Key local government matters considered by the LGPMC included the Australian Government's Local Government Reform Fund; the endorsement of a strategy to increase the levels of participation by women at both elected and senior management levels; and an agreement to develop a workforce strategy aimed at strengthening capacity building in the sector.</p> <p>During the year the LGPMC continued to oversee the implementation of land use planning reforms, including streamlined approvals processes; enhanced strategic planning systems in cities; and responding to climate change.</p>
<i>Annual meeting of the ACLG - the ACLG meets annually to address issues of national significance and develop strategies and policies to meet emerging challenges.</i>	Meetings address nationally significant issues affecting local government.	The third ALCG meeting held on 18 June 2010 continued the Australian Government's ongoing dialogue with local government.
<i>The Centre of Excellence for Local Government is established and commences operations – the Centre builds capacity through the delivery of a range of programs to local government and to contribute to the public policy debate on local government operations and showcases best practice initiatives.</i>	Centre for Excellence established and commenced operation.	The Australian Centre for Excellence in Local Government was officially opened on 14 December 2009, and an annual project plan for 2010 was released.
<i>Efficient and effective management of administered items.</i>	Items are administered in accordance with relevant legislation, published guidelines and ANAO guidance.	Administered in accordance with relevant legislation and guidelines.

Table 5.6 provides a summary of the results achieved by each of the administered items under Program 3.2.

**Table 5.6 Summary of performance—Program 3.2 administered items**

Administered item	Result
Regional and Local Community Infrastructure Program	<p>All funds in the Regional and Local Community Infrastructure Program Round 2 \$100.0 million direct allocation component were allocated. The projects commenced and the majority of first reports were received and assessed.</p> <p>The Department assessed 190 projects for funding under the program's Round 2 \$120.0 million competitive grants component. Of the 48 approved projects, 17 received their initial payments.</p>
Local Government Financial Assistance Grants	<p>The Australian Government paid a total of \$1,954.6 million in Financial Assistance Grants; this total included an advance payment of one quarter of the 2010–11 entitlement, to ensure that local governments have immediate use of funds to take maximum advantage of the global recovery and to prepare for future challenges.</p>
Supplementary funding to South Australian councils for local roads	<p>South Australian local governing bodies received \$14.8 million in supplementary local road funding.</p>
Local Government Reform Fund	<p>Guidelines and operating arrangements for the fund were announced in October 2009. Funding proposals developed by state and territory governments in consultation with local government were sought. Projects were announced for Victoria, Western Australia, South Australia and the Northern Territory.</p>

## Detailed report on performance

The following report is against the components of Program 3.2 as set out in the 2009–10 PBS.

### I Assisting local governments to provide residents with an equitable level of services

The Australian Government provides Financial Assistance Grants to local governments under the *Local Government (Financial Assistance) Act 1995*.

In 2009–10, the Australian Government paid a total of \$1,954.6 million in Financial Assistance Grants. This total included an advance payment of the first quarter payment of the 2010–11 entitlement, to ensure that local governments have immediate use of funds to help them take maximum advantage of the global recovery and to prepare for future challenges.

South Australian local governing bodies received \$14.8 million in supplementary local road funding in 2009–10. This funding was allocated to local governing bodies in accordance with the recommendations of the South Australian Local Government Grants Commission. Eighty-five per cent of the supplementary funding was allocated to local governing bodies in accordance with their share of local road Financial Assistance Grants, while the remainder of the funding was allocated to special local road projects.

The Department administered funds for projects under the Regional and Local Community Infrastructure Program. As at 30 June 2010:

- of the Round 1 projects commenced in 2008–09
  - » 3,197 projects funded under the \$250 million direct allocation component were complete, and
  - » three projects funded under the \$550 million competitive grants component were complete, and \$208.5 million had been paid to projects as agreed milestones were achieved, and
- of the Round 2 projects commenced in 2009–10
  - » all funds in the \$100 million direct allocation component had been allocated, and
  - » under the \$120 million competitive grants component, 109 projects had been assessed, 48 had been approved and 17 had received initial payments.

### II Strengthening the role of local government

The Department played a key role in delivery of the Regional and Local Community Infrastructure Program, a more than \$1.1 billion initiative available to local governments to support local jobs and provide long-term benefits to communities by renewing and upgrading local infrastructure.

The third meeting of the Australian Council of Local Government, held at Parliament House in Canberra on 18 June 2010, brought together more than



400 local government representatives, federal ministers and parliamentary secretaries. Discussions continued the Australian Government's ongoing dialogue with local government on improving the delivery of infrastructure and services to local communities.

The Australian Government has announced that it will provide \$250,000 to the Australian Local Government Association to raise the profile of constitutional recognition of local government, particularly in local communities.

The Australian Centre for Excellence in Local Government, funded through an \$8.0 million grant from the Australian Government, was officially opened by the Minister on 14 December 2009. The centre released its first annual project plan, detailing its program of activities for 2010.

The 2010 winners of the National Awards for Local Government, which recognise, reward and promote the innovative work of local governments across Australia, were announced by the Prime Minister and the Minister on 17 June 2010.

The Australian Government established the Local Government Reform Fund to:

- improve capability in local government, to achieve better outcomes for communities through asset management and financial planning processes and anticipation of infrastructure needs, and
- encourage collaboration between councils.

Guidelines and operating arrangements for the reform fund were announced at the Local Government and Planning Ministers' Council meeting held in Darwin in October 2009. The Australian Government subsequently sought funding proposals for projects that addressed the program objectives, developed by the state and territory governments in consultation with local government stakeholders. Projects have been announced for Victoria (nearly \$2.4 million), Western Australia (\$2.3 million), South Australia (up to \$2.7 million) and the Northern Territory (up to \$1.4 million).

The year 2010 is the Year of Women in Local Government. On 9 October 2009, the Minister for Infrastructure, Transport, Regional Development and Local Government and the Minister for Housing and the Status of Women announced that the Australian Government will provide \$0.5 million for projects to help improve the participation of women in local government around Australia, including:

- \$100,000 to the Australian Centre of Excellence for Local Government for the collection of nationally consistent data on women in local government
- \$100,000 to support the participation of women in an Excellence in Local Government Leadership program being developed by the Australia and New Zealand School of Government, and
- \$100,000 contribution towards the Australian Local Government Women's Association's \$250,000 50:50 Vision—Councils for Gender Equity accreditation program.

## Case study—Regional and Local Community Infrastructure Program

The Regional and Local Community Infrastructure Program (RLCIP) is part of an Australian Government initiative to stimulate the economy, provide community infrastructure, strengthen links between levels of government, and encourage local government authorities to work together.

The program provides funding to local government authorities for infrastructure projects they have identified. Since its introduction, in November 2008, the RLCIP has made more than \$1.1 billion available for more than 4,800 projects to build and modernise community infrastructure.

The RLCIP is divided into two components, enabling local governments to consider both small and larger infrastructure projects. One component directly allocates funds to all councils on a proportional basis, while the other awards funds to successful councils based on a competitive application process. The non-competitive, allocated component allows local government bodies to spend funds on a range of small or medium-sized projects of their choice—one council chose more than 40 projects to fund through its allocation. The competitive, application-based component is aimed at larger, strategic projects.

Round 1 of the allocated component of the RLCIP provided \$250.0 million for small infrastructure projects which local government bodies identified and selected themselves, based on local knowledge of their community needs. Projects funded under Round 1 which were completed during the 2009–10 financial year include:

- five projects chosen by the Central Coast Council in Tasmania—the resulting refurbishment of two community halls, upgrades to showground meeting facilities and a community centre kitchen, and completion of a seawall and footpath linking two beaches will provide positive community space for locals as well as potential tourist attractions, and
- nine projects chosen by the Warrnambool City Council in Victoria—one of the projects saw the council collaborate with its neighbour, the Moyne Shire Council, to construct a 37 kilometre rail trail from the Moyne River in Port Fairy through Koroit to Warrnambool. The RLCIP funds helped to construct boardwalks for the rail trail's low-lying areas along the Merri River. The Warrnambool City Council's other projects covered diverse community interests, and included improving sport and recreation facilities, refurbishing Warrnambool's History House, and making the Warrnambool Airport power supply and telecommunications ready for an emergency air ambulance helicopter.

Through both rounds of the RLCIP, the experience of local government authorities identifying and delivering locally valued infrastructure projects has been repeated in all 566 local government areas (including the Australian Capital Territory).

# CHAPTER 6

## Infrastructure Australia





## Australian Government Infrastructure Australia

The Hon Anthony Albanese MP  
Minister for Infrastructure and Transport  
Parliament House  
CANBERRA ACT 2600

Dear Minister

I am pleased to present the Infrastructure Australia Annual Report for the year ended 30 June 2010.

This report has been prepared in accordance with section 26 of the *Infrastructure Australia Act 2008*, which also requires that you table the report in the Parliament.

During the year, Infrastructure Australia fully achieved its targets as published in the Infrastructure, Transport, Regional Development and Local Government 2009–10 Portfolio Budget Statements.

Our second report, *Getting the Fundamentals Right for Australia's Infrastructure Priorities*, has been presented to the Council of Australian Governments. The report updates Infrastructure Australia's advice on national infrastructure reforms and investments for Australia; builds on the national strategy reviews that were announced in our first report, and provides the latest analysis of Australia's infrastructure priorities in the context of those reviews. The report focuses on a series of reform recommendations, and stresses that enacting 'better use' reforms is as important as making new capital investments. The report also updates the nation's infrastructure priorities. This year a spectrum of projects is provided from 'ready to proceed' to those showing genuine potential.

During the year, a review of urban and regional water security strategies was undertaken, a national ports strategy was completed and extensive consultation was conducted to develop a national freight strategy, which is nearing completion. A detailed report on Infrastructure Australia's performance appears as Chapter 6 within the Department of Infrastructure, Transport, Regional Development and Local Government's 2009–10 Annual Report.

No ministerial directions under section 26(2) of the *Infrastructure Australia Act 2008* were received by Infrastructure Australia during the year. The Department's Annual Report contains the information required under the *Freedom of Information Act 1982*.

Again I would like to take this opportunity to thank the staff of the Office of the Infrastructure Coordinator for their professionalism and dedication in assisting Infrastructure Australia to achieve these goals and the other activities that were performed by Infrastructure Australia this year.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Rod Eddington'.

Sir Rod Eddington  
Chair  
Infrastructure Australia

## PROGRAM 1.2—INFRASTRUCTURE INVESTMENT COORDINATION

### Highlights

*Getting the Fundamentals Right for Australia's Infrastructure Priorities*—a report on national infrastructure reforms and investments and update of the nation's infrastructure priorities—was presented to the Council of Australian Governments (COAG).

As part of its role to provide advice to governments of the issues and impediments to the efficient use of nationally significant infrastructure, Infrastructure Australia conducted a review of existing urban water security strategies, institutional arrangements and regulatory reform programs.

A national ports strategy, designed to improve the efficiency of port-related movements across infrastructure networks was prepared for consideration by COAG.

Infrastructure Australia began work on a national freight strategy. The strategy will be completed in 2010–11 and presented to COAG for its consideration.

### Overview

Program 1.2 was delivered by Infrastructure Australia. Program 1.2 does not have any administered items.

Infrastructure Australia is a statutory body which advises governments, investors and infrastructure owners on a wide range of issues. These include:

- Australia's current and future infrastructure needs
- mechanisms for financing infrastructure investments, and
- policy, pricing and regulation and their impacts on investment and on the efficiency of the delivery, operation and use of national infrastructure networks.

The Infrastructure Australia Council also advises on the development of regulatory frameworks and the more efficient operation and delivery of infrastructure, to promote productivity improvements.

Infrastructure Australia has 12 members, formally appointed by the then Minister for Infrastructure, Transport, Regional Development and Local Government. The Chairman, Sir Rod Eddington, and his fellow members are shown in Figure 6.1.

Figure 6.1 Infrastructure Australia Council



### Summary of performance

Tables 6.1 and 6.2 summarise Infrastructure Australia’s results in delivering Program 1.2 against the key performance indicators and deliverables and their targets published in the 2009–10 PBS.

**Table 6.1 Summary of performance—Program 1.2 key performance indicators**

Key performance indicator	Target	Result
<i>Infrastructure and urban system initiatives are promoted in order to maximise economic development and productivity.</i>	Initiatives endorsed by government.	<i>Achieved</i> Infrastructure Australia conducted research into urban and regional water security and quality. The reports recommend a range of institutional, governance and procedural changes to maximise economic development and productivity.  A national ports strategy was developed for consideration by COAG.
<i>Integrated infrastructure and urban system priorities are identified to address the local, regional and national needs of Australians.</i>	Integrated infrastructure and urban system priorities identified for transport, energy communications and water infrastructure.	<i>Achieved</i> <i>Getting the Fundamentals Right for Australia’s Infrastructure Priorities</i> , Infrastructure Australia’s second report on national infrastructure reforms and investments and an update of the nation’s infrastructure priorities, was presented to COAG.
<i>Demonstration projects and initiatives promote infrastructure efficiency and urban sustainability.</i>	Government endorsement of projects supported by IA.	<i>Achieved</i> A number of demonstration projects were identified in Infrastructure Australia’s 2009–10 report: for example, Route 86 in Melbourne.

**Results Key**

- Not achieved      None or minimal progress was made against targets in 2009–10
- Partially achieved      Some targets were met, and any issues are being managed
- Substantially achieved      Targets were mostly met, and any issues are being managed
- Achieved      All targets for 2009–10 were met or exceeded

**Table 6.2 Summary of performance—Program 1.2 deliverables**

Deliverables	Target	Result
<i>Resourcing, governance and oversight mechanisms to facilitate the implementation of identified infrastructure and urban system initiatives are recommended to government.</i>	Recommendations endorsed by government.	Infrastructure Australia coordinated the development of <i>Commercial Principles for Economic Infrastructure</i> , the final volume of the National Public Private Partnership Policy and Guidelines.  The principles were endorsed by the COAG Infrastructure Working Group in May 2010.
<i>Project management and governance practices recommended to ensure the implementation of identified infrastructure and urban system initiatives on time and within budget and scope.</i>	All recommended practices adopted.	The Department has adopted enhancements to its project management and governance processes as recommended by Infrastructure Australia.

### Detailed report on performance

The following report is against the components of Program 1.2 as set out in the 2009–10 PBS.

#### I Infrastructure Australia

##### *Report to Council of Australian Governments*

In 2009–10, Infrastructure Australia presented its second report to the Council of Australian Governments (COAG), *Getting the Fundamentals Right for Australia's Infrastructure Priorities*. The report emphasised the need for ongoing and substantial reform, not only in the transport sector but across several areas of infrastructure policy. Many of the recommended reforms are focused on improving the planning of Australia's infrastructure networks, and improving pricing and cost recovery for use of those networks.

The report also updated Infrastructure Australia's recommended infrastructure priorities. This update identified projects with an estimated capital cost of \$82.8 billion, including five projects (with an estimated joint capital cost of \$11.6 billion) in the 'ready to proceed' category.

While some project proposals may show good alignment with Infrastructure Australia's strategic priorities, the relevant business cases may be at an early stage of development. Recognising that infrastructure projects normally traverse a process of strategic planning, pre-feasibility and feasibility studies, this year the recommended pipeline projects were more finely differentiated.



### *Implementation of Building Australia Fund projects*

The Department has adopted enhancements to its project management and governance processes, as recommended by Infrastructure Australia.

### *Long-term infrastructure demand and cost model*

Infrastructure Australia has developed a long-term model (to 2056) to test alternative scenarios for the development of Australia's infrastructure networks. The model covers all four economic infrastructure sectors: transport, water, energy and communications infrastructure. Infrastructure Australia will develop and apply the model in 2010–11.

### *Carbon offsets for infrastructure*

During 2009–10, Infrastructure Australia commissioned work to provide an initial analysis of the costs and benefits of establishing a carbon offsets program for the embedded emissions associated with the construction of new infrastructure. This work is being reviewed, with a view to providing advice to government on available options in 2010–11.

### *Protection of infrastructure corridors*

A nationwide review of current practices in the planning, protection and acquisition of corridors for future infrastructure networks has been initiated. This work is expected to be completed during 2010–11.

### *Review of urban water security strategies*

The availability of high-quality, reliable and affordable water is fundamental to maintaining a high living standard for all Australians. The urban water sector in Australia has been undergoing reform for many years; however, the rate of progress is slower in some jurisdictions than in others.

As part of its role to provide advice to governments on the issues and impediments to the efficient use of nationally significant infrastructure, during 2009–10, Infrastructure Australia reviewed existing urban water supply strategies, institutional arrangements and regulatory reform programs.

The review was designed to identify opportunities to enhance existing water supply security strategies and build on the reforms already underway through the National Water Initiative and state and territory water reform programs.

The review found that the capacity to meet current and future demand is a significant challenge for many urban areas. In many instances, the lack of clear responsibility has resulted in poor coordination, duplication of processes, and the preparation of plans by water businesses that are not fully consistent with government objectives.

Infrastructure Australia recommended a range of institutional, governance and procedural changes to maximise economic development and productivity. These

recommendations focus on improved planning frameworks; enhanced water pricing regimes; increased competition in urban bulk supply; and increased consumer choice.

Consultation on the implementation of recommendations and the development of action plans will continue in 2010–11.

### *Review of water quality and security in regional towns*

Infrastructure Australia's water security review found that less than full cost recovery is a common feature of water utilities servicing regional areas. Many utilities servicing regional towns are not recouping the costs of supplying water, let alone providing for capital improvements.

Under the current governance arrangements there are insufficient incentives for water utilities to meet their minimum water quality and water security service standards. Water utilities servicing regional communities struggle to implement and comply with the Australian Drinking Water Guidelines. This is particularly so for smaller water utilities. A key reason for non-compliance is the absence of the necessary skills, experience and knowledge in many regional communities.

If water governance arrangements for water utilities in New South Wales and Queensland were organised on a catchment basis, as is the case in Victoria, significant benefits could be achieved.

A plan to address Infrastructure Australia's findings will be developed in consultation with key stakeholders in 2010–11.

### *Public–private partnership guidelines*

During 2009–10, Infrastructure Australia coordinated the development of Commercial Principles for Economic Infrastructure, the final volume of the National Public Private Partnership Policy and Guidelines. The principles were endorsed by COAG's Infrastructure Working Group in May 2010 and will be submitted to the next COAG meeting for approval.

### *National ports strategy*

After extensive industry and public consultation, and the release of a draft national ports strategy in conjunction with the National Transport Commission in May 2010, Australia's first national ports strategy was prepared for consideration by COAG.

The national ports strategy is designed to improve the efficiency of port-related freight movements across infrastructure networks, while balancing the needs of a growing Australian community and economy with the quality-of-life aspirations of the Australian people. The strategy focuses on transparency; integrated planning; improved landside efficiency, reliability and safety; and clear accountabilities. The strategy has been welcomed by the ports and freight community.

### *National freight strategy*

Infrastructure Australia's infrastructure audit recommended the integration of rail and road freight infrastructure planning and investment to promote a coordinated freight network that is better linked to economic and land use planning.

To address this, in 2009–10, Infrastructure Australia conducted substantial research into issues relevant to a national freight network. It also initiated detailed consultations with governments, industry and interested parties and called for public submissions. The research and consultation was specifically focused on complementing the national ports strategy.

The national freight strategy will be completed in 2010–11. Following completion of its policy development work for freight, Infrastructure Australia will focus on the 'moving people' agenda through an integrated national transport strategy.

### *Superannuation*

There is a strong synergy between superannuation and infrastructure. Both are investments in the nation's future economic prosperity. Attracting investment from superannuation funds into Australian infrastructure provides a unique opportunity to take advantage of this synergy.

As infrastructure costs continue to rise and the ability of governments to fund infrastructure through traditional funding mechanisms is increasingly constrained, ownership of public assets can be fully or partially retained by Australian workers, producing stable returns through their retirement savings.

Superannuation funds currently invest around 3 per cent in infrastructure, a mere fraction of Australia's major savings pool. Infrastructure Australia has commenced discussions with the superannuation industry to better understand the barriers to investing directly in Australian infrastructure, with a view to developing opportunities to attract more investment in Australian infrastructure and unlocking capital in existing assets. Work on this issue will continue in 2010–11.

### *Congestion pricing*

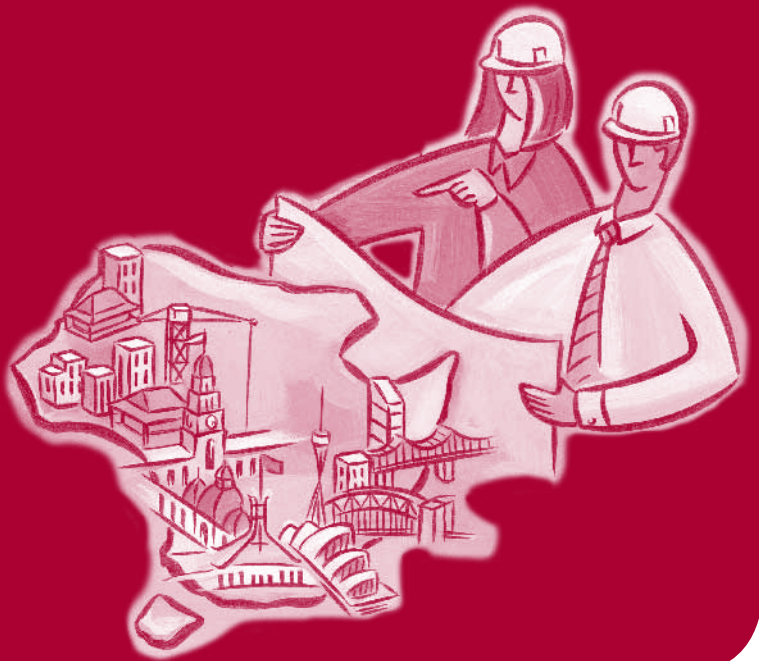
Traffic congestion undermines the productivity, liveability and sustainability of Australia's capital cities. As Australia develops its future infrastructure priorities and strategies, transport reform and investment initiatives must deliver practical solutions to reduce congestion in our cities.

As part of this solution, Infrastructure Australia is investigating the role that congestion pricing might play in allowing more informed travel decisions to be made and encouraging changes to road use behaviour. Charging more directly for congestion has the potential to produce more efficient road use. Recommendations will be made during 2010–11.



# CHAPTER 7

## Management and accountability



## MANAGEMENT AND ACCOUNTABILITY

The Department efficiently, effectively and ethically manages the resources entrusted to it, consistent with the Australian Public Service (APS) Values, the *Public Service Act 1999*, the *Financial Management and Accountability Act 1997* and other relevant legislation.

This chapter should be read in conjunction with relevant appendices, including:

- Appendix C—Report under *Disability Discrimination Act 1992* with regard to the Commonwealth Disability Strategy
- Appendix D—Report under the *Environment Protection and Biodiversity Conservation Act 1999* on ecologically sustainable development principles
- Appendix E—Report under the *Freedom of Information Act 1982*
- Appendix F—Report under the *Occupational Health and Safety Act 1991*, and
- Appendix H—Additional human resource information.

## CORPORATE GOVERNANCE

### Governance framework

The Department's governance framework is designed to ensure that the principles of good governance are applied in all aspects of the Department's work, and high standards of performance, conformance and accountability are maintained. The governance framework promotes ethics, integrity, transparency and accountability to maintain high standards of governance and instil confidence in all those who deal with the Department.

In 2009–10 the Secretary commissioned a strategic audit of the Department's functions, with a view to improving oversight, efficiency and effectiveness in direction setting, decision making, risk management and accountability. As a result of the strategic audit:

- the Policy and Research Division was established, to develop high-quality, relevant research and policy that demonstrably support the work of other divisions, the Minister and the Australian Government more broadly
- the Community Engagement Branch was established, within the Corporate Services Division, to provide advice and support for all the Department's stakeholder engagement needs, and
- the Major Infrastructure Projects Office was established, within the Nation Building—Infrastructure Investment Division, to manage a number of key infrastructure projects and become a department-wide centre of excellence on project management.

During 2009–10, senior management committees led and coordinated the maintenance of sound governance standards in the Department. Supporting the Secretary in his role as agency head and decision maker, senior management committees focused on:

- efficiently and effectively managing the Department in accordance with APS legislative requirements
- delivering programs that were timely and of a high quality, and contributed to the achievement of the Australian Government’s desired outcomes, and
- being open and accountable to stakeholders in meeting the Department’s obligations.

Three high-level departmental groups meet regularly and assist the Secretary and senior management in the Department’s decision-making process. They are the:

- Secretary’s Business Meeting
- Executive Management Team, and
- Senior Executive Service Management Team.

As Figure 7.1 illustrates, five committees were in place to support the high-level groups. They are the:

- Audit Committee
- Strategic Information Technology and Security Committee
- Finance and Reporting Committee
- People and Capability Committee (which includes the OH&S Committee), and
- Departmental Consultative Committee.

**Figure 7.1 Governance committee framework in 2009–10**



## High-level groups

The most senior of the Department's committees is the Secretary's Business Meeting, composed of the Secretary, the three Deputy Secretaries and the Chief Operating Officer. The meeting is held weekly to consider high-level policy and departmental resourcing and operational matters.

The Executive Management Team, which also meets weekly, is the key information-sharing forum. The team consists of the Secretary, the Deputy Secretaries, the Chief Operating Officer and Executive Directors (heads of the Department's business divisions). Other employees, including the Chief Financial Officer, General Counsel, Chief Information Officer, General Manager People and Performance, General Manager Community Engagement, and General Manager Governance and Reporting, attend meetings in an advisory capacity.

The Executive Management Team meets to:

- receive briefings from executive directors on key issues for each business division
- consider proposals and receive updates on issues such as financial and human resource management
- receive advice from the Secretary's Business Meeting, and
- provide the Secretary with an opportunity to communicate key messages.

All Senior Executive Service (SES) employees are required to demonstrate leadership in departmental governance and management through their participation in monthly Senior Executive Service Management Team meetings.

## Audit Committee

The Audit Committee provides assurance and assistance to the Secretary on the Department's risk, control and compliance frameworks and external accountability responsibilities. The Audit Committee has a sub-committee whose primary role is to oversee financial statements reporting and processes on behalf of the Audit Committee.

In accordance with its charter, the Audit Committee:

- monitors the Department's risk management framework
- endorses the internal audit work program and monitors its implementation
- provides a forum for the Department and the Australian National Audit Office (ANAO) to exchange views on external audit findings and associated recommendations, and
- oversees the preparation of the Department's financial statements, in conjunction with the Financial Statements Sub-committee.

In 2009–10 the Audit Committee met five times. The committee had a membership of nine, including three independent members; the Chair of the Audit Committee was Deputy Secretary Stephanie Foster. Meetings were



also attended by observers, including representatives from other areas of the Department and from the ANAO, as required.

### Other committees

The following is a brief description of the roles of the other committees that underpin good governance in the Department.

- The Strategic Information Technology and Security Committee develops a common vision for the Department's information technology (IT) data collection, funding and security requirements and priorities.
- The Finance and Reporting Committee oversees the Department's Budget process and considers monthly reports, budget priorities and non-IT capital investment proposals.
- The People and Capability Committee considers strategic capability-building issues and funding priorities, and fosters relationships between divisions to achieve a cohesive, shared approach to enhancing people management. An occupational health and safety sub-committee reports to the People and Capability Committee.
- The Departmental Consultative Committee is the main forum for ensuring the views of employees are taken into account in the operation and implementation of the Department's Enterprise Agreement 2009–2011.

A number of project management boards oversee and report on program planning and implementation. The project boards are designed to support program governance in terms of strategy and direction, to manage risks associated with decision making, and to focus on ensuring that the programs achieve their goals.

### Planning and reporting framework

The Department publishes detailed plans in May as part of the Budget papers. The Portfolio Budget Statements (PBS):

- describe the departmental outcomes, programs and administered items for which the Department will receive funding in the coming budget year
- detail the objectives and components of each program, and the goods and services that the program will deliver during the year
- set the financial and other performance targets that will apply to each program, and
- present the Department's budgeted financial statements for the budget year and three out-years.

These plans are updated, if required, in the Portfolio Additional Estimates Statements (PAES) and Portfolio Supplementary Additional Estimates Statements (PSAES). For 2009–10, PAES were published in November 2010 and no PSAES were published.

The PBS are used to inform the development of strategic business plans for each division. These business plans, within the operating context for the year

ahead, present an environmental scan, divisional position, key deliverables and functional activities, significant risks and available resources.

Each quarter, the Executive of the Department asks divisions to review their progress against their business plans. This review process informs the Executive of achievements and any emerging areas of concern in relation to the continued delivery of agreed outcomes. The quarterly reviews also allow for an exchange between the Executive and divisions to ensure that the Department is well placed to address planned and unplanned priorities.

### **Enterprise-wide risk management**

In 2009–10, the Department maintained an overarching risk management policy which provided a formal framework for managing and monitoring identified risks. This involved:

- facilitating strategic risk assessment workshops for the Department’s executive directors, to ensure that the Department’s risks are updated in line with changing functions and directions,
- conducting risk assessment workshops with all business divisions in the Department, to ensure that divisional risks are identified and mitigated, and
- updating the departmental risk profile which formed the basis of the Department’s 2009–10 internal audit work plan.

### **Disclosure of major risks**

As required, the Department continued to disclose in the Budget papers fiscal risks and contingent liabilities with a large potential impact. The enterprise-wide fiscal risks disclosed for 2009–10 were managed without significant impacts.

They related to:

- compensation for Airservices Australia in the event it experiences any financial detriment as a result of complying with government directions about airspace control services
- indemnities for Maritime Industry Finance Company Limited board members
- tripartite deeds applying to 12 leased federal airports—these provide financiers with limited step-in rights when an airport lease is terminated, to enable them to correct the circumstances that triggered termination of the lease, and
- clean-up costs, arising from ship-sourced marine pollution incidents, that cannot be recovered.

### **Protective security and fraud control**

The Department continued to monitor contemporary risk factors during 2009–10, to maintain an appropriate level of assurance for the Executive and to meet the Australian Government’s protective security expectations. This process will move forward in 2010–11 to align with the Australian Government’s Protective Security Policy Framework. The Department’s risk profile remains at a ‘low’ status.

The Department’s Fraud Control Plan and processes for controlling, investigating and reporting on fraud all comply with the Commonwealth Fraud Control Guidelines, as certified by the Secretary in the letter of transmittal of this annual report.

### **Internal audit**

In 2009–10, approximately 80 per cent of the internal audit budget was allocated to performance audits. The internal audit work program was designed to focus on core business activities, particularly program administration, and to mitigate risks identified through the annual risk assessment processes.

The following audits were undertaken:

- Protective Security/Document Security
- IT Disaster Recovery Review
- Legislative Compliance
- Review of Nation Building—Economic Stimulus Plan programs
- IT Security and Access Controls
- Review of SAP Interfaces
- Management of Credit Cards
- Post Implementation Review—Project Management Reporting
- National Bike Paths Program, and
- Collection of Public Monies on behalf of the Australian Maritime Safety Authority.

### **Ethical standards**

In May 2010, the Department introduced a new requirement for probity plans for all grant programs, open tender activities above \$500,000 and any other procurement activity considered to be high risk or sensitive. These probity plans are to be developed using standard templates designed to ensure that the highest standard of ethical behaviour is evident in all covered processes.

In 2009–10, the Department continued to deliver the training program Working Ethically and Professionally in the APS, which is specifically aimed at building capability in ethical decision making and behaviour in accord with the APS Values and Code of Conduct.

## Client service standards

The Department is committed to providing its clients with a high level of service, and welcomes feedback on its results. The Department's client service charter sets out its service standards and explains how clients can provide feedback or lodge a complaint if they are not satisfied with the service they have received. The client service charter is available on the Department's website at <[www.infrastructure.gov.au/departments/about/charter.aspx](http://www.infrastructure.gov.au/departments/about/charter.aspx)>.

In 2009–10, six complaints were received and resolved under the provisions of the client service charter. The complaints related to delays in processing vehicle import applications or issues with the Department not responding to phone calls or emails. All complaints were investigated and, where appropriate, internal procedures were amended to reduce the risk that such concerns may arise again.

## EXTERNAL SCRUTINY

### Decisions of courts and tribunals

In 2009–10 the Department was involved in a range of matters before Australian courts and tribunals. The matters related to issues such as motor vehicle imports, airport planning approval and personal injury claims. Some of the matters were ongoing at 30 June 2010.

A significant matter which concluded during the year was the matter of *Lihou and Others v Commonwealth of Australia*. This matter was resolved in June 2010.

### Legal services expenditure

Under paragraph 11.1(ba) of the *Legal Services Directions 2005*, issued by the Attorney General, the Department required to make publicly available their legal services expenditure for the previous year. For 2009–10 the Department's legal expenditure was:

- Total external legal services expenditure      \$3,532,252
- Total internal legal services expenditure      \$ 843,581

### Audit office and parliamentary scrutiny

Reports on matters relating to the Department are released by the ANAO, parliamentary committees or other public bodies from time to time.

The Department formally responds to ANAO reports in writing, and the ANAO includes the Department's responses in its reports. The ANAO makes its reports available online at <[www.anao.gov.au](http://www.anao.gov.au)>.

Details of the reports of parliamentary committee inquiries are available online at <[www.aph.gov.au/committee/index.htm](http://www.aph.gov.au/committee/index.htm)>. The Australian Government tables its responses to parliamentary inquiries and other reports in the Parliament.

Table 7.1 lists the reports relating to the Department that were released in 2009–10.

**Table 7.1 External reports relating to the Department in 2009–10**

Inquiry type	Title	Tabled
<i>Australian National Audit Office</i>		
Performance audits	<i>Airservices Australia's Upper Airspace Management Contracts with the Solomon Islands Government</i>	5 November 2009
	<i>Management of the Strategic Regional Program/ Off-Network Program</i>	22 April 2010
	<i>Management of the AusLink Roads to Recovery Program</i>	22 April 2010
Cross-portfolio audits	Audit of the Financial Statements of Australian Government Entities for the Period Ended 30 June 2009	17 December 2009
	Effective Cross-Agency Agreements	26 May 2010
	Fraud Control in Australian Government Agencies	27 May 2010
	Interim Phase of the Audit of Financial Statements of Major General Government Sector Agencies for the Year ending 30 June 2010	24 June 2010
<i>Parliamentary committees</i>		
House of Representatives Standing Committee on Infrastructure, Transport, Regional Development and Local Government	<i>The Global Financial Crisis and regional Australia</i>	23 November 2009
Senate References Committee on Rural and Regional Affairs and Transport	<i>Investment of Commonwealth and State funds in public passenger transport infrastructure and services</i>	20 August 2009
Senate Legislation Committee on Rural and Regional Affairs and Transport	<i>Excise Tariff Amendment (Aviation Fuel) Bill 2010 [Provisions]</i>	23 June 2010
	<i>Customs Tariff Amendment (Aviation Fuel) Bill 2010 [Provisions]</i>	23 June 2010

Senior Executive Service (SES) level employees of the Department, in addition to attending specific parliamentary inquiries, also attend Senate estimates committee hearings to respond to questions about the Department's activities.

Table 7.2 provides a summary of the number of parliamentary questions on notice received by the Department.

**Table 7.2 Parliamentary questions in 2009–10**

Source of questions	Number
House of Representatives	34
Senate	44
Senate estimates committee hearings	607
<b>Total</b>	<b>685</b>

### Complaints made through external bodies

In 2009–10, the Ombudsman received 10 approaches about the Department, representing a 55 per cent decrease on the result for the previous year. The Ombudsman's Office elected to investigate one of the matters raised and made a finding of administrative deficiency.

Clients also have rights of complaint to the Privacy Commissioner and the Australian Human Rights Commission. In 2009–10, no complaints about the Department were investigated by the Privacy Commissioner or the Australian Human Rights Commission.

Table 7.3 provides information on external complaints and scrutiny.

**Table 7.3 External complaints and scrutiny in 2009–10**

	Number
<b>Complaints recorded by the Commonwealth Ombudsman</b>	
Complaints received	10
Finding of defective administration	1
Formal reports to the Minister under the <i>Ombudsman Act 1976</i>	0
<b>Complaints recorded by other external bodies</b>	
Complaints to the Australian Human Rights Commission	0
Complaints to the Privacy Commissioner	0

## MANAGEMENT OF HUMAN RESOURCES

### Human resource strategy

The Department places a high priority on its people, and remains focused on people management to ensure that it has the necessary capability to deliver outcomes for the Australian Government and achieve its goals.

The Department seeks to be regarded as a public sector employer that is professional, has integrity and offers a rewarding place to work. The Human Resource Strategy for 2010 to 2015 highlights four priority areas—positive work culture, recruitment, development and retention—and outlines the key initiatives that will be undertaken to position the Department to continue to meet its human resource requirements now and into the future.

One of the key initiatives is workforce management and planning. Workforce planning was successfully piloted in three business divisions in 2009–10, and is currently being rolled out across the Department.

### Learning and development

The Department's learning and development program includes a range of staff development activities shaped by the Department's business priorities, the broader public service direction and individual development needs identified through the Department's performance management system. It is further informed through executive forums and learning activity evaluation reports.

In 2009–10 there was a strong focus on developing specific capabilities to assist in the delivery of the Department's outcomes. The identified capability areas, which are being addressed by high-priority training programs, include project management; regulation and legislation; strategic policy process and analysis; stakeholder engagement; and organisational leadership skills. Initiatives were put in place to meet these skill needs in 2009–10.

### Graduate development program

In November 2009, 28 graduates successfully completed the Department's graduate program. In January 2010, 28 new graduates commenced.

Graduates were drawn from a variety of academic disciplines, reflecting the Department's need for specialist skills and qualifications in, for example, engineering and IT, as well as more generalist skills such as the capacity for analytical and critical thinking.

In 2009, the formal learning and development program for graduates included the Diploma of Government course conducted by the Australian Institute of Management, as well as on-the-job experience.



Secretary Mike Mrdak with 2009 Graduates

### Performance management

The Department's performance management framework provides an effective means for managers and employees to share and develop a common understanding of the deliverables and performance levels required of each employee.

With their manager, each employee develops a 'Plan on a Page'; and performance is assessed against that plan at least twice a year through their

‘Results on a Page’. The assessment focuses on recognising what has been achieved and what lessons have been learned, and is complemented by the personal ‘Development on a Page’, which identifies individual capability needs and how they will be developed.

A performance management review was undertaken during 2009–10. Recommendations of the review—such as introducing career planning into development plans and streamlining the management process for underperformance—are being implemented progressively.

The Department also rewards and recognises the contributions of individuals and teams through two formal awards: the Australia Day Achievement Awards and the Awards for Excellence.

### Remuneration policies

The Secretary’s remuneration is determined by the Prime Minister, taking into account the recommendations of the Remuneration Tribunal.

Remuneration for SES employees in the Department is set through determinations under section 24(1) of the *Public Service Act 1999*.

Conditions of employment for non-SES employees are determined through the *Department of Infrastructure, Transport, Regional Development and Local Government Enterprise Agreement 2009–2011*, which commenced on 14 September 2009. The agreement provided for a 3 per cent salary increase from the date of commencement of the agreement and a further 3 per cent salary increase on 1 July 2010. The total remuneration for SES employees also increased by 3 per cent on 14 September 2009 and further increased by 3 per cent on 1 July 2010. In 2009–10 the Department made no performance payments to non-SES employees. At 30 June 2010 two employees remained on AWAs.

Table 7.4 provides information on the number of staff employed under each type of employment agreement.

**Table 7.4** Number of staff employed, by type of employment agreement, at 30 June 2010

	Australian Workplace Agreement	Section 24(1) determination under the <i>Public Service Act 1999</i>	Enterprise agreement	Total staff
Senior Executive Service (SES)	1	48	0	49
Non-SES	1	0	1,018	1,019

### Staffing statistics

At 30 June 2010, the Department employed 1,068 employees, a decrease of 176 employees or 14.15 per cent since 30 June 2009. The majority of this decrease



occurred with the transition of the Australian Transport Safety Bureau to an independent portfolio agency from 1 July 2009.

Table 7.5 shows staff recruitment and retention statistics for 2009–10. More information about the Department’s staffing profile is located at Appendix H.

**Table 7.5 Staff recruitment and retention in 2009–10**

<b>Recruitment<sup>a</sup></b>	
Graduates recruited externally	28
Other external recruits	74
<b>Total external recruits</b>	<b>102</b>
<b>Retention<sup>b</sup></b>	
Retention rate (%)	85.72
<b>Separations</b>	
Transfers/promotions to another Australian Public Service agency	88
Resignations and retirements	58
Retrenchments	6
Other	3
<b>Total separations</b>	<b>155</b>

a Non-ongoing employees are excluded from recruitment numbers, and retention and separation data

b Retention statistics refer to ongoing operative employees only. Separation of inoperative employees, who have been on leave without pay for more than three months, are not included in this calculation.

### Workplace diversity

The Department respects and values the diversity of its workforce. In 2009–10, the Department:

- offered flexible working conditions to help attract, recruit and retain employees
- continued to deliver outcomes set out by the Disability Support Strategy 2008–10
- supported and enabled the activities of the Diversity and Equity Network through events supporting disabled, disadvantaged and diverse volunteering groups in the community
- reviewed its internal diversity policy and the Reconciliation Action Plan to meet its commitment to reconciliation objectives
- celebrated NAIDOC Week
- recruited Indigenous employees—one trainee and two cadets—through initiatives of the Australian Public Service Commission and the Department of Education, Employment and Workplace Relations, and
- supported the Indigenous Professional Development Network, which

provides a forum for Indigenous employees to connect and build relations with each other.

Table 7.6 summarises the diversity profile of the Department's workforce.

**Table 7.6 Workforce diversity at 30 June 2010**

Women	508
People from non-English speaking backgrounds	158
People with a disability	22
Indigenous people <sup>a</sup>	17
All employees	1,068

a During their trainee year, the Department's Indigenous trainees are Department of Education, Employment and Workplace Relations employees who have been placed with the Department and, therefore, they are not included in these figures.

Note: These statistics focus on staff employed under the *Public Service Act 1999*. Of those staff, 98 per cent volunteered diversity information.

# APPENDICES



## APPENDIX A—AGENCY RESOURCE STATEMENT AND RESOURCES FOR OUTCOMES

The agency resource statement table (A.1) represents a reconciliation of the Department's final usage of all resources in cash terms, calculated by declaring the actual appropriation for 2009–10 (including carried forward cash balances and further adjustments such as section 32 transfers under the *Financial Management and Accountability Act 1997* and advances to the Finance Minister), and comparing this to the actual payments made. Additionally, for departmental appropriations and special accounts, information about any remaining balance to be carried over to the 2010–11 financial year is reported.

The resources for outcomes tables (A.2, A.3 and A.4) are presented by appropriation source and correspond to the resources for outcome tables in the 2009–10 Portfolio Budget Statements. Tables A.5, A.6 and A.7 provide details of the administered expenses for each outcome.

**Table A.1 Agency resource statement**

	Actual <sup>a</sup> appropriations 2009–10 \$'000	Payments made 2009–10 \$'000	Balance remaining \$'000
<b>Ordinary annual services<sup>b</sup></b>			
<b>Departmental</b>			
Departmental appropriation	272,500 <sup>c</sup>	206,601	63,926
S. 31 relevant agency receipts	8,819	8,819	1,973
<b>Total</b>	<b>281,319</b>	<b>215,420</b>	<b>65,899</b>
<b>Administered expenses</b>			
Outcome 1 <sup>d</sup>	99,984	99,984	
Outcome 2 <sup>d</sup>	204,753	160,130	
Outcome 3 <sup>d</sup>	342,080	92,952	
Payments to CAC Act bodies	100,441	100,441	
<b>Total</b>	<b>747,258</b>	<b>453,507</b>	
<b>Total ordinary annual services</b>	<b>1,028,577</b>	<b>668,927</b>	
<b>Other services<sup>e</sup></b>			
<b>Administered expenses</b>			
<b>Specific payments to states, ACT, NT and local government</b>			
Outcome 1	397,049	379,490	
Outcome 2	0	0	
Outcome 3	550,315	343,385	
<b>Total</b>	<b>947,364</b>	<b>722,875</b>	
<b>Departmental non-operating</b>			
Previous years' outputs	267	0	
<b>Total</b>	<b>267</b>	<b>0</b>	

Table A.1 continued

	Actual <sup>a</sup> appropriations 2009–10 \$'000	Payments made 2009–10 \$'000	Balance remaining \$'000
<b>Administered non-operating</b>			
Administered assets and liabilities <sup>d</sup>	770,469	766,900	3,569
Payments to CAC Act bodies	3,530	3,530	
<b>Total</b>	<b>773,999</b>	<b>770,430</b>	
<b>Total other services</b>	<b>1,721,630</b>	<b>1,493,305</b>	
<b>Total annual appropriations</b>	<b>2,750,207</b>	<b>2,162,232</b>	
<b>Special appropriations</b>			
Special appropriations limited by criteria/ entitlement			
<i>Australian Maritime Safety Authority Act     1990—s. 48(2)<sup>f</sup></i>	78,700	78,700	
<i>Aviation Fuel Revenues (Special Appropriation)     Act 1988—s. 4<sup>f</sup></i>	80,666	80,666	
<i>Interstate Road Transport Act 1985—s. 22     Local Government (Financial Assistance)     Act 1995—s. 19</i>	1,954,557	1,954,557	
<i>Protection of the Sea (Oil Pollution     Compensation Fund) Act 1996—s. 40(4)</i>	0	0	
<b>Total special appropriations</b>	<b>2,175,794</b>	<b>2,175,794</b>	
<b>Total appropriations excluding special accounts</b>	<b>4,926,001</b>	<b>4,338,026</b>	
<b>Special accounts</b>			
Opening balance	4,756		
Non-appropriation receipts <sup>g</sup>	411,000		
Appropriation receipts <sup>h</sup>	61,871		
Payments made		471,821	
Closing balance			5,806
<b>Total resourcing and payments</b>	<b>5,403,628</b>	<b>4,809,847</b>	
Less appropriations drawn from annual or special appropriations above and credited to special accounts and/or CAC Act bodies through annual appropriations	165,842	165,842	
<b>Total net resourcing and payments</b>	<b>5,237,786</b>	<b>4,644,005</b>	

CAC Act = *Commonwealth Authorities and Companies Act 1997*

- a Figures in the table represent actual appropriations provided less any legally recognised reductions as outlined in Note 26A of the 2009–10 Financial Statements. Amounts differ from those published in the 2010–11 Portfolio Budget Statements due to the quarantining of movement of funds.
- b *Appropriation Act (No.1) 2009–10, Appropriation Act (No.3) 2009–10*, and section 32 transfers. Refer to Note 26A of the Financial Statements for amounts appropriated under these Acts.
- c Actual appropriations for 2009–10 includes balance carried forward from previous year for annual appropriations.
- d Actual appropriations for 2009–10 includes retained administered funds from prior years.
- e *Appropriation Act (No.2) 2009–10 and Appropriation Act (No.4) 2009–10*. Refer to Note 26B of the Financial Statements for amounts appropriated under these Acts.
- f Relates to payments to CAC Act bodies.
- g Non-appropriation receipts from the Building Australia Fund Special Account.
- h Appropriation receipts from special appropriations.

**Table A.2 Resources for Outcome 1: Improved infrastructure across Australia through investment in and coordination of transport and other infrastructure**

	Budget <sup>a</sup> 2009–10 \$'000	Actual expenses 2009–10 \$'000	Variation \$'000
<b>Program 1.1: Infrastructure investment</b>			
Administered items			
Ordinary annual services ( <i>Appropriation Act No. 1</i> )	103,602	99,984	(3,618)
Other services ( <i>Appropriation Act No. 2</i> )	379,490	379,490	0
Special account	411,000	411,000	0
Expenses not requiring appropriation in the Budget year	136,949	95,213	(41,736)
Departmental expenses			
Ordinary annual services ( <i>Appropriation Act No. 1</i> )	25,581	27,767	2,186
Revenue from independent sources (section 31)	1,056	1,183	127
Expenses not requiring appropriation in the Budget year	321	(1,298)	(1,619)
<b>Total Program 1.1</b>	<b>1,057,999</b>	<b>1,013,339</b>	<b>(44,660)</b>
<b>Program 1.2: Infrastructure investment coordination</b>			
Departmental expenses			
Ordinary annual services ( <i>Appropriation Act No. 1</i> )	8,327	8,203	(124)
Revenue from independent sources (section 31)	26	26	0
Expenses not requiring appropriation in the Budget year	10	64	54
<b>Total Program 1.2</b>	<b>8,363</b>	<b>8,293</b>	<b>(70)</b>
<b>Outcome 1 Total</b>	<b>1,066,362</b>	<b>1,021,632</b>	<b>(44,730)</b>
<b>Outcome 1 totals by appropriation type</b>			
Administered items			
Ordinary annual services ( <i>Appropriation Act No. 1</i> )	103,602	99,984	(3,618)
Other services ( <i>Appropriation Act No. 2</i> )	379,490	379,490	0
Special account	411,000	411,000	0
Expenses not requiring appropriation in the Budget year	136,949	95,213	(41,736)
Departmental expenses			
Ordinary annual services ( <i>Appropriation Act No. 1</i> )	33,908	35,970	2,062
Revenue from independent sources (section 31)	1,082	1,209	127
Expenses not requiring appropriation in the Budget year	331	(1,234)	(1,565)
<b>Total for Outcome 1</b>	<b>1,066,362</b>	<b>1,021,632</b>	<b>44,730</b>
Average staffing level (number)	165	167	2

<sup>a</sup> Full-year budget, including any subsequent adjustments made to the 2009–10 Budget.

**Table A.3 Resources for Outcome 2: An efficient, sustainable, competitive, safe and secure transport system for all transport users through regulation, financial assistance and safety investigations**

	Budget <sup>a</sup> 2009–10 \$'000	Actual expenses 2009–10 \$'000	Variation \$'000
<b>Program 2.1: Transport security</b>			
Administered items			
Ordinary annual services ( <i>Appropriation Act No. 1</i> )	1,060	1,107	47
Expenses not requiring appropriation in the Budget year	0	(213)	(213)
Departmental expenses			
Ordinary annual services ( <i>Appropriation Act No. 1</i> )	63,341	64,003	662
Revenue from independent sources (section 31)	2,618	3,189	571
Expenses not requiring appropriation in the Budget year	790	(210)	(1,000)
<b>Total Program 2.1</b>	<b>67,809</b>	<b>67,876</b>	<b>67</b>
<b>Program 2.2: Surface transport</b>			
Administered items			
Ordinary annual services ( <i>Appropriation Act No. 1</i> )	198,430	190,013	(8,417)
Special appropriations	79,968	78,700	(1,268)
Special account	60,015	60,821	806
Expenses not requiring appropriation in the Budget year	(1,316)	(46)	1,270
Departmental expenses			
Ordinary annual services ( <i>Appropriation Act No. 1</i> )	14,670	13,714	(956)
Revenue from independent sources (section 31)	336	356	20
Expenses not requiring appropriation in the Budget year	164	(311)	(475)
<b>Total Program 2.2</b>	<b>352,267</b>	<b>343,247</b>	<b>(9,020)</b>
<b>Program 2.3: Road safety</b>			
Administered items			
Ordinary annual services ( <i>Appropriation Act No. 1</i> )	12,931	5,472	(7,459)
Expenses not requiring appropriation in the Budget year	0	72	72
Departmental expenses			
Ordinary annual services ( <i>Appropriation Act No. 1</i> )	17,054	19,260	2,206
Revenue from independent sources (section 31)	732	685	(47)
Expenses not requiring appropriation in the Budget year	214	(93)	(307)
<b>Total Program 2.3</b>	<b>30,931</b>	<b>25,396</b>	<b>(5,535)</b>

Table A.3 continued

	Budget <sup>a</sup> 2009–10 \$'000	Actual expenses 2009–10 \$'000	Variation \$'000
<b>Program 2.4: Air transport</b>			
Administered items			
Ordinary annual services ( <i>Appropriation Act No. 1</i> )	67,885	63,979	(3,906)
Special appropriations	79,768	80,666	898
Expenses not requiring appropriation in the Budget year	1,062	1,616	554
Departmental expenses			
Ordinary annual services ( <i>Appropriation Act No. 1</i> )	36,603	32,358	(4,245)
Revenue from independent sources (section 31)	1,990	2,067	77
Expenses not requiring appropriation in the Budget year	390	2,251	1,861
Total Program 2.4	<b>187,698</b>	<b>182,937</b>	<b>(4,761)</b>
<b>Outcome 2 Total</b>	<b>638,705</b>	<b>619,456</b>	<b>(19,249)</b>
<b>Outcome 2 by appropriation type</b>			
Administered expenses			
Ordinary annual services ( <i>Appropriation Act No. 1</i> )	280,306	260,571	(19,735)
Other services ( <i>Appropriation Act No. 2</i> )	159,736	159,366	(370)
Special account	60,015	60,821	806
Expenses not requiring appropriation in the Budget year	(254)	1,429	1,683
Departmental expenses			
Ordinary annual services ( <i>Appropriation Act No. 1</i> )	131,668	129,335	(2,333)
Revenue from independent sources (section 31)	5,676	6,297	621
Expenses not requiring appropriation in the Budget year	1,558	1,637	79
<b>Total expenses for Outcome 2</b>	<b>638,705</b>	<b>619,456</b>	<b>(19,249)</b>
Average staffing level (number)	700	693	(7)

a Full-year budget, including any subsequent adjustments made to the 2009–10 Budget.



**Table A.4 Resources for Outcome 3: Coordinated community infrastructure and services in rural, regional and local government areas through financial assistance**

	Budget <sup>a</sup> 2009–10 \$'000	Actual expenses 2009–10 \$'000	Variation \$'000
<b>Program 3.1: Regional development</b>			
Administered items			
Ordinary annual services ( <i>Appropriation Act No. 1</i> )	122,733	92,659	(30,074)
Other services ( <i>Appropriation Act No. 2</i> )	18,950	9,275	(9,675)
Expenses not requiring appropriation in the Budget year	0	12,190	12,190
Departmental expenses			
Ordinary annual services ( <i>Appropriation Act No. 1</i> )	26,989	26,852	(137)
Revenue from independent sources (section 31)	659	516	(143)
Expenses not requiring appropriation in the Budget year	337	(614)	(951)
<b>Total Program 3.1</b>	<b>169,668</b>	<b>140,878</b>	<b>(28,790)</b>
<b>Program 3.2: Local government</b>			
Administered items			
Ordinary annual services ( <i>Appropriation Act No. 1</i> )	1,842	293	(1,549)
Other services ( <i>Appropriation Act No. 2</i> )	370,766	334,110	(36,656)
Special appropriations	1,954,557	1,954,557	0
Expenses not requiring appropriation in the Budget year	25,280	38,043	12,763
Departmental expenses			
Ordinary annual services ( <i>Appropriation Act No. 1</i> )	16,009	15,232	(777)
Revenue from independent sources (section 31)	463	797	334
Expenses not requiring appropriation in the Budget year	174	1,038	864
<b>Total Program 3.2</b>	<b>2,369,091</b>	<b>2,344,070</b>	<b>(25,021)</b>
<b>Total expenses for Outcome 3</b>	<b>2,538,759</b>	<b>2,484,948</b>	<b>(53,811)</b>
<b>Outcome 3 by appropriation type</b>			
Administered expenses			
Ordinary annual services ( <i>Appropriation Act No. 1</i> )	124,575	92,952	(31,623)
Other services ( <i>Appropriation Act No. 2</i> )	389,716	343,385	(46,331)
Special appropriations	1,954,557	1,954,557	0
Expenses not requiring appropriation in the Budget year	25,280	50,233	24,953
Departmental expenses			
Ordinary annual services ( <i>Appropriation Act No. 1</i> )	42,998	42,084	(914)
Revenue from independent sources (section 31)	1,122	1,313	191
Expenses not requiring appropriation in the budget year	511	424	(87)
<b>Total expenses for Outcome 3</b>	<b>2,538,759</b>	<b>2,484,948</b>	<b>(53,811)</b>
Average staffing level (number)	230	229	(1)

a Full-year budget, including any subsequent adjustments made to the 2009–10 Budget.

Table A.5 Administered expenses for Outcome 1

	Budget <sup>a</sup> 2009–10 \$'000	Actual expenses 2009–10 \$'000	Variation \$'000
<b>Program 1.1: Infrastructure investment</b>			
Annual administered expenses			
Nation Building Program	619,555	574,517	(45,038)
- <i>Nation Building Program Investment</i>	69,697	66,520	(3,177)
- <i>Nation Building Boom Gates for Rail Crossings</i>	33,234	33,217	(17)
- <i>Nation Building Roads to Recovery</i>	350,000	350,000	0
- <i>Nation Building Off-Network Projects</i>	29,675	29,675	0
- <i>Nation Building Off-Network—supplementary</i>	131,879	91,028	(40,851)
- <i>Nation Building improving local roads</i>	5,070	4,077	(993)
Management of residual issues of former Australian National Railway Commission	486	57	(429)
Other (provision for doubtful debts)	0	113	113
Special account expenses			
Nation Building Plan for the Future ( <i>Building Australia Fund Infrastructure Portfolio Special Account</i> )	411,000	411,000	0
Program support	26,958	27,652	694
Total Program 1.1 expenses	<b>1,057,999</b>	<b>1,013,339</b>	<b>(44,660)</b>
<b>Program 1.2: Infrastructure investment</b>			
Program support	8,363	8,293	(70)
Total Program 1.2 expenses	<b>8,363</b>	<b>8,293</b>	<b>(70)</b>
<b>Total program expenses for Outcome 1</b>	<b>1,066,362</b>	<b>1,021,632</b>	<b>(44,730)</b>

a Full-year budget, including any subsequent adjustments made to the 2009–10 Budget.

Table A.6 Administered expenses for Outcome 2

	Budget <sup>a</sup> 2009–10 \$'000	Actual expenses 2009–10 \$'000	Variation \$'000
<b>Program 2.1: Transport security</b>			
Annual administered expenses			
Aviation security enhancements	1,060	894	(166)
- <i>improving international aviation security</i>	164	145	(19)
- <i>regional passenger screening</i>	896	749	(147)
Program support	66,749	66,982	233
Total Program 2.1 expenses	<b>67,809</b>	<b>67,876</b>	<b>67</b>
<b>Program 2.2: Surface transport</b>			
Annual administered expenses			
Bass Strait Passenger Vehicle Equalisation Scheme	39,000	36,475	(2,525)
International Maritime Organization—contribution	234	234	0
National Transport Commission	2,837	2,837	0
OECD Road Transport—contribution	38	32	(6)
Tasmanian Freight Equalisation Scheme	105,500	98,320	(7,180)
Tasmanian Wheat Freight Scheme	505	101	(404)
Payments to CAC Act bodies—AMSA (Annual) <sup>b</sup>	50,316	50,316	0
Special appropriation expenses			
<i>Australian Maritime Safety Authority Act 1990<sup>c</sup></i>	78,652	78,700	48
<i>Protection of the Sea (Oil Pollution Compensation Fund) Act 1996</i>	0	0	0
Special account expenses			
Interstate Road Transport fees—( <i>Interstate Road Transport Special Account</i> )	60,015	62,473	2,458
Program support	15,170	13,759	(1,411)
Total Program 2.2 expenses	<b>352,267</b>	<b>343,247</b>	<b>(9,020)</b>
<b>Program 2.3: Road safety</b>			
Annual administered expenses			
keys2drive	4,000	4,000	0
National Road Safety Council—contribution	560	560	0
Seatbelts on regional school buses	8,371	984	(7,387)
Program support	18,000	19,852	1,852
Total Program 2.3 expenses	<b>30,931</b>	<b>25,396</b>	<b>(5,535)</b>

Table A.6 continued

	Budget <sup>a</sup> 2009–10 \$'000	Actual expenses 2009–10 \$'000	Variation \$'000
<b>Program 2.4: Air transport</b>			
Annual administered expenses			
Airport Lessee Companies—reimbursement of parking fines	1,500	1,578	78
Implementation of noise amelioration for Adelaide Airport	361	535	174
International Civil Aviation Organization—contribution	1,377	1,377	0
Payment scheme for Airservices Australia's en route charges	6,000	4,070	(1,930)
Remote Aerodrome Safety	6,169	4,897	(1,272)
Sydney West Airport—rental properties	2,353	1,929	(424)
Payments to CAC Act bodies—CASA (Annual) <sup>b</sup>	50,125	50,125	0
Depreciation and amortisation	1,062	1,062	0
Other (write down and impairment of assets)	0	22	22
Special appropriation expenses			
<i>Aviation Fuel Revenues (Special Appropriation) Act 1988<sup>c</sup></i>	79,768	80,666	898
Program support	38,983	36,676	(2,307)
Total Program 2.4 expenses	<b>187,698</b>	<b>182,937</b>	<b>(4,761)</b>
<b>Total expenses for Outcome 2</b>	<b>638,705</b>	<b>619,456</b>	<b>(19,249)</b>

a Full-year budget, including any subsequent adjustments made to the 2009–10 Budget.

b This relates to appropriation for portfolio CAC Act bodies which is provided through the Department.

c Relates to payments to CAC Act bodies.

Table A.7 Administered expenses for Outcome 3

	Budget <sup>a</sup> 2009–10 \$'000	Actual expenses 2009–10 \$'000	Variation \$'000
<b>Program 3.1: Regional development</b>			
Annual administered expenses			
Better Regions	42,000	36,148	(5,852)
East Kimberley Development Package	13,240	8,965	(4,275)
Jobs fund—Bike paths	23,440	23,955	515
Jobs Fund—Infrastructure Employment Projects	15,750	1,805	(13,945)
Regional and Rural Research and Development Grants	228	195	(33)
Regional Development Australia committees	15,001	14,552	(449)
Regional Partnerships	19,425	19,338	(87)
Remote Air Services Subsidy Scheme	11,680	9,126	(2,554)
Remote Aviation Infrastructure Fund	919	0	(919)
Other (provision for doubtful debts)	0	40	40
Program support	27,985	26,754	(1,231)
Total Program 3.1 expenses	<b>169,668</b>	<b>140,878</b>	<b>(28,790)</b>
<b>Program 3.2: Local government</b>			
Annual administered expenses			
Local Government Reform Fund	500	50	(450)
Regional and Local Community Infrastructure Program	357,287	332,191	(25,096)
Supplementary funding to South Australian councils for local roads	14,821	14,821	0
Special appropriation expenses			
<i>Local Government (Financial Assistance) Act 1995</i>	1,979,837	1,979,941	104
Program support	16,646	17,067	421
Total Program 3.2 expenses	<b>2,369,091</b>	<b>2,344,070</b>	<b>(25,021)</b>
<b>Total expenses for Outcome 3</b>	<b>2,538,759</b>	<b>2,484,948</b>	<b>(53,811)</b>

a Full-year budget, including any subsequent adjustments made to the 2009–10 Budget

## APPENDIX B—PROCUREMENT PRACTICES AND OUTCOMES

This appendix focuses on the Department's procurement practices and outcomes, with attention to:

- procurement policies and practices
- competitive tendering and contracting arrangements
- use of consultancies, and
- payments for market research and advertising.

### Procurement Policies and Practices

The Department's approach to the procurement of all goods and services, including consultancies, is consistent with the requirements of the *Commonwealth Procurement Guidelines—December 2008—Financial Management Guidance No.1* (CPGs). The CPGs are applied to procurement activities through the Chief Executive's Instructions (CEIs) and supporting operational guidelines. The Department's procurement policies and processes have been developed to help ensure that it undertakes competitive, non-discriminatory procurement processes uses resources efficiently, effectively and ethically and makes decisions in an accountable and transparent manner.

The Department supports procurement by providing information and training on procurement policies and procedures to all staff, and maintaining a single point of contact for staff to seek advice on the CPGs, the CEIs and tendering processes. Standard tendering and contracting documentation has also been developed to ensure that consistent procurement practices are undertaken.

As part of these arrangements, in 2009–10 the Department published the following on the AusTender website <[www.tenders.gov.au](http://www.tenders.gov.au)>:

- a procurement plan providing details of expected procurements for 2009–10
- details of publicly available procurement opportunities with a value of \$10,000 or more, and
- details of all contracts, standing offers and consultancies awarded with a value of \$10,000 or more.

The Department also publishes on its website, at <[www.infrastructure.gov.au/departments/contracts](http://www.infrastructure.gov.au/departments/contracts)>, details of all contracts with a value of \$100,000 or more entered into or active during the previous 12 months.

### Australian National Audit Office access clauses

All contracts valued at \$100,000 or more routinely include a requirement for access to the contractor's premises by the Auditor-General.

### Exempt contracts

In 2009–10, no contracts were exempted from publication on AusTender on public interest grounds.

### Services delivered on behalf of the Australian Government

The Department delivers a number of services on behalf of the Australian Government. Services that have been contracted out relate to:

- transport safety research and information services
- management of leased airports
- management of properties at Sydney West airport site
- aerodrome inspection services for remote Indigenous communities, and
- the Australian Government Regional Information Service (AGRIS).

### Transport safety research and information services

Contracts relating to collection and analysis of road safety fatality and injury data, and road safety information storage and distribution, continued in 2009–10.

### Management of leased airports

Private contractors provide airport building control and parking control services at federal airports. After an open tender process in 2004–05, eight contracts for building control services were let for an initial term of four years from 1 July 2005. In 2008–09 the Department exercised its options under the terms of the contracts to extend the existing arrangements to 30 June 2011. Parking control services, for parking at eight airports, are contracted out to airport-lessee companies annually. Contracts cannot be offered to bodies other than airport-lessee companies under the Airports (Control of On-airport Activities) Regulations 1997.

### Management of properties at Sydney West airport site

The management of properties owned on the previous Sydney West airport site (Badgerys Creek) was contracted out to Zeckendorf Holdings Pty Ltd following an open tender process. The contract was signed on 1 January 2003 for an initial term of three years with an option to extend for two years. The option was exercised from 1 January 2006 and has since been extended further until 30 June 2010. A direct source contract for one year with two extension options was signed and in place from 1 July 2010.

### Aerodrome inspection services for remote Indigenous communities

The Remote Aerodrome Inspection Program is a small services contract to conduct annual safety inspections of 59 aerodromes supporting remote Indigenous communities in Northern Australia above the nineteenth parallel. The

program provides technical advice and aerodrome reporting officer training to members of the communities.

The communities rely on air services however, they lack the technical expertise and resources necessary to conduct their own safety inspections, as required of aerodrome owners, in accordance with Civil Aviation Safety Authority standards. Inspection services are contracted to an appropriately qualified service provider. In February 2009 the Department used an open tender process to identify a service provider for the program.

### **Australian Government Regional Information Service**

The freecall 1800 call centre for the Australian Government Regional Information Service (AGRIS) is contracted to Cooma Monaro Technology Centre Ltd. An option to extend the contract to 30 November 2010 was taken and there is an option to negotiate to extend the contract for another one-year period if desired.

### **Corporate activities**

The Department has conducted detailed analyses of its corporate activities in line with government requirements for market testing of those activities. Corporate activities that have been contracted fall into three broad areas:

- information and communication technology services
- professional services, and
- property and office services.

### **Information and communication technology services**

The Department undertook a project to refresh its corporate IT server systems and local area network communications technology. These projects were completed in 2009–10, on schedule and under budget.

### **Professional services**

The Department has established several panels of professional services providers. The panels are subject to regular review.

The panels cover:

- communication services
- legal services
- financial advisory services and accountancy services
- SAP services
- recruitment services, and
- audit services.



## Property and office services

Like most organisations, the Department has a range of contracts and standing offers in place for the supply of property management and maintenance services, and energy, office equipment and other consumables.

## Consultancy Contracts

The Department engages consultants to carry out research or to provide professional or technical advice that cannot be provided by departmental staff. Consultants are procured as required and in accordance with the CPGs, the CEIs and the Infrastructure Procurement Manual.

During 2009–10, 82 new consultancy contracts were entered into, involving total actual expenditure of \$6.1 million. In addition, 13 ongoing consultancy contracts were active during the 2009–10 year, involving total actual expenditure of \$2.4 million.

Details of consultancies valued at \$10,000 or more let in 2009–10 are available as a supplement to the online version of this annual report, at <[www.infrastructure.gov.au/department/annual\\_report/index.aspx](http://www.infrastructure.gov.au/department/annual_report/index.aspx)>.

Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website <[www.tenders.gov.au](http://www.tenders.gov.au)>.

**Table B.1 Trends in consultancies, 2007–08 to 2009–10**

	2007–08	2008–09	2009–10
<b>Consultancies</b>			
All consultancies, including consultancies let in previous years			
Total expenditure	\$6.3m	\$11.3m	\$8.5m
New consultancies valued at \$10,000 or more			
Number let	68	113	76
<b>Total value over the life of these contracts</b>	<b>\$4.8m</b>	<b>\$12.9m</b>	<b>\$9.9m</b>

## Payments for Advertising and Market Research

In 2009–10, the Department paid \$0.3 million for advertising and market research. Table B.2 lists payments of \$11,200 or more made during the financial year, as required by section 311A of the *Commonwealth Electoral Act 1918*.

Throughout 2009–10, the Department undertook no reportable advertising campaigns.

**Table B.2 Detail of advertising and market research payments of \$11,200 or more**

Firm	Service provided	Payment made in 2009–10 (\$)
<b>Creative advertising agencies</b>		
		—
Total creative advertising		—
<b>Market research/polling</b>		
		—
Total market research		—
<b>Media advertising organisations</b>		
Sensis Whitepages	Whitepages listing for the Department	\$67,436
Sensis Whitepages	White pages listing for the Australian Government Regional Information Service	\$38,884
Adcorp	Expression of Interest for Regional Development Australia (RDA) committee membership in SA (first round)—advertising in newspapers.	\$12,590
Adcorp	Expression of Interest for RDA committee membership in SA (second round) advertising in newspapers.	\$12,981
Adcorp	Expression of Interest for RDA committee membership in Queensland advertising in newspapers.	\$19,483
Adcorp	Advertising in Queensland newspapers for RDA Executive Officers.	\$19,602
Adcorp	Advertising for staff vacancies	\$76,827 <sup>a</sup>

a This is the combined amount of all recruitment advertising payments in 2009–10.

## APPENDIX C—REPORT UNDER THE COMMONWEALTH DISABILITY STRATEGY

The Department is required to report on its performance against the Commonwealth Disability Strategy (CDS) framework. The CDS was introduced in 1994 to assist Australian Government agencies to meet their obligations under the *Disability Discrimination Act 1992*, by providing a framework to assist in the development and delivery of policies, programs and services accessible to people with disabilities.

Nearly one in five Australians has a disability. Through the CDS, the Australian Government seeks to ensure that its policies, programs and services are accessible to all Australians. The Australian Government is committed to widening opportunities for independence, access and participation in all aspects of community life.

More information about the CDS and the reporting framework is available from the website of the Department of Families, Housing, Community Services and Indigenous Affairs, at <[www.fahcsia.gov.au/sa/disability/pubs/policy/Documents/cds/default.htm](http://www.fahcsia.gov.au/sa/disability/pubs/policy/Documents/cds/default.htm)>.

The tables in this appendix describe the Department's performance in 2009–10 in relation to the performance indicators set out in the CDS for the roles of policy adviser, regulator, purchaser and provider. The Department also reports on its role as an employer, through the annual State of the Service Report produced by the Australian Public Service Commission.

**Table C.1 Commonwealth Disability Strategy policy adviser role**

Description	Departmental perspective
<p><i>Policy advisers initiate and develop policy for Australian Government programs and services.</i></p> <p><i>In doing this, they consider the needs of different groups and sectors and the desired impacts and outcomes to be achieved for the community.</i></p>	<p>The Department undertook and published high-quality research and analysis and provided policy advice to Ministers on a range of infrastructure, transport and regional issues, addressing disability issues where they applied.</p>
Performance indicator	Results for 2009–10 and goals and actions for 2010–11
<p><i>New or revised policy/program proposals assess impact on the lives of people with disabilities prior to decision.</i></p>	<p><b>Results</b></p> <p>The Department seeks to consult directly with clients, their representatives and other stakeholders when developing its policies and programs.</p> <p>Consultation offers members of the community the opportunity to express their views in a safe and confidential manner and is an essential part of the process of developing legislation and government policy, programs and services.</p> <p>In December 2009, the Minister for Infrastructure, Transport, Regional Development and Local Government released the <i>National Aviation Policy White Paper: Flight Path to the Future</i>, which included a new access policy initiative: the development of disability access facilitation plans. These plans, to be developed by airline and airport operators, will detail what services and facilities are available to travellers with disabilities and how the operators approach the range of issues involved in meeting the needs of travellers with disabilities.</p> <p>Following consultations with people with disabilities, their representatives and other stakeholders, the independent consultant's final report of the first five-year review into the efficiency and effectiveness of the Disability Standards for Accessible Public Transport 2002 was completed in late 2009.</p> <p><b>Goals and actions</b></p> <p>The Aviation Access Working Group (AAWG), which provides advice to the Australian Government on disability access policy, the relevant legislative framework and practical measures that can be taken to improve access to air services for people with disabilities, will monitor the implementation of the disability access facilitation plans by airline and airport operators.</p> <p>The AAWG consists of representatives from the aviation industry, Australian Government agencies (including the Department of Families, Housing, Community Services and Indigenous Affairs) and a number of disability advocacy groups, including:</p> <ul style="list-style-type: none"> <li>• the Australian Federation of Disability Organisations</li> <li>• the Deafness Forum of Australia</li> <li>• National Disability Services, and</li> <li>• Physical Disability Australia.</li> </ul> <p>Further information on the AAWG is available from the Department's website, at &lt;<a href="http://www.infrastructure.gov.au/aviation/aawg">www.infrastructure.gov.au/aviation/aawg</a>&gt;.</p> <p>The Australian Government's response to the independent consultant's final report on the Disability Standards for Accessible Public Transport 2002 is expected to be released before the end of 2010.</p>

Table C.1 continued

Performance indicator	Results for 2009–10 and goals and actions for 2010–11
<i>People with disabilities are included in consultation about new or revised policy/program proposals.</i>	<p><b>Results</b></p> <p>The Department supports consultation forums through which the impact of proposals on the specific needs of people with disabilities are considered, such as:</p> <ul style="list-style-type: none"> <li>• the Accessible Public Transport National Advisory Committee (APTNAC)</li> <li>• the Accessible Public Transport Jurisdictional Committee, which coordinates government positions on issues raised by the Disability Standards for Accessible Public Transport 2002 and APTNAC, and</li> <li>• the AAWG.</li> </ul> <p>In 2009–10, the Office of Transport Security consulted with members of the AAWG while working on the revision of aviation security screening techniques for people with disabilities.</p> <p><b>Goals and actions</b></p> <p>Disability advocates will continue to make a valuable contribution as members of the consultation forums, particularly by providing feedback and advice to government and industry. The Department will also consult with other disability advocacy groups and other interested groups as necessary.</p>
<i>Public announcements of new, revised or proposed policy/program initiatives are available in accessible formats for people with disabilities in a timely manner.</i>	<p><b>Results</b></p> <p>The Department communicated the progress of the AAWG through a page on the Department's website, with all documents in accessible formats, and by email through <a href="mailto:aawg-secretariat@infrastructure.gov.au">aawg-secretariat@infrastructure.gov.au</a>.</p> <p>The Department also communicated new government policies and programs, including those that addressed disability issues, by:</p> <ul style="list-style-type: none"> <li>• providing information on how community groups could access government grants, through a dedicated website, GrantsLINK, at <a href="http://www.grantslink.gov.au">www.grantslink.gov.au</a>. GrantsLINK promoted over 250 Australian Government grants programs and received more than nine million hits during 2009–10</li> <li>• answering more than 19,000 enquiries from people seeking information about government services through telephone calls made to the Australian Government Regional Information Service (AGRIS) toll-free call centre. The call centre operators assisted vision-impaired clients by reading the requested information aloud, or by providing the information on CD or cassette. Clients with hearing impairments were assisted through teletype services</li> <li>• promptly posting announcements of new programs and policies on its websites, usually within 24 hours of release</li> <li>• providing information about regional government programs and services through the Regional Entry Point website, which received more than 2.5 million hits, at <a href="http://www.regionalaustralia.gov.au">www.regionalaustralia.gov.au</a>, and</li> <li>• using plain English in its guidance materials.</li> </ul> <p><b>Goals and actions</b></p> <p>The progress of the AAWG will continue to be conveyed through the Department's website and by email. Airlines and airport operators will be encouraged to ensure that their disability access facilitation plans are available online and in a range of accessible formats.</p> <p>The Department will maintain and improve access to accurate and timely program information, through its websites and documentation.</p>

**Table C.2 Commonwealth Disability Strategy regulator role**

Description	Departmental perspective
<p><i>Regulators are usually involved with the enforcement of legislation or other government rules that influence the way people behave.</i></p> <p><i>These are not limited to primary or delegated legislation.</i></p> <p><i>They also include quasi-regulation such as codes of conduct, advisory instruments or notes which involve compliance.</i></p> <p><i>Authority for independent decision making and administration may accompany this function to support the separation of certain powers from the Executive.</i></p>	<p>The Department administered regulations and standards in accordance with more than 70 Commonwealth Acts, while working closely with other regulators, on matters concerning:</p> <ul style="list-style-type: none"> <li>• road, rail and intermodal infrastructure investment, maintenance and development</li> <li>• maritime and land transport, and aviation and airports</li> <li>• transport safety and security</li> <li>• regional services and development, and</li> <li>• local government.</li> </ul>
Performance indicators	Results for 2009–10 and goals and actions for 2010–11
<p><i>Publicly available information on regulations and quasi-regulations is available in accessible formats for people with disabilities.</i></p> <p><i>Publicly available regulatory compliance reporting is available in accessible formats for people with disabilities.</i></p>	<p><b>Results</b></p> <p>Regulations administered by the Department are published by the Attorney-General's Department on the Federal Register of Legislative Instruments. Guidance material on the legislative process is published on the Department's website in accordance with departmental publishing standards.</p> <p>The Department ensured that information on regulations, quasi-regulations and regulatory compliance was available and accessible, by:</p> <ul style="list-style-type: none"> <li>• using plain English in preparing guidance materials and regulation impact statements</li> <li>• providing toll-free telephone numbers for enquiries in key areas such as motor vehicle imports</li> <li>• maintaining links to legislation through the departmental website, and</li> <li>• including compliance reporting in the annual report, which was made available for download from the departmental website and provided in hard copy on request.</li> </ul> <p>The Department continued making improvements to its main website that will enhance accessibility for a range of users, including clients with disabilities.</p> <p><b>Goals and actions</b></p> <p>The Department will continue to provide information in accessible formats and through a range of channels.</p>

**Table C.3 Commonwealth Disability Strategy purchaser role**

Description	Departmental perspective
<p><i>Purchasers act as agents of the policy adviser.</i></p> <p><i>Having been advised of the outcomes sought by the policy adviser, purchasers determine the precise outputs to be purchased in terms of price, volume and quality and nominate the providers.</i></p> <p><i>Service providers may be public, private or not-for-profit organisations.</i></p>	<p>On behalf of the Australian Government, the Department administered grants, subsidies and other payments totalling \$8.9 billion. The payments mainly related to:</p> <ul style="list-style-type: none"> <li>• national road and rail infrastructure</li> <li>• maritime and land transport</li> <li>• regional services, and</li> <li>• services to local government, including a number of Indigenous councils.</li> </ul> <p>In its day-to-day operations, the Department had supplier expenses of \$88.3 million.</p>
Performance indicator	Results for 2009–10 and goals and actions for 2010–11
<p><i>Publicly available information on agreed purchasing specifications is available in accessible formats for people with disabilities</i></p>	<p><b>Results</b></p> <p>The Department follows the Australian Government purchasing and procurement guidelines, which are published by the Department of Finance and Deregulation and made available online through &lt;www.finance.gov.au&gt; and &lt;www.tenders.gov.au&gt;.</p>
<p><i>Processes for purchasing goods or services with a direct impact on the lives of people with disabilities are developed in consultation with people with disabilities.</i></p>	<p><b>Results</b></p> <p>The Department consulted with stakeholders, including, where applicable, people with disabilities, when managing tenders, contracts and grants.</p> <p><b>Goals and actions</b></p> <p>The Department will continue to adopt a consultative approach when purchasing goods and services that have a direct impact on the lives of people with disabilities.</p>
<p><i>Purchasing specifications and contract requirements for the purchase of goods and services are consistent with the requirements of the Disability Discrimination Act 1992.</i></p>	<p><b>Results</b></p> <p>All departmental contracts issued in 2009–10 were based on templates which included standard clauses requiring contractors to comply with the <i>Disability Discrimination Act 1992</i> (in the case of short-form contracts, the clauses require contractors to comply with all legislative requirements, which include the <i>Disability Discrimination Act 1992</i> if it is applicable to the services being contracted).</p> <p><b>Goals and actions</b></p> <p>The Department will continue to ensure the requirements of the <i>Disability Discrimination Act 1992</i>, along with all other relevant legislative requirements, are reflected in its purchasing specifications and contracts for services as appropriate.</p>

Table C.3 continued

Performance indicator	Results for 2009–10 and goals and actions for 2010–11
<i>Publicly available performance reporting against the purchase contract specifications requested in accessible formats for people with disabilities is provided.</i>	<p><b>Results</b></p> <p>Publicly available specifications, guidelines and performance reports related to the Department's support for infrastructure and regional development projects were available online, through the departmental website.</p> <p>The Department managed the Australian Government Regional Information Service (AGRIS), which provides people living outside metropolitan areas with information about the Australian Government's programs and services.</p> <p>AGRIS provides this information through two channels:</p> <ul style="list-style-type: none"> <li>• a toll-free telephone information line operated by a call centre based in Cooma, New South Wales, and</li> <li>• the Regional Entry Point website &lt;<a href="http://www.regionalaustralia.gov.au">www.regionalaustralia.gov.au</a>&gt;.</li> </ul> <p>The Department contracts the Cooma Call Centre to support the AGRIS function. The contract contains some obligations for the call centre to meet when supporting callers who have additional needs. The call centre also provides statistics on caller activity in monthly reports.</p> <p>The Department's annual report, which includes information on purchasing and the use of contracts, was made available for download from the departmental website and provided in hard copy on request.</p> <p><b>Goals and actions</b></p> <p>The Department will continue to make all publicly available specifications and performance information accessible online, and to provide a toll-free information and referral service through the call centre. Improvements to the Department's website will make the online information more accessible by allowing the use of assistive technologies.</p>
<i>Complaints/grievance mechanisms, including access to external mechanisms, in place to address concerns raised about the providers' performance.</i>	<p><b>Results</b></p> <p>The Department recognises that, regardless of whether its services are delivered directly by the Department or through a third party, clients have the right to provide feedback about its services.</p> <p>People wishing to make a complaint are advised by the Department's client service charter to first explain their concern to staff in the area that they have been dealing with, and ask them to address it. If the complaint is not resolved at that level, the client can contact the Governance, Planning and Reporting Section, where the matter will be investigated.</p> <p>Clients are able to access external mechanisms, in particular the Commonwealth Ombudsman, if they are not satisfied with the Department's handling of a matter.</p> <p>The report on the Department's 'provider' role includes more information on complaints resolution in 2009–10.</p> <p><b>Goals and actions</b></p> <p>The Department will continue to uphold its customer service charter and seek to resolve concerns about its performance quickly and responsively.</p>



**Table C.4 Commonwealth Disability Strategy provider role**

Description	Departmental perspective
<i>Providers deliver the services they have been contracted to provide under specified conditions.</i>	<p>The Department delivered services and information to and in partnership with government, industry and the wider community. Several grants administered by the Department assisted people with disabilities to enter the workforce. In addition, all grant contracts required recipients to comply with the provisions of all relevant statutes, regulations, by-laws and requirements of any Commonwealth, state, territory or local authority (including the <i>Disability Discrimination Act 1992</i>).</p> <p>Round 1 of the Regional and Local Community Infrastructure Program had 93 projects specifically targeted at people with disabilities. Two other projects included provisions to help people with disabilities—for example, improved physical access to facilities.</p>
Performance indicator	Results for 2009–10 and goals and actions for 2010–11
<i>Providers have established mechanisms for quality improvement and assurance.</i>	<p><b>Results</b></p> <p>The Department reviews its guidelines and procedure manuals regularly, and uses a client service charter to explain how feedback can be provided.</p> <p>The Department gathers feedback regarding its activities, mainly through the following mechanisms:</p> <ul style="list-style-type: none"> <li>• client surveys, such as surveys involving households affected by airport noise amelioration programs</li> <li>• formal evaluations of programs, usually conducted on a three-year to five-year cycle, and</li> <li>• reports submitted by parties receiving funding, either on an agreed regular basis or when projects pass key milestones.</li> </ul> <p><b>Goals and actions</b></p> <p>The Department will continue to seek feedback from its clients and to use that feedback, combined with the analysis of formal program evaluations, as a basis for continuous improvement.</p>
<i>Providers have an established service charter that specifies the roles of the provider and consumer and service standards which address accessibility for people with disabilities.</i>	<p><b>Results</b></p> <p>The Department's client service charter was reviewed to ensure it remained current and effective. The charter sets out the Department's service standards, including standards of accessibility, and encourages clients to provide feedback on how well the Department is meeting those standards.</p> <p>The charter is available in printed format and available online through the Department's website, at &lt;<a href="http://www.infrastructure.gov.au/department/about/charter.aspx">www.infrastructure.gov.au/department/about/charter.aspx</a>&gt;.</p> <p><b>Goals and actions</b></p> <p>An internal complaints-handling policy in support of the client service charter will be prepared, to ensure that complaints made under the charter are dealt with consistently and effectively.</p>

Table C.4 continued

Performance indicator	Results for 2009–10 and goals and actions for 2010–11
<i>Complaints/grievance mechanism, including access to external mechanisms, in place to address issues and concerns raised about performance.</i>	<p><b>Results</b></p> <p>Through the client service charter, clients are encouraged to provide feedback on the Department's performance, and are advised of the best process for making a complaint. Clients are encouraged to initially seek resolution of a complaint from staff in the area where the concern arose. If the complaint is not resolved at that level, clients have the option of submitting complaints and grievances to the Department's Governance, Planning and Reporting Section, including:</p> <ul style="list-style-type: none"> <li>• by post, to the address provided in the charter</li> <li>• by phone, through the toll-free call centre (1800 075 001), and</li> <li>• by email, to <a href="mailto:clientservice@infrastructure.gov.au">clientservice@infrastructure.gov.au</a>.</li> </ul> <p>Clients are able to access external mechanisms such as the Commonwealth Ombudsman, the Australian Human Rights Commission or the Administrative Appeals Tribunal, if they are not satisfied with the Department's handling of a matter.</p> <p>During 2009–10, no complaints about the Department were made to the Australian Human Rights Commission. The downward trend in complaints to the Commonwealth Ombudsman continued the Ombudsman received 10 approaches about the Department, representing a 55 per cent decrease on the result for the previous year.</p> <p><b>Goals and actions</b></p> <p>An internal complaints-handling policy in support of the client service charter will be prepared, to ensure that complaints made under the charter are dealt with consistently and, where possible, resolved in the area where they arise.</p>

## APPENDIX D—REPORT UNDER THE *ENVIRONMENT PROTECTION AND BIODIVERSITY CONSERVATION ACT 1999*

This appendix reports on the Department's commitment to the principles of ecologically sustainable development (ESD) set out in the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act). The goal of ESD is to maintain ecological processes while improving the total quality of life, in the short term and the long term.

Under section 516A of the EPBC Act, the Department is required to report on:

- how its activities accord with the five principles of ESD identified in the Act (the integration, precautionary, intergenerational, biodiversity and valuation principles)
- how it administers legislation in accordance with the ESD principles
- how the outcomes that the Department works towards, and is appropriated resources against, contribute to ESD
- how the Department's activities affect the environment, and
- how the Department minimises harm to the environment, and reviews and increases the effectiveness of measures to minimise harm.

### How the Department's activities accord with ESD principles

The Department undertakes all its activities, from corporate initiatives to departmental policies, programs and procedures, in accordance with the five principles set out in the EPBC Act.

#### The integration principle

The Department worked in partnership with state and territory transport agencies and the Australian Government-owned Australian Rail Track Corporation (ARTC) to implement the Australian Government's Nation Building—Economic Stimulus Plan. State and territory project proponents were required to prepare project proposals that considered environmental, congestion, safety and amenity issues, as well as economic, market and infrastructure considerations. Under the Nation Building—Economic Stimulus Plan the ARTC received an equity injection for its 17 projects. The projects were and are subject to the requirements of state and territory planning and environmental law.

Environmental issues were appropriately considered in the short, medium and long term in the identification, design and delivery of infrastructure projects in receipt of Australian Government funding. The focus was on the Australian Government's investment in major land transport infrastructure projects.

The Department assessed the environmental, social and economic impacts of all master plans, major development plans and airport environment strategies which airport lessee companies were required, by the *Airports Act 1996*, to prepare and submit to the Minister for Infrastructure, Transport, Regional Development and Local Government for approval. The Department provided

advice to the Minister on the extent to which these documents met the requirements of legislation, including assessments of environmental impacts and plans for dealing with them.

The Department also continued to develop software to assist airports and communities to monitor and manage the environmental impacts of aircraft noise and emissions. The Transparent Noise Information Package software is available for free download via the Department's website. Work on software to compute the carbon footprint of aircraft operations is nearing completion.

As part of its work to ensure the sustainability of the Australian maritime industry, the Department:

- led the development of six pieces of Australian legislation enacted during 2009–10 to protect the marine environment and give effect to international conventions for the protection of the marine environment
- provided oversight of the Australian Maritime Safety Authority, which has the primary role in ensuring maritime safety and protection of the marine environment, and
- contributed to:
  - » the development and adoption of the 2010 Protocol to the International Convention for Damage in Connection with the Carriage of Hazardous and Noxious Substances by Sea, and
  - » the adoption of stringent new provisions to limit the amount of sulphur in marine fuel oil, consistent with Australia's obligations under Annex VI of the International Convention for the Prevention of Pollution from Ships.

The Department administered funding for programs to benefit the Australian environment at the local level. This included:

- delivering the Jobs Fund—Bike Paths Projects program, which is expected to have a positive impact on the environment through reduced reliance on cars and improved urban amenity
- requiring Regional Development Australia committees to consider environmental priorities, along with economic development and social inclusion priorities, in developing and implementing their regional plans/roadmaps, and
- implementing ongoing community infrastructure and regional development programs that deliver positive environmental impacts, for example:
  - » encouraging green building technologies and environmental sustainability
  - » promoting walking, cycling and use of public transport
  - » reducing the negative effects of motor vehicles on the environment, and
  - » improving quality of life.

The Department provided funding and administrative support to the Northern Australia Land and Water Taskforce. The taskforce was convened in 2007 to look at opportunities for new development in the north, based on water availability. In 2008, the scope was broadened to look at the sustainability of

new development in the north, based on water quality and availability, the environment, existing water users and the broader community. The taskforce released its final report, *Sustainable Development of Northern Australia*, in February 2010. The report highlights the opportunities for economic development in northern Australia as an integrated, sustainable region and provides 15 recommendations that cultivate and enhance these prospects. The Australian Government is considering the report and is scheduled to respond during 2010–11.

### The precautionary principle

The Department applies the precautionary principle in its role as a regulator: for example, the Department ensured the precautionary principle was embodied in the airport environmental strategy for each of the leased federal airports.

The Department also participates in Australian and international efforts to improve understanding of how activities in the portfolio's areas of responsibility may affect the environment. For example, in 2009–10, the Department actively participated in the International Civil Aviation Organization (ICAO) Directors General of Civil Aviation Climate Group, which was set up to develop a draft resolution on international aviation emissions for the meeting of the ICAO Assembly to be held in September–October 2010.

In its role as a policy adviser, the Department:

- undertook research and provided policy advice on the regional implications of environmental issues such as the efficient use of water resources, the effects of drought and the adoption of alternative energy sources
- advised other government agencies on their analysis of social, economic, governance and environmental factors for the purposes of completing Regional Impact Statements for proposed projects
- participated in the development of the Australian Government's policy position on climate change adaptation, creating a recognition of the portfolio's key role in responding to a changing climate, and
- provided analysis and advice in the preparation of sustainable transport policy.

### The intergenerational principle

The Department played a key role in protecting the marine environment for future generations, by administering the annual Australian contribution to the International Maritime Organization and the International Oil Pollution Compensation Fund, as well as contributing to the development of international standards and instruments in the areas of marine pollution and air quality impacts from shipping.

The Department updated and expanded the information on the popular Green Vehicle Guide website <[www.greenvehicleguide.gov.au](http://www.greenvehicleguide.gov.au)> to include safety ratings for vehicles. The guide provides environmental performance ratings

on all new light vehicle models, including both greenhouse gas emissions and air pollution emissions. Together with the website's fuel consumption calculator, this information enables consumers to better estimate their annual fuel consumption and carbon dioxide equivalent emissions and make informed decisions about their personal impacts on the environment.

The Department concluded the public consultation phase on a regulation impact statement examining the case for upgrading Australia's vehicle air pollutant emissions standards to adopt stricter international standards ('Euro 5/6') aimed at improving air quality in major cities, with commensurate health benefits.

The Department commenced action on a number of measures endorsed by the Council of Australian Governments to improve vehicle fuel efficiency and reduce greenhouse gas emissions from vehicles, under the National Strategy on Energy Efficiency.

The Department's approval processes for funding for regional development projects included environment and heritage considerations that significantly reduced the risk that approved projects may threaten or damage the environment for future generations.

The Department also supported constructive debate on the immediate and long-term health, diversity and productivity of the environment through the work of the Bureau of Infrastructure, Transport and Regional Economics (BITRE). The BITRE continued to undertake high-quality research, including on economic, environmental and social costs and benefits, to inform decision-making processes and increase the knowledge base available to government and other stakeholders.

### **The biodiversity principle**

The Department includes the conservation of biodiversity and ecological integrity issues as fundamental considerations in its decision making and the way it approaches its work. For example, in its oversight of the leased federal airports, the Department assesses the extent to which master plans, major development plans and environmental strategies take into account biodiversity and ecological integrity issues, and works with airports to ensure that the biodiversity principle is respected.

### **The valuation principle**

Continuing to improve its valuation, pricing and incentive mechanisms to ensure that the true costs of activities—including environmental, social and economic costs—are recognised, the Department participated in the analysis and development of policy options for domestic emissions trading for the maritime industry, as well as international debate on possible global measures, including participation in International Maritime Organization discussions of regulatory principles to address greenhouse gas emissions from international shipping.

### **How the Department administers legislation in accordance with ESD principles**

While administering legislation in 2009–10, the Department:

- required states and territories to minimise negative environmental impacts and implement mitigation measures, in instances where the environmental impacts of the Nation Building—Economic Stimulus Plan and Nation Building Program projects were subject to both national and state/territory environmental legislation
- was involved in developing international instruments to protect the marine environment from any potential negative environmental effects resulting from domestic and international sea transport activities, and developed and implemented corresponding Australian legislation, and
- continued to monitor compliance with the *Airports Act 1996* and the Airports (Environment Protection) Regulations 1997, and to encourage continuous improvement of environmental management practices at leased federal airports.

### **How the Department's outcomes contribute to ESD**

ESD was integral to the Department's three outcomes—infrastructure, transport and regional services—and to the Department's work, throughout 2009–10.

- By linking transport performance outcomes to projected economic growth and sustainable development, the Department continued to influence the way development and maintenance of major road and rail system infrastructure is funded in Australia. For more information on how the Department achieved this in 2009–10, see Chapter 3.
- On behalf of the Australian Government, the Department advised on and led national efforts to ensure that Australian transport systems are sustainable and efficient, as well as competitive, safe and secure. For more information on how the Department achieved this in 2009–10, see Chapter 4.
- In delivering programs and providing policy advice to support the sustainable development of self-reliant, resilient regional communities, the Department placed high priority on sustainable development. For more information on how the Department achieved this in 2009–10, see Chapter 5.

### How the Department minimises harm to the environment

During 2009–10, the Department continued to seek ways to minimise the environmental impact of its day-to-day activities, including by:

- contributing to the Online System for Comprehensive Activity Reporting (OSCAR), a tool designed to report energy use under the Energy Efficiency in Government Operations policy
- contributing to an annual report on the government's implementation of environment protection measures, in accordance with the *National Environment Protection Measures (Implementation) Act 1998*, and
- participating in Earth Hour in March 2010, by shutting down power for an hour in the Canberra and interstate offices.

No breaches of environmental laws or licences by the Department were reported during 2009–10.

### How the Department ensures the effectiveness of environmental measures

The Department contributed to the detailed annual report on energy use in Australian Government operations published by the Australian Greenhouse Office (available online at <[www.greenhouse.gov.au](http://www.greenhouse.gov.au)>). Because of a difference between reporting timeframes for the energy use data and the Department's annual report, energy consumption data for the Department for 2009–10 will be provided in the annual report for 2010–11. Data for 2008–09 and previous years appear in this year's report, in Table D1.

In 2009–10:

- despite a 14 per cent increase in occupied floor area, the electricity consumption in office buildings increased by only 5 per cent, to 14,516 gigajoules
- the electricity used by area decreased by 8 per cent, to 360 megajoules per square metre
- departmental passenger vehicle fuel consumption decreased by 10 per cent, to 3,068 gigajoules, and
- greenhouse gas emissions decreased by 19 per cent, to 3,800 tonnes.

The Department's environmental management system is compliant with ISO14001:2004, the international standard for environmental management systems. The system is focused on the Department's office-based activities in Canberra; initiatives are applied at territory and state premises where appropriate.



Table D.1 Trends in departmental energy consumption, 2004–05 to 2008–09

	2004–05	2005–06	2006–07	2007–08	2008–09
<b>Buildings and electricity</b>					
<b>Office buildings</b>					
Area occupied (m <sup>2</sup> )	28,235	30,080	34,273	35,515	40,363
Occupants <sup>a</sup>	1,326	1,531	1,734	1,679	1,526
Area per person (m <sup>2</sup> )	21.3	19.7	18.9	21.15	26.00
Electricity used (GJ)	12,259	14,887 <sup>b</sup>	14,662	13,857	14,516
Electricity used per person (MJ) <sup>c</sup>	9,254	9,723	8,455	8,253	9,512
Electricity used by area (MJ/m <sup>2</sup> )	434	495	428	390	360
Electricity sourced from renewable sources (%)	3.50	3.00	8.00	6.13	6.00
<b>Other buildings</b>					
Area occupied (m <sup>2</sup> )	1,306	1,306	1,306	1,306	1,306
Electricity used (GJ)	118	68	72	96	155
Electricity used by area (MJ/m <sup>2</sup> )	90	52	55	73	119
<b>Transport</b>					
<b>Passenger vehicles<sup>d</sup></b>					
Total petrol used (l)	124,425	126,999	109,191	81,691	81,936
Average fuel economy (l/100km)	11.10	11.00 <sup>e</sup>	11.00	10.36	13.00
Total energy used as fuel (GJ)	4,267	4,598	3,710	3,418	3,068
Vehicle fleet compliance with green vehicle guide (%)	35	20	18.5	58	31
<b>Total consumption</b>					
Direct energy consumed (GJ)	16,644	19,553	20,018	17,371	17,739
Greenhouse gas emissions (tonnes of carbon dioxide equivalents)	3,777	4,736	5,000	4,700	3,800

a Occupants may include contractors and employees of contracted service providers as well as staff.

b Includes green power.

c The Australian Government's energy consumption target is no more than 10,000 megajoules per person per year.

d Transport statistics include senior executive and other departmental vehicles, but do not include vehicles that staff receive in lieu of remuneration under salary packaging.

e Diesel and petrol.

## APPENDIX E—REPORT UNDER THE *FREEDOM OF INFORMATION ACT 1982*

Under section 15 of the *Freedom of Information Act 1982* (FOI Act), any person is entitled to apply for access to Australian Government documents created after 1970. The Department holds documents relating to its roles of:

- developing and providing national policy advice to enhance transport safety and security and to strengthen social and economic opportunities for Australia's regions and local governments
- investing in infrastructure and administering programs to enhance the safety of the road transport system, develop Australia's regions and support local governments
- conducting research and investigations to improve the performance, safety and security of Australian transport systems, support policy development and inform the wider community
- providing regulatory frameworks to ensure a clear and robust transport environment, and
- working with other levels of government and engaging domestically and internationally with stakeholders to facilitate outcomes for all Australians.

This appendix explains how to request access to documents held by the Department under the FOI Act, what records the Department holds, and what arrangements the Department has in place for outside participation.

Detailed information about the FOI Act is available via the website of the Department of the Prime Minister and Cabinet, at <[www.dpmc.gov.au/foi/annual\\_reports.cfm](http://www.dpmc.gov.au/foi/annual_reports.cfm)>.

Table E.1 gives trend information for FOI Act requests received and handled by the Department.

Table E.1 Trends in freedom of information requests, 2005–06 to 2009–10

	2005–06	2006–07	2007–08	2008–09	2009–10
<b>Volume of requests handled</b>					
Requests on hand at 1 July (A)	13	11	12	5	12
New requests received (B)	74	39	34	45	37
Requests withdrawn or transferred in full (C)	38	11	15	15	15
Requests on hand at 30 June (D)	11	12	5	12	10
Total requests resolved (A+B–C–D)	38	27	26	23	24
<b>Timeliness of responses to requests<sup>a</sup></b>					
Resolved in < 30 days	15	10	15	12	4
Resolved in 31–60 days	13	6	4	8	12
Resolved in 61–90 days	5	5	4	2	2
Resolved in > 90 days	5	6	3	1	6

a These statistics cannot be compared with the deadlines set in the *Freedom of Information Act 1982* as the Act allows for extensions of time to allow for consultation with third parties, negotiation of fees and other issues. Resolved requests include transfers to other agencies.

### How to lodge a request for information

Information about how to make an application under the FOI Act is located on the Department's website at <[www.infrastructure.gov.au/department/foi](http://www.infrastructure.gov.au/department/foi)>.

From 1 November 2010, a request for access to documents made under the FOI Act must:

- be made in writing (this can be transmitted by email or fax)
- be accompanied by the \$30 application fee (this can be waived or refunded in some cases)
- include an address in Australia to which replies and notices can be sent, and
- provide enough information for the Department to identify the documents you wish to access.

If you need more information or wish to discuss making an FOI request, you can contact the Department by:

email: [foi@infrastructure.gov.au](mailto:foi@infrastructure.gov.au)

fax: 02 6275 1347

phone: 02 6274 7531 or

post: Freedom of Information Coordinator  
Department of Infrastructure and Transport  
GPO Box 594  
CANBERRA ACT 2601

The Department usually imposes additional processing charges. The Freedom of Information (Fees and Charges) Regulations set out rates for

the time spent searching for and retrieving relevant documents, decision-making time, photocopying and other costs. The FOI Act provides that, from 1 November 2010, the first hour of decision-making time is waived and the first five hours of decision making time is waived for journalists and not-for-profit organisations. Where charges are imposed, the Department provides an estimate of the processing charges to the applicant and seeks their agreement before continuing to process the request. Charges can be reduced or waived in some cases.

### **Records the Department holds**

The Department holds records such as:

- briefing papers and submissions prepared for ministers, parliamentary secretaries, the Cabinet and the Executive Council (most of these are classified documents)
- business papers, briefing notes and meeting records for committees and conferences which the Department services or takes part in
- codes of practice
- documents prepared by international agencies
- documents relating to the development of legislation
- environmental impact statements
- internal administration documents
- international treaties, memorandums of understanding and international conventions
- legal documents, including legislation, contracts, leases and court documents
- maps and other geographical information
- ministerial responses to parliamentary questions, interdepartmental and general correspondence and papers
- policy documents, recommendations and decisions
- program, fund and grant administration papers
- registers of documents, agreements, approvals, exemptions, permits and licences
- service delivery agreements
- statistics and databases, and
- technical standards, guidelines, specifications, charts, photographs, drawings and manuals.

A digest of the personal information the Department holds is available via the Office of the Privacy Commissioner's website, at <[www.privacy.gov.au/government/digests](http://www.privacy.gov.au/government/digests)>. This information is updated annually.

## Functions and decision-making powers

The organisation and functions of the Department are described throughout the annual report.

Certain officers exercise decision-making powers and advise ministers on the exercise of their powers under portfolio legislation and other matters. These responsibilities are as set out in the Administrative Arrangements Orders (AAO) for the Commonwealth of Australia and during 2009–10 related to:

- infrastructure planning and coordination
- transport safety, including investigations
- land transport
- civil aviation and airports
- transport security
- delivery of regional and rural services
- maritime transport, including shipping
- regional development
- matters relating to local government, and
- major projects facilitation.

For a complete and up-to-date copy of the AAO visit <[www.pmc.gov.au](http://www.pmc.gov.au)> or <[www.comlaw.gov.au](http://www.comlaw.gov.au)> and search for AAO.

To ensure that the Department's employees exercise their powers appropriately, and to raise awareness of and access to their decision-making authorities, the Department uses an online delegations management system called *i-Delegate*. The system allows employees to check information about the powers and authorities assigned under the AAO and laws such as the *Financial Management and Accountability Act 1997* and the *Public Service Act 1999*.

To review a list of the manuals and other documents that the Department uses when making decisions or recommendations that affect the public, contact any office of the National Archives of Australia or visit <[www.naa.gov.au](http://www.naa.gov.au)>.

## Arrangements for outside participation

The Department consults widely to gain the views of stakeholders and clients about future policy directions and program delivery. This includes consulting with other Australian Government and state and territory government departments and agencies as appropriate, and with foreign governments, particularly in the contexts of transport security and safety, and aviation policy. To inform particular policy issues the Department may contact a very broad range of stakeholders.

## APPENDIX F— REPORT UNDER THE *OCCUPATIONAL HEALTH AND SAFETY ACT 1991*

The Department is committed to promoting strategies that improve the health, safety and wellbeing of its employees, particularly through effective and timely incident investigation and injury management.

A range of health and wellbeing initiatives were provided in 2009–10, including:

- Health Week, held in September and May, which offered employees health assessments, influenza vaccinations and skin cancer checks
- Weight Watchers at Work, which involved 22 employees
- support to quit smoking, which was provided to two employees
- lunchtime fitness classes, which involved 35 employees, and
- health and wellbeing seminars, which were held monthly and provided information on a variety of subjects, including sleep, happiness and understanding depression.

To ensure ongoing compliance with the *Occupational Health and Safety Act 1991* and the *Safety Rehabilitation and Compensation Act 1988*, Health and Safety Management Arrangements were introduced in September 2009. A new policy was developed, covering guidelines for the use and allocation of, and access to, basement car parking and bike cage facilities.

Information and advice on occupational health and safety were made available to all employees through the Department's intranet. Additionally, Protecting Your Best Asset: OH&S for Managers and Supervisors training was offered to managers and supervisors, providing them with the information they need to ensure the health and safety of their employees.

During 2009–10:

- 12 reports were submitted identifying workplace hazards (anything with the potential to cause injury)
- 23 reports were submitted following workplace health and safety incidents, and
- two notifiable incidents were reported to Comcare.

A total of four reported incidents resulted in accepted workers' compensation claims. Comcare denied liability in relation to an additional two reported incidents. The number of accepted claims was significantly reduced, compared to eight claims in 2008–09, and the total time lost from new claims decreased by 21.35 weeks. The Department's Comcare premium was reduced to 0.49 per cent, well below the Australian Public Service average of 1.25 per cent.

Table F.1 summarises occupational health and safety measures, indicators and incidents in 2009–10.

**Table F.1 Workplace health and safety statistics in 2009–10**

<b>Proactive measures</b>	
Workplace assessments	46
Staff health assessments	293
Staff influenza vaccinations	361
<b>Wellbeing indicators</b>	
Staff using employee assistance (%)	5.76
Days of unscheduled absence per full-time equivalent employee <sup>a</sup>	11.57
<b>Incident management<sup>b</sup></b>	
New claims accepted by Comcare	4
Total weeks lost from new claims through incapacity	14
Average time off work per injury (weeks)	3.5
Special or serious incidents requiring Comcare investigation	0
Directions or notices issued to the Department under the <i>Occupational Health and Safety Act 1991</i>	0

a Unscheduled absence includes sick leave, carers' leave and bereavement leave. Workers' compensation leave is not included.

b These figures are as advised by Comcare.

## APPENDIX G—LIST OF GRANTS PROGRAMS

This appendix addresses the requirement for the Department to report details of the grants programs it administers. Information on grants awarded by the Department of Infrastructure, Transport, Regional Development and Local Government and the Department of Infrastructure and Transport since 1 January 2009 is available at <[www.infrastructure.gov.au](http://www.infrastructure.gov.au)>.

**Table G.1 Grants programs administered in 2009–10**

<b>Program name</b>	<b>More information</b>
<b>Program 1.1—Infrastructure investment</b>	
Nation Building Program	
<i>Nation Building Program Investment<sup>a</sup></i>	page 23
<i>Nation Building Black Spot Projects<sup>a</sup></i>	page 23, 27
<i>Nation Building Boom Gates for Rail Crossings</i>	page 23, 28
<i>Nation Building Heavy Vehicle Safety and Productivity<sup>a</sup></i>	page 23, 28
<i>Nation Building Roads to Recovery</i>	page 23, 28
<i>Nation Building Off-Network Projects<sup>a</sup></i>	page 23, 28
Nation Building Plan for the Future (Major Cities) <sup>a</sup>	page 24, 27
Management of residual issues of former Australian National Railways Commission	page 24
<b>Program 2.1—Transport security</b>	
Aviation security enhancements—improving international aviation security	page 40
<b>Program 2.2—Surface transport</b>	
International Maritime Organization—contribution	page 49
National Transport Commission	page 49
OECD Road Transport—contribution	page 49
<b>Program 2.3—Road safety</b>	
National Road Safety Council—contribution	page 63–64
Seatbelts on regional school buses	page 63–64
<b>Program 2.4—Air transport</b>	
International Civil Aviation Organization—contribution	page 71, 74
Remote Aerodrome Safety	page 71
<b>Program 3.1—Regional development</b>	
Better Regions	page 92–93
East Kimberley Development Package <sup>a</sup>	page 92, 95–96
Jobs fund—Bike Paths	page 92, 94
Jobs Fund—Infrastructure Employment Projects <sup>a</sup>	page 92, 94–95
Regional and Rural Research and Development Grants	page 92
Regional Development Australia Committees	page 92, 95
Regional Partnerships	page 92–93
<b>Program 3.2—Local government</b>	
Local Government Reform Fund <sup>a</sup>	page 100, 102
Regional and Local Community Infrastructure Program—Strategic Projects	page 100–101

<sup>a</sup> These programs are administered under the *Federal Financial Relations Act 2009*. Further information relating to National Partnership Agreements for payments to the states and territories is available at <[www.federalfinancialrelations.gov.au](http://www.federalfinancialrelations.gov.au)>.



## APPENDIX H—ADDITIONAL HUMAN RESOURCE STATISTICS

This appendix addresses the requirement for the Department to publish a range of human resource statistics. It includes details of the Department's:

- workforce profile by classification and location
- workforce profile by gender, tenure and hours of work
- salary scales available, by classification, and
- non-salary benefits provided to employees.

These statistics include non-ongoing staff as at 30 June 2009 and 30 June 2010, but exclude inoperative and casual staff unless noted otherwise.

**Table H.1 Workforce profile, including holders of public office, by classification and location**

	APS 1–4 and equivalent		APS 5–6 and equivalent		EL1 and equivalent		EL2 and equivalent		SES/ SEC and equivalent		Holder of Public office		Total	
	08–09	09–10	08–09	09–10	08–09	09–10	08–09	09–10	08–09	09–10	08–09	09–10	08–09	09–10
ACT	174	162	366	310	292	250	181	133	46	45	1	1	1060	901
NSW	10	8	32	32	11	11	4	4	4	4	1	1	62	60
Vic	1	1	16	16	4	6	1	1	0	0		0	22	24
Qld	1	1	23	21	8	8	4	1	0	0		0	36	31
SA	0	0	12	9	6	6	5	1	0	0		0	23	16
WA	2	1	16	17	8	8	3	1	0	0		0	29	27
Tas	0	0	1	1	1	1	0	0	0	0		0	2	2
NT	0	0	8	7	2	2	0	0	0	0		0	10	9
<b>Total</b>	<b>188</b>	<b>173</b>	<b>474</b>	<b>413</b>	<b>332</b>	<b>292</b>	<b>198</b>	<b>141</b>	<b>50</b>	<b>49</b>	<b>2</b>	<b>2</b>	<b>1244</b>	<b>1070</b>

**Table H.2 Workforce gender profile, including holders of public office, by tenure and hours of work**

	Female		Male		Total	
	2008–09	2009–10	2008–09	2009–10	2008–09	2009–10
Holder of public office	0	0	2	0	2	2
Ongoing full-time	477	413	644	537	1121	950
Ongoing part-time	66	69	16	18	82	87
Non-ongoing full-time	22	12	11	12	33	24
Non-ongoing part-time	1	3	5	4	6	7
<b>Total</b>	<b>566</b>	<b>497</b>	<b>678</b>	<b>571</b>	<b>1244</b>	<b>1070</b>

**Table H.3 Salary ranges for departmental employees by classification**

	30 June 2006 (\$)	30 June 2007 (\$)	30 June 2008 (\$)	30 June 2009 (\$)	30 June 2010 (\$)
APS1	33,748–37,174	33,748–37,174	35,098–38,661	36,502–40,207	37,597–41,413
APS2	38,221–42,197	38,221–42,197	39,750–43,885	41,340–45,640	42,580–47,009
Graduate	43,608–43,608	43,608–43,608	45,353–45,353	47,167–47,167	48,582–48,582
APS3	43,608–63,257	43,608–47,086	45,353–48,969	47,167–50,928	48,582–52,456
APS4	48,316–54,996	48,316–52,502	50,249–54,602	52,259–56,787	53,827–58,491
APS5	53,941–64,337	53,941–64,099	56,098–59,850	58,342–61,863	60,092–70,203
APS6	58,484–89,052	58,484–80,902	60,824–84,138	63,257–84,138	65,155–81,760
EL1	74,920–97,746	74,920–112,975	77,916–117,494	81,033–122,194	83,464–117,800
EL2	86,064–150,000	86,064–156,000	89,507–162,240	93,087–168,730	95,880–160,000
SES1	130,977–175,000	130,000–175,500	135,200–182,520	150,588–205,096	156,612–201,950
SES2	152,246–185,000	170,000–200,000	156,000–208,000	173,275–231,000	206,158–237,930
SES3	182,471–195,000	186,000–210,000	187,200–218,400	208,884–266,400	247,200–247,200

Secretary The Secretary's remuneration is as determined by the Prime Minister after taking into account the recommendations of the Remuneration Tribunal.

Notes: Salary includes allowance and 'at-risk' pay, but excludes employer superannuation contributions and other non-salary benefits payable to staff in the department.

Different pay scales may apply to specialist employees, junior employees and non-ongoing employees engaged in intermittent or irregular duties. For more information, please see the Department of Infrastructure, Transport, Regional Development and Local Government Enterprise Agreement 2009–2011 <<http://www.infrastructure.gov.au/department/about/agreement.aspx>>.

**Table H.4 Non-salary benefits available to employees****Employee health and wellbeing**

Access to the Employee Assistance Program — by employees and their families

Health assessments, influenza vaccinations and skin cancer checks

Carer's facilities — on a needs basis

Support to quit smoking

Weight Watchers at work

Lunchtime fitness classes

Health and wellbeing seminars

**Support for professional and personal development**

Study assistance

Financial Assistance for:

- course/tuition/administrative fees
- some accommodation and travel costs
- some compulsory costs

Paid leave

**Flexible working arrangements**

Flextime

Time off in lieu

Home-based work

Part-time work

**Leave**

Purchased leave

Annual leave cash out

Access to personal circumstances leave and annual leave at half pay

Christmas close-down

Generous maternity, adoption and parental leave provisions

**Other**

Senior Executive Vehicle Scheme

Salary sacrifice

Car parking

Additional leave for shiftworkers and overseas employees

## APPENDIX I—AIRPORT PERFORMANCE DATA

The information in this appendix supplements the performance reporting in the body of the annual report, particularly the summary information on airport performance for Program 2.4.

### Airport lease review meetings

The Department conducts annual lease reviews of the 21 leased federal airports to ensure compliance with the terms of their leases.

**Table I.1 Airport lease review meetings, 2006 to 2010**

Airport	2006	2007	2008	2009	2010
Adelaide	22-Jun-06	25-May-07	21-May-08	23-Apr-09	29-Jun-10
Alice Springs	24-Aug-06	20-Jul-07	23-Jul-08	5-May-09	15-Jun-10
Archerfield	19-Jul-06	27-Jun-07	30-May-08	15-Jun-09	28-Jun-10
Bankstown	29-Mar-06	9-May-07	21-May-08	11-Jun-09	17-Jun-10
Brisbane	23-May-06	31-May-07	28-May-08	16-Jun-09	23-Jun-10
Camden	29-Mar-06	9-May-07	21-May-08	11-Jun-09	17-Jun-10
Canberra	16-Jun-06	1-Jun-07	13-May-08	7-May-09	11-Jun-10
Darwin	24-Aug-06	20-Jul-07	23-Jul-08	5-May-09	15-Jun-10
Essendon	5-May-06	17-May-07	29-May-08	3-May-09	4-Aug-10
Gold Coast	18-Jul-06	1-Jun-07	8-May-08	20-May-09	18-Jun-10
Hobart	5-Apr-06	4-Jul-07	12-Jun-08	30-Apr-09	17-Aug-10
Hoxton Park	29-Mar-06	9-May-07	21-May-08	n/a	n/a
Jandakot	26-Sep-06	9-Jul-07	19-May-08	13-May-09	12-Jul-10
Launceston	28-Jun-06	16-May-07	26-May-08	29-Apr-09	18-Aug-10
Melbourne	22-Aug-06	15-Jun-07	27-May-08	28-May-09	20-Jul-10
Moorabbin	4-May-06	18-May-07	24-Apr-08	2-May-09	19-Jul-10
Mount Isa	18-Jul-06	1-Jun-07	8-May-08	20-May-09	18-Jun-10
Parafield	22-Jun-06	25-May-07	21-May-08	23-Apr-09	29-Jun-10
Perth	25-Sep-06	10-Jun-07	20-May-08	14-May-09	13-Jul-10
Sydney	29-Mar-06	25-Jun-07	16-May-08	5-Jun-09	8-Jun-10
Tennant Creek	24-Aug-06	20-Jul-07	23-Jul-08	5-May-09	15-Jun-10
Townsville	18-Jul-06	1-Jun-07	8-May-08	20-May-09	18-Jun-10

## Airport insurance reviews

Through the airport lease and sale agreements, airport lessee companies have obligations to the Australian Government in relation to maintaining a range of insurances. With a view to establishing more effective and appropriate insurance arrangements, the Department has appointed an insurance consultant to advise it on matters relating to the insurance requirements of the airport leases and the levels of cover held by airport lessee companies.

**Table I.2 Airport insurance reviews**

Airport	Adviser's report received by Department	Department's first follow-up with airport	Final documents received from airport	Final letter sent to airport
Adelaide Parafield	11-Jan-10	15-Jan-10	2-Feb-10	4-Mar-10
Archerfield	4-Dec-09	8-Dec-09	9-Jun-10	10-Jun-10
Bankstown Camden	22-Sep-09	28-Sep-09	12-Oct-09	14-Oct-09
Brisbane	4-Dec-09	9-Dec-09	18-Dec-09	8-Feb-10
Canberra	17-Nov-09	10-Dec-09	14-Dec-09	11-Jan-10
Darwin Alice Springs Tennant Creek	23-Nov-09	24-Nov-09	24-Nov-09	10-Dec-09
Essendon	5-Oct-09	13-Oct-09	3-Dec-09	9-Dec-09
Gold Coast Townsville Mt Isa	22-Jan-10	12-Feb-10	15-Feb-10	24-Feb-10
Hobart	17-Nov-09	19-Nov-09	29-Jun-10	30-Jun-10
Jandakot	29-Sep-09	7-Oct-09	20-Nov-09	18-Dec-09
Melbourne Launceston	27-Nov-09	7-Dec-09	17-Jun-10	21-Jun-10
Moorabbin	14-Sep-09	22-Sep-09	22-Sep-09	22-Sep-09
Perth	17-Nov-09	17-Nov-09	15-Mar-10	16-Mar-10
Sydney	29-Apr-10	29-Apr-10	11-Jun-10	25-Jun-10

Notes: The renewal periods of insurance policies vary across airports. Therefore, the information above may not necessarily reflect financial year outcomes.

For the purpose of this table, the period under review is July 2009 to June 2010.

## Environmental authorisations

The Department may authorise an airport to undertake an action that may result in environmental emissions limits being exceeded where the emissions will be no more damaging to the environment than if the limits were met.

**Table I.3 Environmental authorisations**

Airport	Airport Environment Officer	Authorisation holder	Date approved	Period of validity	Nature of authorisation	Gazetted
Sydney	Julie Coughlan	Julie Coughlan	7–Apr–10	21–Mar–10 to 20–Mar–13	Under s. 5.09(1) (b) of Airport (Environment Protection) Regulations 1997—periodic discharge of sewage from overflow points at Discharge Bay Mill Pond, Sydney (Kingsford Smith) Airport	No. GN 22, 9–Jun–10

## APPENDIX J—INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT PORTFOLIO BODIES

The Infrastructure, Transport, Regional Development and Local Government portfolio included the bodies listed in Table J.1.

**Table J.1 Infrastructure, Transport, Regional Development and Local Government portfolio bodies**

Type	Name	Website
<i>Ministerial councils</i>	Australian Transport Council	<a href="http://www.atcouncil.gov.au">www.atcouncil.gov.au</a>
	Local Government and Planning Ministers' Council	<a href="http://www.lgpmcouncil.gov.au">www.lgpmcouncil.gov.au</a>
	Regional Development Council	<a href="http://www.rdcouncil.gov.au">www.rdcouncil.gov.au</a>
<i>Joint Commonwealth–state bodies</i>	Australian Council of Local Government	<a href="http://www.aclg.gov.au">www.aclg.gov.au</a>
	Australian Motor Vehicle Certification Board	n/a
	National Marine Safety Committee	<a href="http://www.nmsc.gov.au">www.nmsc.gov.au</a>
	National Road Safety Council	<a href="http://www.nrsc.atcouncil.gov.au">www.nrsc.atcouncil.gov.au</a>
	Standing Committee on Regional Development	n/a
	Standing Committee on Transport	n/a
<i>Advisory bodies</i>	Australian Bicycle Council	<a href="http://www.austroads.com.au/abc/">www.austroads.com.au/abc/</a>
	Regional Development Committees	<a href="http://www.rda.gov.au">www.rda.gov.au</a>
	Tasmanian Freight Equalisation Scheme Review Authority	n/a
	Technical Liaison Group	n/a
<i>Statutory authorities, statutory committees and royal commissions</i>	Infrastructure Australia	<a href="http://www.infrastructureaustralia.gov.au">www.infrastructureaustralia.gov.au</a>
	International Air Services Commission	<a href="http://www.iasc.gov.au">www.iasc.gov.au</a>
	Marine Council	n/a
	Motor Vehicle Standards Review Panel	n/a
<i>Statutory office holders</i>	Administrator of Vehicle Standards	n/a
	Associate Administrators of Vehicle Standards	n/a
	Infrastructure Coordinator	<a href="http://www.infrastructureaustralia.gov.au">www.infrastructureaustralia.gov.au</a>
	Inspector of Transport Security	<a href="http://www.infrastructure.gov.au/transport/security/oits/index.aspx">www.infrastructure.gov.au/transport/security/oits/index.aspx</a>
	Registrar of Liner Shipping	<a href="http://www.infrastructure.gov.au/maritime/ports/liner/index.aspx">www.infrastructure.gov.au/maritime/ports/liner/index.aspx</a>
<i>Prescribed agencies under the FMA Act</i>	Australian Transport Safety Bureau <sup>a</sup>	<a href="http://www.atsb.gov.au">www.atsb.gov.au</a>

Table J.1 continued

Type	Name	Website
<i>Commonwealth authorities under the CAC Act</i>	Airservices Australia	<a href="http://www.airservicesaustralia.com">www.airservicesaustralia.com</a>
	Australian Maritime Safety Authority	<a href="http://www.amsa.gov.au">www.amsa.gov.au</a>
	Civil Aviation Safety Authority	<a href="http://www.casa.gov.au">www.casa.gov.au</a>
<i>Statutory corporations not under the CAC Act</i>	National Transport Commission	<a href="http://www.ntc.gov.au">www.ntc.gov.au</a>
<i>Commonwealth companies under the CAC Act (limited by shares)</i>	Australian Rail Track Corporation	<a href="http://www.artc.com.au">www.artc.com.au</a>
<i>Other companies (limited by guarantee)</i>	Australian Road Research Board (ARRB) Group Ltd	<a href="http://www.arrb.com.au">www.arrb.com.au</a>
	Austroads <sup>b</sup>	<a href="http://www.austroads.com.au">www.austroads.com.au</a>
	Transport Certification Australia Ltd	<a href="http://www.tca.gov.au">www.tca.gov.au</a>

CAC Act = *Commonwealth Authorities and Companies Act 1997*, FMA Act = *Financial Management and Accountability Act 1997*, n/a = not available online

- a The Australian Transport Safety Bureau was established as an independent statutory authority on 1 July 2009, following amendment of the *Transport Safety Investigation Act 2003*.
- b On 22 October 2009 the legal structure of Austroads changed from an incorporated association to a company limited by guarantee under the *Commonwealth Corporations Act 2001*.

## APPENDIX K—LIST OF REQUIREMENTS

Description	Section/page
Letter of transmittal	iii
Table of contents	v
Index	272
Abbreviations/glossary	268
Contact officer	Inside back cover
Internet home page address and Internet address for report	iv
Review by Secretary	2–4
<b>Departmental overview</b>	
Overview description	10
Role and functions	10–13
Organisational structure	12
Outcome and program structure	13–14
Variation to outcome and program structure	13
Portfolio structure	15–16
<b>Report on performance</b>	
Review of performance during the year in relation to programs and contribution to outcomes	<i>See Ch 3, 4, 5, 6</i>
Actual performance in relation performance targets set out in PBS/PAES	<i>See Ch 3, 4, 5, 6</i>
Purchaser–provider arrangements	50–51, 75
Variations to performance targets	n/a
Narrative discussion and analysis of performance	<i>See Ch 1, 3, 4, 5, 6</i>
Significant changes in nature of principle functions/services	n/a
Trend information	<i>See Ch 3, 4, 5, 6</i>
Performance against service charter customer service standards, complaints data, and the department's response to complaints	122, 124
Discussion and analysis of the department's financial performance	5–8, 178–265
Discussion of any significant changes from the prior year or from budget	5–8
Summary resource statement and summary resource tables by outcomes	130–139
Developments since the end of the financial year that have affected or may significantly affect the department's operations or financial results in future	13
<b>Management and accountability</b>	
<b>Corporate governance</b>	
Statement of the main corporate governance practices in place	116–122
Names of the senior executive and their responsibilities	11
Senior management committees and their roles	116–119
Corporate and operational planning and associated performance reporting and review	119–120
Approach adopted to identifying areas of significant financial or operational risk and arrangements in place to manage risk	120–121
Certification by agency head that the agency complies with the Commonwealth Fraud Control Guidelines	iii



Description	Section/page
Policy and practices on the establishment and maintenance of appropriate ethical standards	121
How nature and amount of remuneration for Senior Executive Service officers is determined	126
<b>External scrutiny</b>	
Significant developments in external scrutiny	n/a
Judicial decisions and decisions of administrative tribunals	122
Reports by the Auditor-General, a Parliamentary Committee or the Commonwealth Ombudsman	122–124
<b>Management of human resources</b>	
Assessment of effectiveness in managing and developing human resources to achieve departmental objectives	124–128
Workforce planning, staff turnover and retention	125–127
Training and development undertaken and its impact	125
Occupational health and safety performance	164–165
Statistics on staffing	126–128, 167–168
Collective agreements, determinations, common law contracts and AWAs	126
Performance pay	126
<b>Assets management</b>	
Assessment of effectiveness of assets management	6–7
<b>Purchasing</b>	
Assessment of purchasing against core policies and principles	140–143
Consultants	143
Absence of provisions in contracts allowing access by the Auditor-General	140
Contracts exempt from the AusTender	141
Report on performance in implementing the Commonwealth Disability Strategy	145–152
<b>Financial statements</b>	178–265
<b>Other statutory reporting</b>	
Occupational health and safety (section 74 of the <i>Occupational Health and Safety Act 1991</i> )	164–165
Freedom of Information (subsection 8(1) of the <i>Freedom of Information Act 1982</i> )	160–163
Advertising and Market Research (Section 311A of the <i>Commonwealth Electoral Act 1918</i> ) and statement on advertising campaigns	143–144
Ecologically sustainable development and environmental performance (Section 516A of the <i>Environment Protection and Biodiversity Conservation Act 1999</i> )	153–159
<b>Other</b>	
Grant programs	166
Correction of material errors in previous annual report	n/a
List of requirements	174–175

APPENDIX K

# FINANCIAL STATEMENTS

For the Year Ended 30 June 2010





## INDEPENDENT AUDITOR'S REPORT

### To the Minister for Infrastructure, Transport, Regional Development and Local Government

#### Scope

I have audited the accompanying financial statements of the Department of Infrastructure, Transport, Regional Development and Local Government for the year ended 30 June 2010, which comprise: a Statement by the Secretary and Chief Financial Officer; Income Statement; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; Schedule of Contingencies; Schedule of Administered Items and Notes to and forming part of the Financial Statements including a Summary of Significant Accounting Policies.

#### *The Responsibility of the Secretary for the Financial Statements*

The Department's Secretary is responsible for the preparation and fair presentation of the financial statements in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards (which include the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

#### *Auditor's Responsibility*

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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19 National Circuit Barton ACT  
Phone (02) 6203 7300 Fax (02) 6203 7777

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Department's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Department's Secretary, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### ***Independence***

In conducting the audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

#### **Auditor's Opinion**

In my opinion, the financial statements of the Department of Infrastructure, Transport, Regional Development and Local Government:

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Interpretations; and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders including the Department of Infrastructure, Transport, Regional Development and Local Government's financial position as at 30 June 2010 and its financial performance and cash flows for the year then ended.

Australian National Audit Office



Peter Kerr  
A/Executive Director  
Delegate of the Auditor-General  
Canberra  
11 August 2010.



Australian Government

Department of Infrastructure, Transport,  
Regional Development and Local Government

**STATEMENT BY THE CHIEF EXECUTIVE AND CHIEF FINANCIAL OFFICER**

In our opinion, the attached financial statements for the year ended 30 June 2010 are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, as amended.

Handwritten signature of Mike Mrdak in black ink.

Mike Mrdak  
Secretary  
30 July 2010

Handwritten signature of Paul Wood in black ink.

Paul Wood  
Chief Financial Officer  
30 July 2010

## DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT

## STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2010

	Notes	2010 \$'000	2009 \$'000
<b>EXPENSES</b>			
Employee benefits	3A	113,000	127,963
Suppliers	3B	88,336	106,789
Grants	3C	1,054	1,959
Depreciation and amortisation	3D	12,918	13,567
Finance costs	3E	267	288
Write-down and impairment of assets	3F	1,460	440
<b>Total expenses</b>		<b>217,035</b>	<b>251,006</b>
<b>LESS:</b>			
<b>OWN-SOURCE INCOME</b>			
<b>Own-Source Revenue</b>			
Sale of goods and rendering of services	4A	4,223	4,149
Rental income	4B	2,787	429
<b>Total own-source revenue</b>		<b>7,010</b>	<b>4,578</b>
<b>Gains</b>			
Resources received free of charge	4C	506	506
Reversals of previous write-downs	4C	-	141
Cost recoveries and refunds	4C	483	222
<b>Total gains</b>		<b>989</b>	<b>869</b>
<b>Total own-source income</b>		<b>7,999</b>	<b>5,447</b>
<b>Net cost of services</b>		<b>(209,036)</b>	<b>(245,559)</b>
Revenue from Government	4D	208,841	242,521
<b>Deficit attributable to the Australian Government</b>		<b>(195)</b>	<b>(3,038)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Changes in asset revaluation reserves		315	(1,824)
<b>Total other comprehensive income</b>		<b>315</b>	<b>(1,824)</b>
<b>Total comprehensive income (loss) attributable to the Australian Government</b>		<b>120</b>	<b>(4,862)</b>

The above statement should be read in conjunction with the accompanying notes.

## DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT

## BALANCE SHEET

as at 30 June 2010

	Notes	2010 \$'000	2009 \$'000
<b>ASSETS</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	5A	1,239	3,472
Trade and other receivables	5B	65,560	96,922
Accrued revenue	5C	589	555
<b>Total financial assets</b>		<b>67,388</b>	<b>100,949</b>
<b>Non-Financial Assets</b>			
Land and buildings	6A/6C	29,316	35,059
Property, plant and equipment	6B/6C	8,233	7,542
Intangibles	6D	15,932	24,107
Inventories	6E	-	1
Other non-financial assets	6F	5,201	5,120
<b>Total non-financial assets</b>		<b>58,682</b>	<b>71,829</b>
<b>Total Assets</b>		<b>126,070</b>	<b>172,778</b>
<b>LIABILITIES</b>			
<b>Payables</b>			
Suppliers	7A	14,041	19,471
Other payables	7B	9,307	11,162
<b>Total payables</b>		<b>23,348</b>	<b>30,633</b>
<b>Interest Bearing Liabilities</b>			
Leases	8A	83	351
<b>Total interest bearing liabilities</b>		<b>83</b>	<b>351</b>
<b>Provisions</b>			
Employee provisions	9A	29,780	32,722
Other provisions	9B	5,343	5,166
<b>Total provisions</b>		<b>35,123</b>	<b>37,888</b>
<b>Total Liabilities</b>		<b>58,554</b>	<b>68,872</b>
<b>Net Assets</b>		<b>67,516</b>	<b>103,906</b>
<b>EQUITY</b>			
Contributed equity		(149,804)	(121,520)
Asset revaluation reserve		14,922	14,607
Retained earnings		202,398	210,819
<b>Total Equity</b>		<b>67,516</b>	<b>103,906</b>

The above statement should be read in conjunction with the accompanying notes.



## DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT

## STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2010

	Retained Earnings		Asset Revaluation Reserve		Contributed Equity/Capital		Total Equity	
	2010	2009	2010	2009	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance</b>								
Balance carried forward from previous year	210,819	213,857	14,607	16,431	(121,520)	(121,520)	103,906	108,768
<b>Adjusted opening balance</b>	210,819	213,857	14,607	16,431	(121,520)	(121,520)	103,906	108,768
<b>Comprehensive Income</b>								
Other comprehensive income								
- Changes in asset revaluation reserves	-	-	434	(1,895)	-	-	434	(1,895)
Other comprehensive income - Changes in asset revaluation reserves - provision	-	-	(119)	71	-	-	(119)	71
<b>Sub-total comprehensive income</b>	-	-	315	(1,824)	-	-	315	(1,824)
Surplus / (Deficit) for the year of which:	(195)	(3,038)	-	-	-	-	(195)	(3,038)
Attributable to the Australian Government	(195)	(3,038)	-	-	-	-	(195)	(3,038)
<b>Total comprehensive income</b>	(195)	(3,038)	315	(1,824)	-	-	120	(4,862)
<b>Transactions with Owners</b>								
<b>Distributions to owners</b>								
Returns on capital (Note 1)	-	-	-	-	(28,284)	-	(28,284)	-
Restructuring (Note 10)	(8,226)	-	-	-	-	-	(8,226)	-
<b>Sub-total transactions with owners</b>	(8,226)	-	-	-	(28,284)	-	(36,510)	-
<b>Closing balance as at 30 June</b>	202,398	210,819	14,922	14,607	(149,804)	(121,520)	67,516	103,906
<b>Closing balance attributable to the Australian Government</b>	202,398	210,819	14,922	14,607	(149,804)	(121,520)	67,516	103,906

The above statement should be read in conjunction with the accompanying notes.

## DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT

## CASH FLOW STATEMENT

for the year ended 30 June 2010

	Notes	2010 \$'000	2009 \$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Appropriations		203,811	240,884
Goods and services		6,032	2,517
Rents		2,787	429
Net GST received		8,047	10,291
Other cash received		483	188
<b>Total cash received</b>		<b>221,160</b>	<b>254,309</b>
<b>Cash used</b>			
Employees		113,997	125,788
Suppliers		103,948	106,871
<b>Total cash used</b>		<b>217,945</b>	<b>232,659</b>
<b>Net cash from operating activities</b>	11	<b>3,215</b>	<b>21,650</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash used</b>			
Purchase of property, plant and equipment		1,099	14,110
Purchase of intangibles		4,349	7,994
<b>Total cash used</b>		<b>5,448</b>	<b>22,104</b>
<b>Net cash used by investing activities</b>		<b>(5,448)</b>	<b>(22,104)</b>
<b>Net decrease in cash held</b>		<b>(2,233)</b>	<b>(454)</b>
Cash and cash equivalents at the beginning of the reporting period		3,472	3,926
<b>Cash and cash equivalents at the end of the reporting period</b>	5A	<b>1,239</b>	<b>3,472</b>

The above statement should be read in conjunction with the accompanying notes.

## DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT

## SCHEDULE OF COMMITMENTS

as at 30 June 2010

	2010	2009
	\$'000	\$'000
<b>BY TYPE</b>		
<b>Commitments receivable</b>		
GST recoverable on commitments	(15,329)	(14,535)
Sublease rental income	(12,893)	–
Other commitments receivable	(7,494)	–
<b>Total commitments receivable</b>	<b>(35,715)</b>	<b>(14,535)</b>
<b>Commitments payable</b>		
<b>Capital commitments</b>		
Land and buildings <sup>1</sup>	–	165
Intangibles <sup>2</sup>	1,758	415
<b>Total capital commitments</b>	<b>1,758</b>	<b>580</b>
<b>Other commitments</b>		
Operating leases <sup>3</sup>	139,319	127,380
Project commitments	345	507
Goods and services commitments <sup>4</sup>	27,519	32,113
<b>Total other commitments</b>	<b>167,183</b>	<b>160,000</b>
<b>Net commitments by type</b>	<b>133,226</b>	<b>146,045</b>
<b>BY MATURITY</b>		
<b>Commitments receivable</b>		
<b>GST recoverable on commitments</b>		
One year or less	(3,740)	(3,412)
From one to five years	(7,809)	(6,964)
Over five years	(3,780)	(4,159)
<b>Total GST recoverable on commitments</b>	<b>(15,329)</b>	<b>(14,535)</b>
<b>Sublease rental income</b>		
One year or less	(1,842)	–
From one to five years	(7,367)	–
Over five years	(3,684)	–
<b>Total sublease rental income</b>	<b>(12,893)</b>	<b>–</b>
<b>Other commitments receivable</b>		
One year or less	(1,071)	–
From one to five years	(4,282)	–
Over five years	(2,141)	–
<b>Total other commitments receivable</b>	<b>(7,494)</b>	<b>–</b>

## DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT

## SCHEDULE OF COMMITMENTS continued

as at 30 June 2010

	2010 \$'000	2009 \$'000
<b>Commitments payable</b>		
<b>Capital commitments</b>		
One year or less	1,758	580
From one to five years	–	–
Over five years	–	–
<b>Total capital commitments</b>	<b>1,758</b>	<b>580</b>
<b>Operating lease commitments</b>		
One year or less	18,886	18,497
From one to five years	78,852	63,129
Over five years	41,581	45,754
<b>Total operating lease commitments</b>	<b>139,319</b>	<b>127,380</b>
<b>Other commitments</b>		
One year or less	20,754	19,233
From one to five years	7,109	13,387
Over five years	–	–
<b>Total other commitments</b>	<b>27,864</b>	<b>32,620</b>
<b>Net commitments by maturity</b>	<b>133,226</b>	<b>146,045</b>

This schedule should be read in conjunction with the accompanying notes.

Note: Commitments are GST inclusive where relevant.

- <sup>1</sup> Land and buildings commitments relate to leasehold improvements.
- <sup>2</sup> Intangibles commitments relate to contracted payments for software.
- <sup>3</sup> Operating leases are effectively non-cancellable and comprise:

Nature of Lease	General description of leasing arrangement
Leases for office accommodation	The Department has entered into operating leases for office accommodation purposes. Most Departmental leases contain a clause permitting market indexation, subject to agreement by both parties. In general, the rent reviews take place at least once every two years.
Agreement for the provision of motor vehicles to senior executive officers.	Lease Plan is the provider of vehicles to the Department. Leases are for a minimum period of three months and typically extend for two years. The leases may be extended for up to three months from the original specified expiry date. There are no existing contingent rental agreements between the Department and Lease Plan. There are no renewal options available on the agreement.

- <sup>4</sup> Goods and services commitments include commitments for the provision of services to the Department.  
The contracts with United KFPW and Pickfords for the provision of office related services are not disclosed in monetary terms as the contracted costs vary each year and are dependent upon usage.

The above schedule should be read in conjunction with the accompanying notes.

## DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT

## SCHEDULE OF CONTINGENCIES

as at 30 June 2010

	2010	2009
	\$'000	\$'000
<b>Contingent Assets</b>		
Guarantees	–	–
Indemnities	–	–
Claims for damages or costs	–	–
<b>Total Contingent Assets</b>	–	–
<b>Contingent Liabilities</b>	–	–
Guarantees	–	–
Indemnities	–	–
Claims for damages or costs	–	25,500
<b>Total Contingent Liabilities</b>	–	25,500
<b>Net Contingent Liabilities (Assets)</b>	–	25,500

Details of each class of contingent liabilities and contingent assets listed above are disclosed in Note 12: Contingent Liabilities and Assets, along with information on significant remote contingencies and contingencies that cannot be quantified.

The above schedule should be read in conjunction with the accompanying notes.

## DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT

## SCHEDULE OF ASSET ADDITIONS

for the year ended 30 June 2010

The following non-financial non-current assets were added in 2009–10:

Notes	Buildings– Leasehold Improvements	Buildings– Leasehold Make good	Property, Plant & Equipment	Property, Plant & Equipment Total	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
By purchase – appropriation ordinary annual services	384	–	1,072	1,072	4,454	5,910
<b>Total additions</b> 6C/6D	<b>384</b>	<b>–</b>	<b>1,072</b>	<b>1,072</b>	<b>4,454</b>	<b>5,910</b>

The following non-financial non-current assets were added in 2008–09:

Notes	Buildings – Leasehold Improvements	Buildings – Leasehold Make good	Property, Plant & Equipment	Property, Plant & Equipment Total	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
By purchase – appropriation ordinary annual services	8,444	1,888	6,137	6,137	7,953	24,422
By finance lease	–	–	295	295	–	295
<b>Total additions</b> 6C/6D	<b>8,444</b>	<b>1,888</b>	<b>6,432</b>	<b>6,432</b>	<b>7,953</b>	<b>24,717</b>

## DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT

## SCHEDULE OF ADMINISTERED ITEMS

	Notes	2010 \$'000	2009 \$'000
<i>Income administered on behalf of Government for the year ended 30 June 2010</i>			
<b>Revenue</b>			
<b>Taxation revenue</b>			
Levies, fees and fines	16A	89,001	84,019
<b>Total taxation revenue</b>		<b>89,001</b>	84,019
<b>Non-taxation revenue</b>			
Rendering of services	16B	90,452	74,453
Interest	16C	4,122	4,634
Dividends	16D	10,000	–
Contributions	16E	834	903
Rental income	16F	2,939	2,796
Other revenue	16G	491,464	1,006,304
<b>Total non-taxation revenue</b>		<b>599,811</b>	1,089,090
<b>Total revenues administered on behalf of Government</b>		<b>688,812</b>	1,173,109
<i>Expenses administered on behalf of Government for the year ended 30 June 2010</i>			
Grants	17A	3,474,276	8,222,969
Subsidies	17B	147,519	155,188
Suppliers	17C	26,162	17,256
Depreciation and amortisation	17D	1,062	1,062
Payments to CAC Act bodies	17E	259,807	242,276
Write-down and impairment of assets	17F	22	–
Other expenses	17G	153	3,921
<b>Total expenses administered on behalf of Government</b>		<b>3,909,001</b>	8,642,672

This schedule should be read in conjunction with the accompanying notes.

## DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT

## SCHEDULE OF ADMINISTERED ITEMS (continued)

<b>Assets administered on behalf of Government</b>		<b>2010</b>	2009
<i>as at 30 June 2010</i>		<b>\$'000</b>	\$'000
<b>Financial assets</b>			
Cash and cash equivalents	18A	–	1,296
Receivables	18B	<b>41,265</b>	47,820
Investments	18C	<b>3,412,976</b>	2,411,970
Accrued revenue	18D	<b>7,482</b>	7,793
<b>Total financial assets</b>		<b>3,461,723</b>	2,468,879
<b>Non-financial assets</b>			
Land and buildings	18E	<b>49,455</b>	62,938
Property, plant and equipment	18F	<b>7,550</b>	7,550
Prepayments	18G	<b>41,731</b>	390,554
<b>Total non-financial assets</b>		<b>98,736</b>	461,042
<b>Total assets administered on behalf of Government</b>		<b>3,560,459</b>	2,929,921
<b>Liabilities administered on behalf of Government</b>			
<i>as at 30 June 2010</i>			
<b>Payables</b>			
Suppliers	19A	<b>756</b>	1,669
Subsidies	19B	<b>3,092</b>	4,637
Grants	19C	<b>61,529</b>	10,887
<b>Total payables</b>		<b>65,377</b>	17,193
<b>Total liabilities administered on behalf of Government</b>		<b>65,377</b>	17,193

This schedule should be read in conjunction with the accompanying notes.



## DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT

## SCHEDULE OF ADMINISTERED ITEMS (continued)

<b>Administered Cash Flows</b>		<b>2010</b>	2009
<i>for the year ended 30 June 2010</i>	<b>Notes</b>	<b>\$'000</b>	\$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Levies, fees and fines		88,288	88,458
Rendering of services		13,512	10,374
Interest		4,250	4,757
Dividends		10,000	-
Net GST received		8,229	10,732
Other		492,240	1,006,531
<b>Total cash received</b>		<b>616,519</b>	<b>1,120,852</b>
<b>Cash used</b>			
Grant payments		3,328,417	7,249,020
Subsidies paid		149,063	152,735
Suppliers		33,078	18,072
Payments to CAC Act bodies			
Annual	26A	100,441	96,623
Special (unlimited) - AMSA	26C	78,700	67,400
Special (unlimited) - CASA	26C	80,666	78,253
Other		153	7,842
<b>Total cash used</b>		<b>3,770,518</b>	<b>7,669,945</b>
<b>Net cash flows used by operating activities</b>		<b>(3,153,999)</b>	<b>(6,549,093)</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Repayments of loans		5,704	5,248
<b>Total cash received</b>		<b>5,704</b>	<b>5,248</b>
<b>Cash used</b>			
Investments		770,430	422,000
<b>Total cash used</b>		<b>770,430</b>	<b>422,000</b>
<b>Net cash flows used by investing activities</b>		<b>(764,726)</b>	<b>(416,752)</b>
<b>Net decrease in cash held</b>		<b>(3,918,725)</b>	<b>(6,965,845)</b>
Cash and cash equivalents at the beginning of the reporting period		1,296	125
Cash from Official Public Account for:			
- Appropriations			
Annual		1,176,383	4,083,815
Assets and liabilities		770,430	422,000
Special		2,113,922	2,516,516
- GST		7,348	11,692
- Special accounts		471,821	1,054,879
		<b>4,539,904</b>	<b>8,088,902</b>
Cash to Official Public Account for:			
- Appropriations		(560,604)	(62,577)
- Special Accounts		(61,871)	(1,059,309)
		<b>(622,475)</b>	<b>(1,121,886)</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	18A	<b>-</b>	<b>1,296</b>

This schedule should be read in conjunction with the accompanying notes.

## DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT

## SCHEDULE OF ADMINISTERED ITEMS (continued)

<b>Administered Commitments</b>	<b>2010</b>	<b>2009</b>
<i>as at 30 June 2010</i>	<b>\$'000</b>	<b>\$'000</b>
<b>BY TYPE</b>		
<b>Commitments receivable<sup>1</sup></b>		
GST recoverable on commitments	(7,561)	(9,025)
Operating leases	-	(9,412)
Other commitments	(15,576)	(18,260)
<b>Total commitments receivable</b>	<b>(23,137)</b>	<b>(36,697)</b>
<b>Commitments payable</b>		
<b>Other commitments</b>		
Project commitments <sup>2</sup>	390,460	2,950,972
Other commitments <sup>3</sup>	74,365	83,370
<b>Total other commitments</b>	<b>464,825</b>	<b>3,034,342</b>
<b>Net commitments by type</b>	<b>441,688</b>	<b>2,997,645</b>
<b>BY MATURITY</b>		
<b>Commitments receivable</b>		
<b>GST recoverable on commitments</b>		
One year or less	(6,604)	(6,087)
From one to five years	(957)	(2,938)
Over five years	-	-
<b>Total GST recoverable on commitments</b>	<b>(7,561)</b>	<b>(9,025)</b>
<b>Operating leases</b>		
One year or less	-	(2,353)
From one to five years	-	(7,059)
Over five years	-	-
<b>Total operating leases</b>	<b>-</b>	<b>(9,412)</b>
<b>Other commitments receivable</b>		
One year or less	(9,388)	(9,260)
From one to five years	(6,188)	(9,000)
Over five years	-	-
<b>Total other commitments receivable</b>	<b>(15,576)</b>	<b>(18,260)</b>
<b>Commitments payable</b>		
<b>Project commitments</b>		
One year or less	374,908	2,940,512
From one to five years	15,552	10,460
Over five years	-	-
<b>Total project commitments</b>	<b>390,460</b>	<b>2,950,972</b>
<b>Other commitments</b>		
One year or less	48,122	31,890
From one to five years	26,242	51,480
Over five years	-	-
<b>Total other commitments</b>	<b>74,365</b>	<b>83,370</b>
<b>Net administered commitments by maturity</b>	<b>441,688</b>	<b>2,997,645</b>

This schedule should be read in conjunction with the accompanying notes.

Note: All commitments are GST inclusive where relevant.

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT****SCHEDULE OF ADMINISTERED ITEMS (continued)**

- <sup>1</sup> Commitments receivable include GST recoveries in relation to project commitments. Other commitments primarily relate to the Federal Interstate Registration Scheme (FIRS) under the *Interstate Road Transport Act*.
- <sup>2</sup> Project commitments relate to contracts undertaken in relation to various Administered programs, including those related to the Nation Building program.
- <sup>3</sup> Other commitments primarily relate to the disbursement of the Interstate Road Transport revenues.

**SCHEDULE OF ADMINISTERED CONTINGENCIES**

There are no quantifiable administered contingencies that are not remote for 2009–10 and 2008–09. Details of other administered contingencies are disclosed at Note 22.

This schedule should be read in conjunction with the accompanying notes.

**Administered Asset Additions for the year ended 30 June 2010**

The Department has no Administered asset additions in either the current or the immediately preceding reporting periods.

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT**

**Notes to and forming part of the Financial Statements**

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- Note 1: Summary of Significant Accounting Policies
- Note 2: Events after the Reporting Period
- Note 3: Expenses
- Note 4: Income
- Note 5: Financial Assets
- Note 6: Non-Financial Assets
- Note 7: Payables
- Note 8: Interest Bearing Liabilities
- Note 9: Provisions
- Note 10: Restructuring
- Note 11: Cash Flow Reconciliation
- Note 12: Contingent Liabilities and Assets
- Note 13: Senior Executive Remuneration
- Note 14: Remuneration of Auditors
- Note 15: Financial Instruments
- Note 16: Income Administered on Behalf of Government
- Note 17: Expenses Administered on Behalf of Government
- Note 18: Assets Administered on Behalf of Government
- Note 19: Liabilities Administered on Behalf of Government
- Note 20: Administered Reconciliation Table
- Note 21: Administered Restructuring
- Note 22: Administered Contingent Liabilities
- Note 23: Administered Contingent Assets
- Note 24: Administered Investments
- Note 25: Administered Financial Instruments
- Note 26: Appropriations
- Note 27: Special Accounts
- Note 28: Assets Held in Trust
- Note 29: Compensation and Debt Relief
- Note 30: Reporting of Outcomes

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 1: Summary of Significant Accounting Policies**

**1.1 Objectives of Department of Infrastructure, Transport, Regional Development and Local Government**

The Department of Infrastructure, Transport, Regional Development and Local Government (the Department) is an Australian Government controlled entity. The objective of the Department is to meet three outcomes:

- Outcome 1 – Improved infrastructure across Australia through investment in and coordination of transport and other infrastructure.
- Outcome 2 – An efficient, sustainable, competitive, safe and secure transport system for all transport users through regulation, financial assistance and safety investigations.
- Outcome 3 – Coordinated community infrastructure and services in rural, regional and local government areas through financial assistance.

The continued existence of the Department in its present form and with its present programs is dependent on Government policy and on continuing appropriations by Parliament for the Department's administration and programs.

Department activities contributing towards these outcomes are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, income and expenses controlled or incurred by the Department in its own right. Administered activities involve the management or oversight by the Department, on behalf of the Government, of items controlled or incurred by the Government.

Departmental and Administered activities are identified under two programs for Outcome 1, four programs for Outcome 2 and two programs for Outcome 3. The two programs within Outcome 1 are: Infrastructure Investment (1.1) and Infrastructure Investment Coordination (1.2). The four programs within Outcome 2 are Transport Security (2.1), Surface Transport (2.2), Road Safety (2.3) and Air Transport (2.4). The two programs within Outcome 3 are: Regional Development (3.1) and Local Government (3.2).

**1.2 Basis of Preparation of the Financial Statements**

The financial statements are required by Section 49 of the *Financial Management and Accountability Act 1997* and are general purpose financial statements.

The financial statements have been prepared in accordance with:

- Finance Minister's Orders (or FMO) for reporting periods ending on or after 1 July 2009; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities, which, as noted, are at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless disclosure of the full amount is specifically required.

Unless an alternative treatment is specifically required by an accounting standard or the FMO, assets and liabilities are recognised in the balance sheet when and only when it is probable that future economic benefits will flow to the entity or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under Agreements Equally Proportionately Unperformed are not recognised unless required by an accounting standard. Liabilities and assets that are unrecognised are reported in the Schedule of Commitments or the Schedule of Contingencies (other than unquantifiable or remote contingencies, which are reported at Note 12).

Unless alternative treatment is specifically required by an accounting standard, income and expenses are recognised in the Statement of Comprehensive Income when and only when the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

## DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Administered revenues, expenses, assets and liabilities and cash flows reported in the Schedule of Administered Items and related notes are accounted for on the same basis and using the same policies as for departmental items, except where otherwise stated at Note 1.21.

### 1.3 Significant Accounting Judgements and Estimates

In the process of applying the accounting policies listed in this note, the Department has made the following judgements that have the most significant impact on the amounts recorded in the financial statements:

- The fair value of artwork owned by the Department was determined using indicative market rates as determined by an independent valuer in 2009–10 included in Note 6B.
- The fair value of land and buildings at Badgerys Creek was determined using a Residual Value Approach as determined by an independent valuer in 2009–10 included in Note 18E.
- The fair value of administered investments has been taken to be the net assets of the entities at balance date. Confirmation of net asset balances has been obtained from all entities. The value of Airservices Australia has been valued using the discounted cash flow method included in Note 18C.

Upon review no accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

### 1.4 New Australian Accounting Standards

#### Adoption of New Australian Accounting Standard Requirements

No accounting standard has been adopted earlier than the application date as stated in the standard.

#### Future Australian Accounting Standard Requirements

No new standards, amendments to standards and interpretations issued by the Australian Accounting Standards Board that are applicable for future periods are considered to have a material effect on the Department.

### 1.5 Revenue

#### Revenue from Government

Amounts appropriated for departmental outputs for the year (adjusted for any formal additions and reductions) are recognised as revenue when the Department gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned.

Appropriations receivable are recognised at their nominal amounts.

#### Other types of revenue

Revenue from the sale of goods is recognised when:

- The risks and rewards of ownership have been transferred to the buyer;
- The Department retains no managerial involvement nor effective control over the goods;
- The revenue and transaction costs incurred can be reliably measured; and
- It is probable that the economic benefits associated with the transaction will flow to the Department.

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

- The amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- The probable economic benefits associated with the transaction will flow to the Department.

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

## DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Rental revenue is recognised in accordance with the agreed monthly lease schedule.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due, less any impairment allowance accounts. Collectability of debts is reviewed on an ongoing basis. Individual debts that are known to be uncollectable are written off when identified. An allowance is recognised when there is objective evidence that the Department will not be able to collect the debt. Financial difficulties of the debtor, default payments or debts more than 90 days overdue are considered objective evidence of impairment.

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

### 1.6 Gains

#### Resources Received Free of Charge

Resources received free of charge are recognised as gains when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Resources received free of charge are recorded as either revenue or gains depending on their nature.

Contributions of assets at no cost of acquisition, or for less than full consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another Government agency or authority as a consequence of a restructuring of administrative arrangements (Refer to Note 1.7).

#### Sale of Assets

Gains from disposal of non-current assets are recognised when control of the asset has passed to the buyer.

### 1.7 Transactions with the Australian Government as Owner

#### Equity Injections

Amounts appropriated that are designated as 'equity injections' for a year (less any formal reductions) are recognised directly in contributed equity in that year.

#### Restructuring of Administrative Arrangements

Net assets received from or relinquished to another Australian Government entity under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity.

#### Other Distribution to Owners

The FMO require that distributions to owners be debited to contributed equity unless in the nature of a dividend. In 2009–10, by agreement with the Department of Finance and Deregulation, the Department relinquished control of surplus output appropriation funding of \$29,833,000, which was returned to the Official Public Account. On 13 May 2010, the Finance Minister issued a determination to reduce prior year Departmental Output Appropriations by \$28,284,000. On 29 June 2010, the Finance Minister issued a determination to reduce current year Departmental Output Appropriations by \$1,549,000.

### 1.8 Employee Benefits

Liabilities for 'short-term employee benefits' (as defined in AASB 119 Employee Benefits) and termination benefits due within twelve months of end of reporting period are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits are measured as the net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

#### Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years

## DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

by employees of the Department is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that applied at the time the leave is taken, including the Department's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined by reference to the work of the Australian Government Actuary (AGA) in March 2009. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

### Separation and Redundancy

Provision is made for separation and redundancy benefit payments. The Department recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

### Superannuation

Staff of the Department are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS) or the PSS accumulation plan (PSSap).

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported by the Department of Finance and Deregulation as an administered item.

The Department makes employer contributions to the employee superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government of the superannuation entitlements of the Department's employees. The Department accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June represents outstanding contributions for the final fortnight of the year.

## 1.9 Leases

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of leased non-current assets. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

Where a non-current asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of a contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight-line basis, which is representative of the pattern of benefits derived from the leased assets.

Where applicable, the minimum lease payment and contingent rent payment component are separately recognised and disclosed.

Contingent rent is defined as that portion of the lease payment that is not fixed in amount but is based on the future amount of a factor that changes other than with the passage of time. Contingent rent payments are recognised as an expense in the period in which agreement is reached as to the amount of the change to be applied.

Lease incentives taking the form of 'free' leasehold improvement and rent holidays, are recognised as liabilities. These liabilities are reduced by allocating lease payments between rental expense and reduction of the liability over the life of the lease. Lease incentives received are recognised as a reduction of rental expense over the lease term on a straight-line basis unless another systematic basis is more reflective of the time pattern of the lessee's benefit.



## DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### 1.10 Borrowing Costs

All borrowing costs are expensed as incurred.

### 1.11 Cash

Cash and cash equivalents includes cash on hand, cash held with outsiders and demand deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Cash is recognised at its nominal amount.

### 1.12 Financial Assets

The Department classifies its financial assets in the following categories:

- financial assets at fair value through profit or loss;
- held-to-maturity investments;
- available-for-sale financial assets; and
- loans and receivables.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets are recognised and derecognised upon trade date.

#### Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis except for financial assets that are recognised at fair value through profit or loss.

#### Financial Assets at Fair Value Through Profit or Loss

Financial assets are classified as financial assets at fair value through profit or loss where the financial assets:

- have been acquired principally for the purpose of selling in the near future;
- are part of an identified portfolio of financial instruments that the Department manages together and has a recent actual pattern of short-term profit-taking; or
- are derivatives that are not designated and effective as a hedging instrument.

Assets in this category are classified as current assets.

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest earned on the financial asset.

#### Available-for-Sale Financial Assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories.

Available-for-sale financial assets are recorded at fair value. Gains and losses arising from changes in fair value are recognised directly in reserves (equity) with the exception of impairment losses. Interest is calculated using the effective interest method and foreign exchange gains and losses on monetary assets which are recognised directly in profit or loss. Where the asset is disposed of or is determined to be impaired, part (or all) of the cumulative gain or loss previously recognised in the reserve is included in profit or loss for the period.

Where a reliable fair value cannot be established for unlisted investments in equity instruments cost is used. The Department has no such instruments.

## DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Held-to-Maturity Investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Department has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

### Loans and Receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

### Impairment of Financial Assets

Financial assets are assessed for impairment at the end of each reporting period.

- **Financial assets held at amortised cost** – If there is objective evidence that an impairment loss has been incurred for loans and receivables or held to maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the Statement of Comprehensive Income.
- **Available-for-sale financial assets** – If there is objective evidence that an impairment loss on an available-for-sale financial asset has been incurred, the amount of the difference between its cost, less principal repayments and amortisation, and its current fair value, less any impairment loss previously recognised in expenses, is transferred from equity to the Statement of Comprehensive Income.
- **Financial assets held at cost** – If there is objective evidence that an impairment loss has been incurred the amount of the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate for similar assets.

### 1.13 Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities.

Financial liabilities are recognised and derecognised upon 'trade date'.

#### Financial Liabilities at Fair Value Through Profit or Loss

Financial liabilities at fair value through profit or loss are initially measured at fair value. Subsequent fair value adjustments are recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

#### Other Financial Liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

#### Supplier and Other Payables

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

## DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### 1.14 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the balance sheet but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset, or represent a liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

### 1.15 Financial Guarantee Contracts

Financial guarantee contracts are accounted for in accordance with AASB 139 Financial Instruments: Recognition and Measurement. They are not treated as a contingent liability, as they are regarded as financial instruments outside the scope of AASB 137 Provisions, Contingent Liabilities and Contingent Assets.

### 1.16 Acquisition of Assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor agency's accounts immediately prior to the restructuring.

### 1.17 Property, Plant and Equipment (PP&E)

#### Asset Recognition Threshold

Purchases of PP&E are recognised initially at cost in the balance sheet, except for purchases costing less than \$5,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are above the threshold).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to 'make good' provisions in property leases taken up by the Department where there exists an obligation to restore the property to its original condition. These costs are included in the value of the Department's leasehold improvements with a corresponding provision for the 'make good' recognised.

Items of plant and equipment acquired as part of leasehold fit out are capitalised in the year of acquisition regardless of historical cost. Leasehold improvements are valued on a project basis and, therefore, include items of plant and equipment with a unit value of less than \$5,000.

#### Revaluations

Fair values for each class of asset are determined as shown below:

Asset Class	Fair value measured at:
Land	Market selling price
Buildings – excluding leasehold improvements	Market selling price
Leasehold improvements	Depreciated replacement cost
Property, plant and equipment	Market selling price
Heritage and cultural assets	Market selling price

Following initial recognition at cost, PP&E are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the asset's fair value as at the reporting date.

The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets. Assets purchased after the valuation date are deemed to be at fair value.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement

## DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

### Depreciation

Depreciable PP&E assets are written-off to their estimated residual values over their estimated useful lives to the Department using, in all cases, the straight-line method of depreciation. Leasehold improvements are depreciated on a straight-line basis over the lesser of the estimated useful life of the improvements or the unexpired period of the lease.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods as appropriate. Residual values are re-estimated for a change in prices only when assets are revalued.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	<b>2010</b>	<b>2009</b>
Buildings	15 to 60 years	15 to 60 years
Leasehold improvements	Shorter of lease term or expected useful economic life	Shorter of lease term or expected useful economic life
Plant and equipment	3 to 80 years	3 to 80 years
Artworks	50 years	50 years
Heritage and cultural assets	Indefinite	Indefinite

The aggregate amount of depreciation expense allocated for each class of asset during the reporting period is disclosed in Note 3D and 17D.

### Impairment

All assets were assessed for impairment as at 30 June 2010. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset.

Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Department were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

### Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

#### 1.18 Intangibles

The Department's intangibles comprise internally developed software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Software is amortised on a straight-line basis over its anticipated useful life. The useful life of the Department's software is 5 years (2008–09: 5 years).

All software assets were assessed for indications of impairment as at 30 June 2010.

#### 1.19 Inventories

Inventories held for sale are measured at the lower of cost and net realisable value. Inventories held for distribution are valued at cost, adjusted for any loss of service potential.

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**1.20 Taxation**

The Department is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST). Revenues, expenses, assets and liabilities are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

**1.21 Reporting of Administered Activities**

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the schedule of administered items and related notes.

Except where otherwise stated below, administered items are accounted for on the same basis and using the same policies as for departmental items, including the application of Australian Accounting Standards.

**Administered Cash Transfers to and from the Official Public Account**

Revenue collected by the Department for use by the Government, rather than the Department, is administered revenue. Collections are transferred to the Official Public Account (OPA) maintained by the Department of Finance and Deregulation. Conversely, cash is drawn from the OPA to make payments under Parliamentary appropriation on behalf of the Government. These transfers to and from the OPA are adjustments to the administered cash balance held by the Department on behalf of the Government and reported as such in the Statement of Administered Cash Flows in the Schedule of Administered Items and in the Administered Reconciliation Table in Note 20.

**Administered Revenue**

All administered revenues are revenues relating to the course of ordinary activities performed by the Department on behalf of the Australian Government.

Levies, fees and fines revenue is recognised when it is probable that the economic benefit comprising the consideration will flow to the Government.

Revenue from the rendering of service is recognised on delivery of that service to customers.

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the relevant asset.

Dividend revenue is recognised when the right to receive a dividend has been established.

Receivables for goods and services are recognised at the nominal amounts due, less any provision for bad and doubtful debts. Collectability of debts is reviewed at balance date. Provisions are made when collectability of the debt is judged to be less, rather than more likely.

Revenue on disposal of non-current assets is recognised when control of the asset has passed to the buyer.

**Administered Investments**

Administered investments in subsidiaries, joint ventures and associates are not consolidated because their consolidation is relevant only at the Whole of Government level.

Administered investments other than those held for sale are classified as available-for-sale and are measured at their fair value as at 30 June 2010. Fair value for the Australian Maritime Safety Authority, Australian Rail Track Corporation, Civil Aviation Safety Authority and National Transport Commission has been taken to be the Australian Government's proportional interest in the net assets of the entities as at end of reporting period. From 2009–10 fair value for Airservices Australia has been based on the discounted cash flow method, which uses forecast cash flows from operating activities and the 5-year Government Bond rate. It is not practicable to restate the comparatives for this item.

**Administered Loans and Receivables**

Where loans and receivables are not subject to concessional treatment, they are carried at amortised cost using the effective interest method. Gains and losses due to impairment derecognition and amortisation are recognised through profit or loss.

## DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Financial Guarantee Contracts

Financial guarantee contracts are accounted for in accordance with AASB 139 Financial Instruments: Recognition and Measurement. They are not treated as a contingent liability, as they are regarded as financial instruments outside the scope of AASB 137 Provisions, Contingent Liabilities and Contingent Assets.

### Guarantee to Subsidiaries, Joint Ventures and Associates

The amounts guaranteed by the Commonwealth have been disclosed in the Schedule of Administered Items and Note 20. At the time of completion of the financial statements, there was no reason to believe that the guarantees would be called upon, and recognition of a liability was therefore not required. The guarantees are in relation to lease obligations and are measured at the present value of future lease payments.

### Indemnities

The maximum amounts payable under the indemnities given is disclosed in the Schedule of Administered Items – Contingencies. At the time of completion of the financial statements, there was no reason to believe that the indemnities would be called upon, and no recognition of any liability was therefore required.

### Grants and Subsidies

The Department administers a number of grant and subsidy schemes on behalf of the Government.

Grant and subsidy liabilities are recognised to the extent that (i) the services required to be performed by the grantee have been performed or (ii) the grant eligibility criteria have been satisfied, but payments due have not been made. A commitment is recorded when the Government enters into an agreement to make these grants but services have not been performed or criteria satisfied.

### Payments to CAC Act Bodies

From 1 July 2008, payments to CAC Act bodies from amounts appropriated for that purpose are classified as administered expenses, equity injections or loans of the relevant portfolio department. The appropriation to the Department is disclosed in Tables A, B, or C in Note 26.

### Payments from the Building Australia Fund

Payments from the Building Australia Fund are reported as Other Revenue: Grants received from related entities (Note 16G) and Grants Expense (Note 17A). Payments are made through the Building Australia Fund Infrastructure Portfolio Special Account (Note 27).

### Airport Land

Freehold land at the 22 civilian airports owned by the Australian Government and leased to private sector interests are subject to lease arrangements whereby the land is leased for 50 years with a 49-year extension option. Consideration consists of upfront payments from the lessors, without any subsequent annual lease payments. For the purpose of financial reporting, the land at these airports is, therefore, assessed as having no fair value because of the extended period before any future revenue stream will accrue and the fact that the land cannot currently be sold or transferred.

Infrastructure built on the freehold land is an asset of the lessor and not the Australian Government and is, therefore, not reflected in the accompanying financial statements.

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 2: Events after the Balance Sheet Date**

Net cash reductions in appropriation for Outcome 2 and Outcome 3 totalling \$1.908m and \$0.004m respectively are not included in Note 26A as the determination did not refer to the correct outcomes. A subsequent determination was made on 30 July 2010.

No other events have occurred after the reporting period that require disclosure in the financial statements.

**Note 3: Expenses**

**Note 3A: Employee Benefits**

	2010	2009
	\$'000	\$'000
Wages and salaries	80,011	90,494
Superannuation:		
Defined contribution plans	4,024	3,682
Defined benefit plans	11,006	13,567
Leave and other entitlements	16,168	16,791
Separations and redundancies	558	2,312
Other employee expenses	1,233	1,117
<b>Total employee benefits</b>	<b>113,000</b>	<b>127,963</b>

**Note 3B: Suppliers**

**Goods and Services**

Contracted services	11,599	13,426
Consultancies	10,363	17,059
Contract staff	8,430	11,354
Travel and accommodation	7,463	11,001
Communications	4,208	4,542
Legal	6,886	3,754
Property operating costs	7,724	10,067
Information Technology	5,682	6,061
Training and conferences	2,325	2,927
Other goods and services	6,855	9,542
<b>Total goods and services</b>	<b>71,535</b>	<b>89,733</b>

Goods and services are made up of:

Provision of goods - related entities	-	5
Provision of goods - external entities	1,339	2,639
Rendering of services - related entities	8,033	4,889
Rendering of services - external entities	62,163	82,200
<b>Total goods and services</b>	<b>71,535</b>	<b>89,733</b>

**Other supplier expenses**

Operating lease rentals - external entities:

Minimum lease payments	15,804	16,006
Workers compensation premiums	535	733
Other supplier expenses	462	317
<b>Total other supplier expenses</b>	<b>16,801</b>	<b>17,056</b>
<b>Total supplier expenses</b>	<b>88,336</b>	<b>106,789</b>

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	<b>2010</b>	2009
	<b>\$'000</b>	\$'000
<b>Note 3C: Grants</b>		
Public sector:		
Australian Government entities (related entities)	8	1,315
State and Territory Governments	478	171
Local Governments	21	39
Private sector:		
Non-profit organisations	547	366
Other	–	68
<b>Total grants</b>	<b>1,054</b>	<b>1,959</b>
<b>Note 3D: Depreciation and Amortisation</b>		
Depreciation:		
Property, plant and equipment	1,958	1,378
Artwork	4	4
<b>Total depreciation</b>	<b>1,962</b>	<b>1,382</b>
Amortisation:		
Leasehold improvements	5,210	5,068
Leasehold make good	491	468
Property, plant and equipment - assets held under finance leases	111	425
Intangibles - computer software	5,144	6,224
<b>Total amortisation</b>	<b>10,956</b>	<b>12,185</b>
<b>Total depreciation and amortisation</b>	<b>12,918</b>	<b>13,567</b>
<b>Note 3E: Finance Costs</b>		
Finance leases	9	33
Unwinding of discount	258	255
<b>Total finance costs</b>	<b>267</b>	<b>288</b>
<b>Note 3F: Write-Down and Impairment of Assets</b>		
Asset write-downs and impairments from:		
Impairment of property, plant and equipment	6	34
Impairment of intangible assets	1,160	–
Impairment of leasehold improvements	227	406
Impairment of financial instruments	67	–
<b>Total write-down and impairment of assets</b>	<b>1,460</b>	<b>440</b>



**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	<b>2010</b>	2009
	<b>\$'000</b>	\$'000
<b>Note 4: Income</b>		
<b>REVENUE</b>		
<b>Note 4A: Sale of Goods and Rendering of Services</b>		
Provisions of goods - related entities	<b>1</b>	18
Provisions of goods - external entities	<b>61</b>	49
<b>Total sale of goods</b>	<b>62</b>	67
Rendering of services - related entities	<b>2,970</b>	2,595
Rendering of services - external entities	<b>1,191</b>	1,487
<b>Total rendering of services</b>	<b>4,161</b>	4,082
<b>Total sale of goods and rendering of services</b>	<b>4,223</b>	4,149
<b>Note 4B: Rental Income</b>		
Operating lease:		
Commercial premises rental	<b>2,787</b>	429
<b>Total rental income</b>	<b>2,787</b>	429
<b>GAINS</b>		
<b>Note 4C: Other Gains</b>		
Resources received free of charge	<b>506</b>	506
Reversals of previous write-downs	-	141
Cost recoveries and refunds	<b>483</b>	222
<b>Total other gains</b>	<b>989</b>	869
<b>REVENUE FROM GOVERNMENT</b>		
<b>Note 4D: Revenue from Government</b>		
Appropriations:		
Departmental outputs	<b>208,841</b>	242,521
<b>Total revenue from Government</b>	<b>208,841</b>	242,521

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	<b>2010</b>	2009
	<b>\$'000</b>	\$'000
<b>Note 5: Financial Assets</b>		
<b>Note 5A: Cash and Cash Equivalents</b>		
Departmental bank accounts	<b>1,108</b>	3,360
Other	<b>131</b>	112
<b>Total cash and cash equivalents</b>	<b>1,239</b>	3,472
<b>Note 5B: Trade and Other Receivables</b>		
<b>Goods and Services:</b>		
Goods and services - related entities	<b>579</b>	964
Goods and services - external entities	<b>112</b>	879
<b>Total receivables for goods and services</b>	<b>691</b>	1,843
<b>Appropriations receivable:</b>		
For existing outputs	<b>63,801</b>	93,381
<b>Total appropriations receivable</b>	<b>63,801</b>	93,381
<b>Other receivables:</b>		
GST receivable from the Australian Taxation Office	<b>1,126</b>	1,683
Other receivables	<b>9</b>	16
<b>Total other receivables</b>	<b>1,135</b>	1,699
<b>Total trade and other receivables (gross)</b>	<b>65,627</b>	96,923
Less impairment allowance account:		
Goods and services	<b>(67)</b>	-
Other receivables	-	(1)
<b>Total impairment allowance account</b>	<b>(67)</b>	(1)
<b>Total trade and other receivables (net)</b>	<b>65,560</b>	96,922
Receivables are expected to be recovered in:		
No more than 12 months	<b>65,560</b>	96,922
More than 12 months	-	-
<b>Total trade and other receivables (net)</b>	<b>65,560</b>	96,922
Receivables (gross) are aged as follows:		
Not overdue	<b>65,396</b>	96,568
Overdue by:		
0 to 30 days	<b>122</b>	92
31 to 60 days	<b>18</b>	2
61 to 90 days	<b>12</b>	205
More than 90 days	<b>79</b>	56
<b>Total receivables (gross)</b>	<b>65,627</b>	96,923
The impairment allowance account is aged as follows:		
Not overdue	-	-
Overdue by:		
0 to 30 days	-	-
31 to 60 days	-	-
61 to 90 days	-	-
More than 90 days	<b>(67)</b>	(1)
<b>Total impairment allowance account</b>	<b>(67)</b>	(1)

DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Reconciliation of the Impairment Allowance Account:

**Movements in relation to 2010**

	Goods and services	Other receivables	Total
	2010	2010	2010
	\$'000	\$'000	\$'000
<b>Opening balance</b>	-	1	1
Amounts written off	-	-	-
Amounts re-classified	1	(1)	-
Amounts recovered and reversed	-	-	-
Increase/decrease recognised in net surplus	66	-	66
<b>Closing balance</b>	<b>67</b>	<b>-</b>	<b>67</b>

Movements in relation to 2009

	Goods and services	Other receivables	Total
	2009	2009	2009
	\$'000	\$'000	\$'000
<b>Opening balance</b>	-	9	9
Amounts written off	-	(1)	(1)
Amounts recovered and reversed	-	(8)	(8)
Increase/decrease recognised in net surplus	-	1	1
<b>Closing balance</b>	<b>-</b>	<b>1</b>	<b>1</b>

**Note 5C: Accrued Revenue**

Related entities

**Total accrued revenue**

	2010	2009
	\$'000	\$'000
	<b>589</b>	555
	<b>589</b>	555

Accrued revenue expected to be recovered in:

No more than 12 months

More than 12 months

**Total accrued revenue**

	<b>589</b>	555
	-	-
	<b>589</b>	555

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**
**Note 6: Non-Financial Assets**
**Note 6A: Land and Buildings**

Leasehold improvements:

- Gross carrying value (at fair value)	<b>34,610</b>	34,848
- Accumulated depreciation	<b>(7,653)</b>	(2,658)
<b>Total leasehold improvements</b>	<b>26,957</b>	32,190

Leasehold make good

- Gross carrying value (at fair value)	<b>3,430</b>	3,487
- Accumulated depreciation	<b>(1,071)</b>	(618)

**Total leasehold make good**
**2,359**      2,869

**Total land and buildings (non-current)**
**29,316**      35,059

Land and building impairment expenses of \$227,000 in 2009–10 (2008–09: \$406,000) have been recognised. Refer to Note 6C: Analysis of property, plant and equipment.

No land or buildings are expected to be sold or disposed of within the next 12 months.

**Note 6B: Property, plant and equipment**

Property, plant and equipment

- Gross carrying value (at fair value)	<b>9,561</b>	9,652
- Accumulated depreciation	<b>(1,499)</b>	(2,285)

**Total property, plant and equipment**
**8,062**      7,367

Artworks - at fair value

- Gross carrying value (at fair value)	<b>172</b>	179
- Accumulated depreciation	<b>(1)</b>	(4)

**Total artworks**
**171**      175

**Total property, plant and equipment (non-current)**
**8,233**      7,542

Property, plant and equipment impairment expenses of \$6,000 in 2009–10 (2008-09: \$34,000) have been recognised. Refer to Note 6C: Analysis of property, plant and equipment.

All revaluations are conducted in accordance with the revaluation policy stated at Note 1.

A valuation was not required on leasehold improvements in 2009–10. In January 2009, an independent valuer PrestonRowePaterson NSW Pty Ltd conducted valuations on the leasehold improvement assets. This resulted in a revaluation increment in leasehold improvement assets of \$263,105.

A revaluation decrement for the make good provision of \$118,755 (2009: increment of \$70,739) was recognised in the asset revaluation reserve and included in the equity section of the Balance Sheet in 2009-10. In 2008-09, make good assets recorded a revaluation decrement of \$2,157,770. A revaluation increment of \$434,147 was recorded in 2009-10 for property, plant and equipment. (A valuation was not required in 2008–09).

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 6C: Analysis of Property, Plant and Equipment**

Table A – Reconciliation of the opening and closing balances of property, plant and equipment – (2009–10)

	<b>Buildings – Leasehold Improvements</b>	<b>Buildings – Leasehold Make good</b>	<b>Buildings Total</b>	<b>Property, Plant and Equipment</b>	<b>Artworks</b>	<b>Property, Plant and Equipment Total</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>As at 1 July 2009</b>							
Gross book value	34,848	3,487	38,335	9,652	179	9,831	48,166
Accumulated depreciation/ amortisation	(2,658)	(618)	(3,276)	(2,285)	(4)	(2,289)	(5,565)
<b>Net book value 1 July 2009</b>	<b>32,190</b>	<b>2,869</b>	<b>35,059</b>	<b>7,367</b>	<b>175</b>	<b>7,542</b>	<b>42,601</b>
<b>Additions:</b>							
By purchase	384	-	384	1,072	-	1,072	1,456
By finance lease	-	-	-	-	-	-	-
Revaluations and impairments recognised in other comprehensive income	-	-	-	434	-	434	434
Depreciation/amortisation expense	(5,210)	(491)	(5,701)	(2,069)	(4)	(2,073)	(7,774)
Impairments recognised in the operating result	(208)	(19)	(227)	(6)	-	(6)	(233)
Other Movements	(199)	-	(199)	-	-	-	(199)
Reclassifications	-	-	-	2,514	-	2,514	2,514
<b>Disposals:</b>							
From disposal of entities or operations (including restructuring)	-	-	-	(1,250)	-	(1,250)	(1,250)
Other disposals	-	-	-	-	-	-	-
<b>Net book value 30 June 2010</b>	<b>26,957</b>	<b>2,359</b>	<b>29,316</b>	<b>8,062</b>	<b>171</b>	<b>8,233</b>	<b>37,549</b>
<b>Net book value as of 30 June 2010 represented by:</b>							
Gross book value	34,610	3,430	38,040	9,561	172	9,733	47,773
Accumulated depreciation/ amortisation	(7,653)	(1,071)	(8,724)	(1,499)	(1)	(1,500)	(10,224)
	<b>26,957</b>	<b>2,359</b>	<b>29,316</b>	<b>8,062</b>	<b>171</b>	<b>8,233</b>	<b>37,549</b>

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 6C: Analysis of Property, Plant and Equipment (Continued)**

Table A – Reconciliation of the opening and closing balances of property, plant and equipment – (2008–09)

	<b>Buildings – Leasehold Improvements</b>	<b>Buildings – Leasehold Make good</b>	<b>Buildings Total</b>	<b>Property, Plant and Equipment</b>	<b>Artworks</b>	<b>Property, Plant and Equipment Total</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>As at 1 July 2008</b>							
Gross book value	30,370	3,946	34,316	11,345	179	11,524	45,840
Accumulated depreciation/ amortisation	(1,392)	(235)	(1,627)	(8,698)	-	(8,698)	(10,325)
<b>Net book value 1 July 2008</b>	<b>28,978</b>	<b>3,711</b>	<b>32,689</b>	<b>2,647</b>	<b>179</b>	<b>2,826</b>	<b>35,515</b>
<b>Additions:</b>							
By purchase	8,444	1,888	10,332	6,137	-	6,137	16,469
By finance lease	-	-	-	295	-	295	295
Revaluations and impairments recognised in other comprehensive income	263	(2,158)	(1,895)	-	-	-	(1,895)
Depreciation/amortisation expense	(5,068)	(468)	(5,536)	(1,803)	(4)	(1,807)	(7,343)
Impairments recognised in the operating result	(302)	(104)	(406)	(34)	-	(34)	(440)
Other Movements	-	-	-	-	-	-	-
Reclassifications	(125)	-	(125)	125	-	125	-
<b>Disposals:</b>							
From disposal of entities or operations (including restructuring)	-	-	-	-	-	-	-
Other disposals	-	-	-	-	-	-	-
<b>Net book value 30 June 2009</b>	<b>32,190</b>	<b>2,869</b>	<b>35,059</b>	<b>7,367</b>	<b>175</b>	<b>7,542</b>	<b>42,601</b>
<b>Net book value as of 30 June 2009 represented by:</b>							
Gross book value	34,848	3,487	38,335	9,652	179	9,831	48,166
Accumulated depreciation/ amortisation	(2,658)	(618)	(3,276)	(2,285)	(4)	(2,289)	(5,565)
	<b>32,190</b>	<b>2,869</b>	<b>35,059</b>	<b>7,367</b>	<b>175</b>	<b>7,542</b>	<b>42,601</b>

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	<b>2010</b>	2009
	<b>\$'000</b>	\$'000
<b>Note 6D: Intangibles</b>		
Computer software - internally developed at cost:		
Internally developed - in progress (non-current)	<b>4,135</b>	7,926
Internally developed - in use (non-current)	<b>31,981</b>	33,737
Accumulated amortisation	<b>(19,969)</b>	(17,489)
Accumulated impairment write-down	<b>(425)</b>	(425)
<b>Total computer software internally developed (net)</b>	<b>15,722</b>	23,749
Computer software - purchased at cost:		
Externally acquired - in use (non-current)	<b>886</b>	1,106
Accumulated amortisation	<b>(676)</b>	(748)
<b>Total computer software purchased (net)</b>	<b>210</b>	358
<b>Total intangibles</b>	<b>15,932</b>	24,107

No indicators of impairment were found for intangible assets in 2009–10 or 2008–09.

No intangibles are expected to be sold or disposed of within the next 12 months.

**Table A — Reconciliation of opening and closing balances of intangibles (2009–10)**

	<b>Computer software internally developed</b>	<b>Computer software purchased</b>
	<b>\$'000</b>	<b>\$'000</b>
As at 1 July 2009		
Gross book value	<b>41,663</b>	<b>1,106</b>
Accumulated amortisation and impairment	<b>(17,914)</b>	<b>(748)</b>
<b>Net book value 1 July 2009</b>	<b>23,749</b>	<b>358</b>
Additions:		
By purchase or internally developed	<b>4,397</b>	<b>57</b>
Reclassifications	<b>(2,514)</b>	-
Amortisation	<b>(4,992)</b>	<b>(152)</b>
Write-down of intangible assets not in use	<b>(1,160)</b>	-
Other movements	-	<b>(20)</b>
Disposals:		
From disposals of entities or operations (including restructuring)	<b>(3,758)</b>	<b>(33)</b>
<b>Net book value 30 June 2010</b>	<b>15,722</b>	<b>210</b>
<b>Net book value as of 30 June 2010 represented by:</b>		
Gross book value	<b>36,116</b>	<b>886</b>
Accumulated amortisation	<b>(20,394)</b>	<b>(676)</b>
	<b>15,722</b>	<b>210</b>

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Table A - Reconciliation of opening and closing balances of intangibles (2008–09)**

	Computer software internally developed	Computer software purchased
	\$'000	\$'000
As at 1 July 2008		
Gross book value	34,264	1,155
Accumulated amortisation and impairment	(12,389)	(652)
<b>Net book value 1 July 2008</b>	21,875	503
Additions:		
By purchase or internally developed	7,924	29
Amortisation	(6,050)	(174)
<b>Net book value 30 June 2009</b>	23,749	358
<b>Net book value as of 30 June 2009 represented by:</b>		
Gross book value	41,663	1,106
Accumulated amortisation	(17,914)	(748)
	23,749	358

	2010	2009
	\$'000	\$'000
<b>Note 6E: Inventories</b>		
Inventories held for sale		
Finished goods	-	1
<b>Total inventories held for sale</b>	-	1
<b>Total inventories</b>	-	1

During 2009–10, no inventories held for sale were recognised as an expense (2008-09: nil).

All inventories are current assets. No inventory is recognised at fair value less costs to sell.

**Note 6F: Other Non-Financial Assets**

Prepayments	2,261	2,178
Lease incentive asset	2,940	2,942
<b>Total other non-financial assets</b>	<b>5,201</b>	<b>5,120</b>

Total other non-financial assets - are expected to be recovered in:

No more than 12 months	2,271	2,190
More than 12 months	2,930	2,930
<b>Total other non-financial assets</b>	<b>5,201</b>	<b>5,120</b>



**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 7: Payables**

	<b>2010</b>	2009
	<b>\$'000</b>	\$'000
<b>Note 7A: Suppliers</b>		
Trade creditors	<b>559</b>	9,638
Accrued expenses	<b>9,034</b>	6,262
Operating lease rentals	<b>4,448</b>	3,571
<b>Total supplier payables</b>	<b>14,041</b>	19,471

Supplier payables expected to be settled within 12 months:

Related entities	<b>674</b>	3,427
External entities	<b>8,943</b>	12,629

Supplier payables expected to be settled in greater than 12 months:

Related entities	-	-
External entities	<b>4,424</b>	3,415

**Total supplier payables**

**14,041**      19,471

	<b>2010</b>	2009
	<b>\$'000</b>	\$'000

**Note 7B: Other Payables**

Unearned revenue	<b>2,316</b>	2,076
Lease incentives	<b>4,715</b>	5,445
Salaries and wages	<b>1,663</b>	1,533
Superannuation	<b>282</b>	272
Separations and redundancies	<b>202</b>	1,596
Other	<b>129</b>	240
<b>Total other payables</b>	<b>9,307</b>	11,162

Total other payable are expected to be settled in:

No more than 12 months	<b>5,295</b>	6,427
More than 12 months	<b>4,012</b>	4,735

**Total other payables**

**9,307**      11,162

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 8: Interest Bearing Liabilities**

	<b>2010</b>	2009
	<b>\$'000</b>	\$'000
<b>Note 8A: Leases</b>		
Finance leases	<b>83</b>	351
<b>Total finance leases</b>	<b>83</b>	351
Payable:		
Within one year		
Minimum lease payments	<b>66</b>	202
Deduct: future finance charges	<b>(4)</b>	(15)
	<b>62</b>	187
In one to five years		
Minimum lease payments	<b>22</b>	171
Deduct: future finance charges	<b>(1)</b>	(7)
	<b>21</b>	164
<b>Finance leases recognised on the balance sheet</b>	<b>83</b>	351

Finance leases exist in relation to certain office equipment assets.

The office equipment leases are non-cancellable and for fixed terms between 3 and 5 years. The interest rate implicit in the leases averaged 6.10% (2009: 6.10%). There are no contingent rentals.

	<b>2010</b>	2009
	<b>\$'000</b>	\$'000
<b>Note 9: Provisions</b>		
<b>Note 9A: Employee Provisions</b>		
Leave	<b>29,780</b>	32,722
<b>Total employee provisions</b>	<b>29,780</b>	32,722
Employee provisions are expected to be settled in:		
No more than 12 months	<b>9,745</b>	10,774
More than 12 months	<b>20,035</b>	21,948
<b>Total employee provisions</b>	<b>29,780</b>	32,722
<b>Note 9B: Other Provisions</b>		
Provision for make good	<b>5,343</b>	5,166
<b>Total other provisions</b>	<b>5,343</b>	5,166
Other provisions are expected to be settled in:		
No more than 12 months	<b>713</b>	245
More than 12 months	<b>4,630</b>	4,921
<b>Total other provisions</b>	<b>5,343</b>	5,166

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	<b>Provision for make good</b>
	<b>\$'000</b>
<b>Carrying amount 1 July 2009</b>	<b>5,166</b>
Additional provisions made	
Amounts used	(42)
Amounts reversed	(155)
Unwinding of discount or change in discount rate	374
<b>Closing balance at 30 June 2010</b>	<b>5,343</b>

The Department currently has 21 agreements (2009: 21) for the leasing of premises that have provisions requiring the Department to restore the premises to their original condition at the conclusion of the lease. The Department has made a provision to reflect the present value of this obligation.

A revaluation decrement for the make good provision of \$118,755 (2009: increment of \$70,739) was recognised in the asset revaluation reserve and included in the equity section of the Balance Sheet in 2009–10.

## Note 10: Restructuring

### Note 10A: Departmental Restructuring

#### Current year restructuring

The Australian Transport Safety Bureau (ATSB), a division of the Department as at 30 June 2009, was established on 1 July 2009 as an independent Statutory Agency with a Commission structure operating under the *Financial Management and Accountability Act 1997*.

The establishment of the ATSB as a separate agency resulted in the following transfers of assets and liabilities from the Department:

	<b>2010</b>
<b>Notes</b>	<b>\$'000</b>
<b>Net Assets Relinquished</b>	
<b>Financial Assets</b>	
Receivables	49
<b>Total financial assets</b>	<b>49</b>
<b>Non-Financial Assets</b>	
Property, plant and equipment	1,250
Intangibles	3,791
Other non-financial assets	89
<b>Total non-financial assets</b>	<b>5,130</b>
<b>Total assets relinquished</b>	<b>5,179</b>
<b>Net Liabilities Relinquished</b>	
Payables	
Suppliers	68
Other payables	188
<b>Total payables</b>	<b>256</b>

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**
**Provisions**

Employee provisions	<u>3,023</u>
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<b>Total provisions</b>	<u><b>3,023</b></u>
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<b>Total liabilities relinquished</b>	<u><b>3,279</b></u>
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Net assets relinquished	10C	<u><b>1,900</b></u>
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**Prior year restructuring**

There were no restructures in 2008–09.

**Note 10B: Reduction of appropriations as a result of restructuring**

At the time of the transfer of the ATSB, the Department had an appropriation receivable representing ATSB unspent appropriations. Under the FMOs, the Department was required to account for the transfer of prior year appropriations against equity. Current year appropriations are reduced against appropriation revenue.

	<u><b>2010</b></u>
	<u><b>\$'000</b></u>

Appropriation receivable	
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Current year appropriation receivable	<b>87</b>
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Prior year appropriation receivable	<u><b>6,326</b></u>
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	<u><b>6,413</b></u>
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**Note 10C: Transactions with owners as a result of restructuring**

	<b>2010</b>	
	<b>Notes</b>	<u><b>\$'000</b></u>

Distributions to owners		
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Net assets relinquished to ATSB	10A	<b>1,900</b>
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Prior year appropriation receivable	10B	<u><b>6,326</b></u>
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Total distribution to owners		<u><b>8,226</b></u>
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**Note 10D: Reconciliation of non-cash items**

	<b>2010</b>	
	<b>Notes</b>	<u><b>\$'000</b></u>

Total distribution to owners	10C	<b>8,226</b>
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Less:		
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Property, plant and equipment	10A	<b>1,250</b>
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Intangibles	10A	<u><b>3,791</b></u>
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Total distribution to owners		<u><b>3,185</b></u>
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**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	<b>2010</b>	2009
	<b>\$'000</b>	\$'000
<b>Note 11: Cash Flow Reconciliation</b>		
<b>Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement</b>		
Cash and cash equivalents as per:		
Cash Flow Statement	<b>1,239</b>	3,472
Balance Sheet	<b>1,239</b>	3,472
<b>Difference</b>	<b>-</b>	<b>-</b>
<b>Reconciliation of net cost of services to net cash from operating activities:</b>		
Net cost of services	<b>(209,036)</b>	(245,559)
Add revenue from Government	<b>208,841</b>	242,521
<b>Adjustments for non-cash items</b>		
Depreciation and amortisation	<b>12,918</b>	13,567
Net write-down of non-financial assets	<b>1,393</b>	440
Restructuring	<b>(3,185)</b>	-
	<b>10,931</b>	10,969
<b>Changes in assets / liabilities</b>		
(Increase)/decrease in net receivables	<b>3,127</b>	(2,704)
(Increase)/decrease in accrued revenue	<b>(34)</b>	(136)
(Increase)/decrease in inventories	<b>1</b>	4
(Increase)/decrease in other assets	<b>8</b>	1,863
Increase/(decrease) in employee provisions	<b>(2,942)</b>	1,455
Increase/(decrease) in supplier payables	<b>(8,202)</b>	10,595
Increase/(decrease) in unearned revenue	<b>240</b>	1,825
Increase/(decrease) in accrued expenses	<b>2,392</b>	(3,861)
Increase/(decrease) in finance leases	<b>(268)</b>	(316)
Increase/(decrease) in other provisions	<b>58</b>	1,251
Increase/(decrease) in other payables	<b>(2,096)</b>	705
<b>Net cash from operating activities</b>	<b>3,215</b>	21,650

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 12: Contingent Liabilities and Assets**

	Claims for damages/costs		Total	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
<b>Contingent Assets</b>				
Balance from previous period	-	-	-	-
New	-	-	-	-
Re-measurement	-	-	-	-
Assets recognised	-	-	-	-
Extinguished	-	-	-	-
<b>Total Contingent Assets</b>	-	-	-	-

	Claims for damages/costs		Total	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
<b>Contingent Liabilities</b>				
Balance from previous period	<b>25,500</b>	20,000	<b>25,500</b>	20,000
New	-	500	-	500
Re-measurement	-	5,000	-	5,000
Liabilities recognised	-	-	-	-
Obligations extinguished	<b>(25,500)</b>	-	<b>(25,500)</b>	-
<b>Total Contingent Liabilities</b>	-	25,500	-	25,500
<b>Net Contingent Liabilities (Assets)</b>	-	25,500	-	25,500

**Quantifiable Contingencies**

**Contingent Liabilities**

The Schedule of Contingencies reports contingent liabilities in respect of claims for damages/costs of nil in 2010 (2009: \$25.5m).

**Contingent Assets**

The Schedule of Contingencies reports contingent assets in respect of monies claimed for damages/costs of nil in 2010 (2009: nil).

**Unquantifiable Contingencies**

The Department has no significant unquantifiable contingencies.

**Significant Remote Contingencies**

The Department has entered into two property lease arrangements this year, where the Commonwealth has been required to indemnify the Landlord against various risks.

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 13: Senior Executive Remuneration**

**Note 13A: Actual Remuneration Paid to Senior Executives**

The following information discloses the number of employees who hold Senior Executive positions with the Department for the full year. Acting arrangements and part-year service are excluded where the remuneration for the year is less than \$145 000.

	<u>2010</u>	<u>2009</u>
<b>Executive Remuneration</b>		
The number of senior executives who received:		
Less than \$145 000*	1	1
\$145 000 to \$159 999	1	1
\$160 000 to \$174 999	2	3
\$175 000 to \$189 999	3	1
\$190 000 to \$204 999	6	5
\$205 000 to \$219 999	5	7
\$220 000 to \$234 999	11	6
\$235 000 to \$249 999	3	4
\$250 000 to \$264 999	3	5
\$265 000 to \$279 999	4	4
\$280 000 to \$294 999	1	1
\$295 000 to \$309 999	2	3
\$310 000 to \$324 999	-	1
\$325 000 to \$339 999	-	1
\$340 000 to \$354 999	-	1
\$370 000 to \$384 999	-	1
\$475 000 to \$489 999	-	1
\$505 000 to \$519 999	1	-
<b>Total</b>	<u>43</u>	<u>46</u>

\* Excluding acting arrangements and part-year service

**Total expense recognised in relation to Senior Executive employment**

The following information discloses the total remuneration expenses paid to the employees in the table above, split into major categories of employee benefits.

	<u>\$</u>	<u>\$</u>
Short-term employee benefits:		
Salary (including annual leave taken)	8,063,841	7,919,143
Changes in annual leave provisions	144,399	281,659
Performance bonus	-	312,614
Other <sup>1</sup>	392,835	412,040
Total short-term employee benefits	<u>8,601,075</u>	<u>8,925,456</u>
Superannuation (post-employment benefits)	1,265,603	1,566,703
Other long-term benefits	33,020	705,753
Total	<u>9,899,698</u>	<u>11,197,912</u>

In addition, during the year the Department paid \$286,817 in termination benefits to Senior Executives (2009: \$nil).

The reduction in long-term benefits reported in 2009–10 relates to changes in Senior Executives and related leave provisions.

There were no performance bonuses paid in 2009–10.

Notes <sup>1</sup> "Other" includes motor vehicle allowances and other allowances.

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**
**Note 13B: Salary Packages for Senior Executives**

The following information discloses the average annualised Senior Executive remuneration packages as at 30 June by total remuneration package, for Senior Executives employed at 30 June 2010. The number of Senior Executives disclosed below is higher than the total in Note 13A: Actual Remuneration Paid to Senior Executives, as that note only includes Senior Executives who held positions with the Department for the full year.

**Average annualised remuneration packages for substantive Senior Executives**

	As at 30 June 2010			As at 30 June 2009		
	Number	Base salary (including annual leave)	Total remuneration package <sup>1</sup>	Number	Base salary (including annual leave)	Total remuneration package <sup>1</sup>
Less than \$145 000*	-	-	-	-	-	-
\$145 000 to \$159 999	-	-	-	1	130,037	147,059
\$160 000 to \$174 999	1	130,519	167,885	3	143,966	171,073
\$175 000 to \$189 999	12	156,672	180,557	8	156,835	183,782
\$190 000 to \$204 999	6	166,519	198,619	5	165,218	199,418
\$205 000 to \$219 999	12	180,096	214,726	19	180,519	211,696
\$220 000 to \$234 999	6	192,502	224,985	1	200,594	231,354
\$235 000 to \$249 999	6	207,491	248,558	7	204,792	242,591
\$250 000 to \$264 999	2	221,357	253,265	2	225,448	260,156
\$265 000 to \$279 999	4	231,659	273,231	2	226,022	270,979
\$280 000 to \$294 999	1	247,200	281,081	-	-	-
\$295 000 to \$309 999	-	-	-	1	236,400	298,801
\$460 000 to \$474 999	1	376,640	470,790	-	-	-
\$475 000 to \$489 999	-	-	-	1	288,238	478,000
<b>Total</b>	<b>51</b>			<b>50</b>		

\* Excluding acting arrangements and part-year service

**Notes**

<sup>1</sup> Non-salary elements available to Senior Executives include:

(a) Performance bonus (in 2008–09)

(b) Motor vehicle allowance

(c) Superannuation

2010	2009
<b>\$'000</b>	<b>\$'000</b>

**Note 14: Remuneration of Auditors**

Financial statement audit services are provided free of charge to the Department.

The fair value of the services provided was:

Department of Infrastructure, Transport, Regional Development and Local Government	<b>506</b>	506
	<b>506</b>	506

No other services were provided by the Auditor-General.



**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 15: Financial Instruments**

**Note 15A: Categories of Financial Instruments**

	<b>Notes</b>	<b>2010</b>	2009
		<b>\$'000</b>	<b>\$'000</b>
<b>Financial Assets</b>			
Cash and cash equivalents	5A	<b>1,239</b>	3,472
		<b>1,239</b>	3,472
Loans and receivables financial assets			
Trade receivables	5B	<b>691</b>	1,843
Other receivables	5B	<b>9</b>	16
		<b>700</b>	1,859
		<b>1,939</b>	5,331
<b>Carrying amount of financial assets</b>			
<b>Financial Liabilities</b>			
At amortised cost			
Trade creditors	7A	<b>559</b>	9,638
Accrued expenses	7A	<b>9,034</b>	6,262
Other payables	7B	<b>129</b>	240
Finance lease	8A	<b>83</b>	351
		<b>9,805</b>	16,491
<b>Carrying amount of financial liabilities</b>			

**Note 15B: Net Income and Expense from Financial Liabilities**

	<b>Notes</b>	<b>2010</b>	2009
		<b>\$'000</b>	<b>\$'000</b>
<b>Financial Liabilities</b>			
Interest expense from finance leases	3E	<b>9</b>	33
		<b>9</b>	33

The Department has no net income and expense from financial assets.

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**
**Note 15C: Fair Values of Financial Instruments**

	Notes	2010		2009	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
		\$'000	\$'000	\$'000	\$'000
<b>Departmental</b>					
<b>Financial Assets</b>					
Cash and cash equivalents	5A	1,239	1,239	3,472	3,472
Trade receivables	5B	691	691	1,843	1,843
Other receivables	5B	9	9	16	16
<b>Total financial assets</b>		<b>1,939</b>	<b>1,939</b>	5,331	5,331
<b>Financial Liabilities</b>					
Trade creditors	7A	(559)	(559)	(9,638)	(9,638)
Accrued expenses	7A	(9,034)	(9,034)	(6,262)	(6,262)
Other payables	7B	(129)	(129)	(240)	(240)
Finance lease	8A	(83)	(83)	(351)	(351)
<b>Total financial liabilities</b>		<b>(9,805)</b>	<b>(9,805)</b>	(16,491)	(16,491)

**Fair value measurements categorised by fair value hierarchy**

	Level in the fair value hierarchy <sup>1</sup>	
	2010	2009
	<b>Departmental</b>	
<b>Financial Assets</b>		
Cash and cash equivalents	1	1
Trade receivables	1	1
Other receivables	1	1
<b>Financial Liabilities</b>		
Trade creditors	1	1
Accrued expenses	1	1
Other payables	1	1
Finance lease	1	1

<sup>1</sup> The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 15D: Credit Risk Exposures**

The Department is exposed to minimal credit risk as loans and receivables are cash, trade receivables and accrued revenue. The maximum exposure to credit risk is the risk that arises from potential default of a debtor. This amount is equal to the total amount of trade receivables \$691,000 (2009: \$1,843,000). The Department assessed the risk of default on payment and has allocated \$67,000 in 2010 (2009: \$1,000) to an impairment allowance account.

The Department manages its credit risk by ensuring that the Department has policies and procedures in relation to debt management.

The Department holds no collateral to mitigate against credit risk.

**Credit quality of financial instruments not past due or individually determined as impaired**

	2010	2009	2010	2009
	<b>Not Past Due Nor Impaired</b>	Not Past Due Nor Impaired	<b>Past Due or Impaired</b>	Past Due or Impaired
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
<b>Loans and Receivables</b>				
Cash and cash equivalents	1,239	3,472	-	-
Trade and other receivables	469	1,504	231	355
<b>Total</b>	<b>1,708</b>	4,976	<b>231</b>	355

**Ageing of financial assets that are past due but not impaired for 2010**

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Loans and Receivables</b>					
Trade and other receivables	122	18	12	79	231
<b>Total</b>	<b>122</b>	<b>18</b>	<b>12</b>	<b>79</b>	<b>231</b>

**Ageing of financial assets that are past due but not impaired for 2009**

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Loans and Receivables</b>					
Trade and other receivables	92	2	205	56	355
<b>Total</b>	<b>92</b>	<b>2</b>	<b>205</b>	<b>56</b>	<b>355</b>

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**
**Note 15E: Liquidity Risk**

The Department's financial liabilities are payables, finance leases and other interest bearing liabilities. The exposure to liquidity risk is based on the notion that the Department will encounter difficulty in meeting its obligations associated with financial liabilities. This is highly unlikely due to appropriation funding and mechanisms available to the Department (e.g. Advance to the Finance Minister) and internal policies and procedures put in place to ensure there are appropriate resources to meet its financial obligations.

The following tables illustrate the maturities for financial liabilities

	2010	2010	2010	2010	2010	Total
	On demand	within 1 year	1 to 2 years	2 to 5 years	> 5 years	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Other Liabilities</b>						
Trade creditors	-	559	-	-	-	559
Accrued expenses	-	9,034	-	-	-	9,034
Finance lease	-	62	21	-	-	83
<b>Total other liabilities</b>	-	9,655	21	-	-	9,676

	2009	2009	2009	2009	2009	Total
	On demand	within 1 year	1 to 2 years	2 to 5 years	> 5 years	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Other Liabilities</b>						
Trade creditors	-	9,638	-	-	-	9,638
Accrued expenses	-	6,262	-	-	-	6,262
Finance lease	-	187	62	102	-	351
<b>Total other liabilities</b>	-	16,087	62	102	-	16,251

The Department is appropriated funding from the Australian Government. The Department manages its budgeted funds to ensure that it has adequate funds to meet payments as they fall due. In addition, the Department has policies in place to ensure timely payments are made when due and has no past experience of default.

**Note 15F: Market Risk**

The Department holds basic financial instruments that do not expose the Department to certain market risks. The Department is not exposed to 'Currency risk' or 'Other price risk'.

**Interest rate risk**

The only interest-bearing item on the balance sheet are the 'Finance leases' which bear interest at a fixed interest rate and will not fluctuate due to changes in the market interest rate.

DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2010	2009
	\$'000	\$'000
<b>Note 16: Income administered on behalf of Government</b>		
<b>Revenue</b>		
<b>Taxation revenue</b>		
<b>Note 16A: Levies, Fees and Fines</b>		
Levies	7,253	11,353
Fees	79,817	71,724
Fines	1,931	942
<b>Total levies, fees and fines</b>	<b>89,001</b>	<b>84,019</b>
Non-taxation revenue		
<b>Note 16B: Rendering of Services</b>		
Rendering of services - external entities	10,992	7,453
Marine industry fees	79,460	67,000
<b>Total rendering of services</b>	<b>90,452</b>	<b>74,453</b>
<b>Note 16C: Interest</b>		
Loans - State and Territory Governments	4,122	4,634
<b>Total interest</b>	<b>4,122</b>	<b>4,634</b>
<b>Note 16D: Dividends</b>		
Australian Government entities	10,000	-
<b>Total dividends</b>	<b>10,000</b>	<b>-</b>
<b>Note 16E: Contributions</b>		
Airport environment officers contribution	834	869
Reimbursement of prior years' levies - International Oil Pollution Compensation Fund	-	34
<b>Total contributions</b>	<b>834</b>	<b>903</b>
<b>Note 16F: Rental Income</b>		
Operating lease:		
Housing rental	2,939	2,796
<b>Total rental income</b>	<b>2,939</b>	<b>2,796</b>
<b>Note 16G: Other Revenue</b>		
Refund previous years payments	80,463	1,299
Grants received from related entities <sup>1</sup>	411,000	1,005,000
Other revenue	1	5
<b>Total other revenue</b>	<b>491,464</b>	<b>1,006,304</b>
<b>Total revenues administered on behalf of Government</b>	<b>688,812</b>	<b>1,173,109</b>
<b>Total income administered on behalf of Government</b>	<b>688,812</b>	<b>1,173,109</b>

<sup>1</sup> Refer to Note 1.21

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	<b>2010</b>	2009
	<b>\$'000</b>	\$'000
<b>Note 17: Expenses administered on behalf of Government</b>		
<b>Note 17A: Grants</b>		
Public sector:		
Australian Government entities (related entities)	<b>556,700</b>	76,999
State and Territory Governments	<b>2,013,513</b>	7,015,278
Local Governments	<b>797,067</b>	1,010,126
Private sector:		
Non-profit organisations	<b>105,208</b>	118,419
Overseas	<b>1,788</b>	2,147
<b>Total grants</b>	<b>3,474,276</b>	8,222,969
<b>Note 17B: Subsidies</b>		
Payable to external entities:		
Tasmanian Freight Equalisation Scheme	<b>98,320</b>	109,418
Bass Straight Passenger Vehicle Equalisation Scheme	<b>36,475</b>	35,060
Other	<b>12,724</b>	10,710
<b>Total subsidies</b>	<b>147,519</b>	155,188
<b>Note 17C: Suppliers</b>		
Rendering of services - related entities	<b>122</b>	-
Rendering of services - external entities	<b>26,040</b>	17,256
<b>Total suppliers</b>	<b>26,162</b>	17,256
<b>Note 17D: Depreciation and Amortisation</b>		
Depreciation		
Buildings	<b>1,062</b>	1,062
<b>Total depreciation</b>	<b>1,062</b>	1,062
<b>Total depreciation and amortisation</b>	<b>1,062</b>	1,062

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	<b>2010</b>	2009
	<b>\$'000</b>	\$'000
<b>Note 17: Expenses administered on behalf of Government - continued</b>		
<b>Note 17E: Payments to CAC Act Bodies</b>		
Australian Maritime Safety Authority	<b>129,016</b>	118,142
Civil Aviation Safety Authority	<b>130,791</b>	124,134
<b>Total payments to CAC Act bodies</b>	<b>259,807</b>	242,276
Payments to CAC Act bodies include annual appropriations (Note 26A) and special appropriations (Note 26C).		
<b>Note 17F: Write-down and impairment of assets</b>		
Write-down of buildings	<b>22</b>	-
<b>Total write-down and impairment of assets</b>	<b>22</b>	-
<b>Note 17G: Other Expenses</b>		
Reimbursement of previous years' levies	-	34
Other	<b>153</b>	3,887
<b>Total other expenses</b>	<b>153</b>	3,921
<b>Total expenses administered on behalf of Government</b>	<b>3,909,001</b>	8,642,672

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	2010	2009
	\$'000	\$'000
<b>Note 18: Assets administered on behalf of Government</b>		
Financial assets		
<b>Note 18A: Cash and Cash Equivalents</b>		
Administered bank accounts	-	1,296
<b>Total cash and cash equivalents</b>	<b>-</b>	<b>1,296</b>
<b>Note 18B: Receivables</b>		
Loans:		
State and Territory Governments	<b>39,880</b>	45,584
<b>Total loans</b>	<b>39,880</b>	45,584
Goods and services receivable - external entities	<b>255</b>	237
Less: impairment allowance account	-	-
<b>Total goods and services</b>	<b>255</b>	237
Other - GST receivable from Australian Taxation Office	<b>1,130</b>	1,999
<b>Total receivables (net)</b>	<b>41,265</b>	47,820
Receivables are expected to be recovered in:		
No more than 12 months	<b>7,569</b>	7,960
More than 12 months	<b>33,696</b>	39,860
<b>Total trade and other receivables (net)</b>	<b>41,265</b>	47,820
Loans are made under financial assistance legislation for periods up to 100 years. No security is generally required. Principal is repaid in full at maturity. Interest rates are fixed. Effective interest rates average 8.10% (2009: 8.10%).		
<b>Receivables are aged as follows:</b>		
Not overdue	<b>41,212</b>	47,616
Overdue by:		
Less than 30 days	-	-
31 to 60 days	<b>7</b>	-
61 to 90 days	-	-
More than 90 days	<b>46</b>	204
<b>Total receivables (gross)</b>	<b>41,265</b>	47,820



**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	<b>2010</b>	2009
	<b>\$'000</b>	\$'000
<b>Note 18: Assets administered on behalf of Government - continued</b>		
<b>Note 18C: Investments</b>		
<b>Investments accounted for using the net assets method</b>		
Australian Government authorities:		
National Transport Commission	<b>1,750</b>	1,225
Australian Maritime Safety Authority	<b>143,513</b>	146,242
Airservices Australia	-	334,000
Civil Aviation Safety Authority	<b>60,812</b>	100,403
Australian Government companies:		
Australian Rail Track Corporation Limited	<b>2,465,167</b>	1,830,100
<b>Total investments accounted for using the net assets method</b>	<b>2,671,242</b>	2,411,970
<b>Investments accounted for using the discounted cash flow method</b>		
Australian Government authorities:		
Airservices Australia	<b>741,734</b>	-
<b>Total investments accounted for using the discounted cash flow method</b>	<b>741,734</b>	-
Investment are expected to be recovered in:		
No more than 12 months	-	-
More than 12 months	<b>3,412,976</b>	2,411,970
<b>Total investments</b>	<b>3,412,976</b>	2,411,970

The principal activities of each of the controlled activities are disclosed at Note 24.

From 2009–10 Airservices Australia has been valued using the discounted cash flow method. This method is recommended where an administered investment generates significant consistent cash flows from outside of the Government sector. The valuation is based on future net cash flows from operating activities and the 5-year Government Bond rate.

All other investments have been valued using the net assets method as the entities do not generate significant cash flows from non-government sources or have consistent cash flows.

The increase of \$1,001,006,000 in investments from the prior year includes a capital injection of \$770,430,000 (2009-10: \$422,000,000). The remainder relates to the revaluation of administered investments taken to the reserve. Refer to Note 20.

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	<b>2010</b>	2009
	<b>\$'000</b>	\$'000
<b>Note 18: Assets administered on behalf of Government continued</b>		
<b>Note 18D: Accrued Revenue</b>		
Levies, fees and fines	<b>5,315</b>	5,916
Rendering of services - external entities	<b>1,272</b>	855
Interest	<b>895</b>	1,022
<b>Total accrued revenue</b>	<b>7,482</b>	7,793
Accrued revenue are expected to be recovered in:		
No more than 12 months	<b>7,482</b>	7,793
More than 12 months	-	-
<b>Total accrued revenue</b>	<b>7,482</b>	7,793
<b>Total Financial Assets</b>	<b>3,461,723</b>	2,468,879
<b>Non-financial assets</b>		
<b>Note 18E: Land and Buildings</b>		
Land - at fair value	<b>36,000</b>	49,200
<b>Total land</b>	<b>36,000</b>	49,200
Buildings – at fair value	<b>13,718</b>	15,151
Accumulated depreciation	<b>(263)</b>	(1,413)
<b>Total buildings</b>	<b>13,455</b>	13,738
<b>Total land and buildings (non-current)</b>	<b>49,455</b>	62,938
<b>Note 18F: Property, Plant and Equipment</b>		
Heritage and cultural:		
Historical aircraft	<b>7,550</b>	7,550
<b>Total property, plant and equipment</b>	<b>7,550</b>	7,550

All revaluations are conducted in accordance with the revaluation policy stated at Note 1.

Revaluation decrements for land 2010: \$13,200,000 (2009: nil) were debited to the asset revaluation reserve by asset class, and increments for buildings on freehold land 2010: \$801,145 (2009: nil) were debited to the asset revaluation reserve by asset class.

DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 18: Assets administered on behalf of Government continued

**TABLE A - Reconciliation of the opening and closing balances of property, plant and equipment (2009–10)**

	Land	Buildings on Freehold Land	Land and Buildings - Total	Heritage and Cultural	Property, Plant and Equipment - Total	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2009</b>						
Gross book value	49,200	15,151	64,351	7,550	7,550	71,901
Accumulated depreciation/amortisation	-	(1,413)	(1,413)	-	-	(1,413)
<b>Net book value 1 July 2009</b>	<b>49,200</b>	<b>13,738</b>	<b>62,938</b>	<b>7,550</b>	<b>7,550</b>	<b>70,488</b>
Additions:						
By purchase	-	-	-	-	-	-
From acquisition of operations (including restructuring)	-	-	-	-	-	-
Revaluations and impairments through equity	(13,200)	801	(12,399)	-	-	(12,399)
Depreciation/amortisation expense	-	(1,062)	(1,062)	-	-	(1,062)
Impairments recognised in the operating result	-	-	-	-	-	-
Other movements:						
Reclassifications	-	-	-	-	-	-
Assets first recognised	-	-	-	-	-	-
Disposals:						
From disposal of operations (including restructuring)	-	-	-	-	-	-
Other disposals	-	(22)	(22)	-	-	(22)
<b>Net book value 30 June 2010</b>	<b>36,000</b>	<b>13,455</b>	<b>49,455</b>	<b>7,550</b>	<b>7,550</b>	<b>57,005</b>
<b>Net book value as of 30 June 2010 represented by:</b>						
Gross book value	36,000	13,718	49,718	7,550	7,550	57,268
Accumulated depreciation/amortisation	-	(263)	(263)	-	-	(263)
	<b>36,000</b>	<b>13,455</b>	<b>49,455</b>	<b>7,550</b>	<b>7,550</b>	<b>57,005</b>

All revaluations are independent and are conducted in accordance with the revaluation policy stated at Note 1.17.

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 18: Assets administered on behalf of Government – (continued)**

**TABLE A – Reconciliation of the opening and closing balances of property, plant and equipment (2008–09)**

	Land \$'000	Buildings on Freehold Land \$'000	Land and Buildings - Total \$'000	Heritage and Cultural \$'000	Property, Plant and Equipment - Total \$'000	Total \$'000
<b>As at 1 July 2008</b>						
Gross book value	49,200	15,151	64,351	7,550	7,550	71,901
Accumulated depreciation/ amortisation	-	(351)	(351)	-	-	(351)
<b>Net book value 1 July 2008</b>	<b>49,200</b>	<b>14,800</b>	<b>64,000</b>	<b>7,550</b>	<b>7,550</b>	<b>71,550</b>
Additions:						
By purchase	-	-	-	-	-	-
From acquisition of operations (including restructuring)	-	-	-	-	-	-
Revaluations and impairments through equity	-	-	-	-	-	-
Depreciation/amortisation expense	-	(1,062)	(1,062)	-	-	(1,062)
Impairments recognised in the operating result	-	-	-	-	-	-
Write back of accumulated depreciation	-	-	-	-	-	-
Other movements:						
Reclassifications	-	-	-	-	-	-
Assets first recognised	-	-	-	-	-	-
Disposals:						
From disposal of operations (including restructuring)	-	-	-	-	-	-
Other disposals	-	-	-	-	-	-
<b>Net book value 30 June 2009</b>	<b>49,200</b>	<b>13,738</b>	<b>62,938</b>	<b>7,550</b>	<b>7,550</b>	<b>70,488</b>
<b>Net book value as of 30 June 2009 represented by:</b>						
Gross book value	49,200	15,151	64,351	7,550	7,550	71,901
Accumulated depreciation/ amortisation	-	(1,413)	(1,413)	-	-	(1,413)
	<b>49,200</b>	<b>13,738</b>	<b>62,938</b>	<b>7,550</b>	<b>7,550</b>	<b>70,488</b>

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	<b>2010</b>	2009
	<b>\$'000</b>	\$'000
<b>Note 18: Assets administered on behalf of Government – (continued)</b>		
<b>Note 18G: Prepayments</b>		
Grant prepayments	<b>41,731</b>	390,554
<b>Total prepayments</b>	<b>41,731</b>	390,554
Total prepayment are expected to be settled in:		
No more than 12 months	<b>41,731</b>	390,554
More than 12 months	-	-
<b>Total prepayments</b>	<b>41,731</b>	390,554
<b>Total non-financial assets</b>	<b>98,736</b>	461,042
<b>Total assets administered on behalf of Government</b>	<b>3,560,459</b>	2,929,921

**Note 19: Liabilities administered on behalf of Government**

**Payables**

**Note 19A: Suppliers**

Trade creditors and accruals	<b>756</b>	1,669
<b>Total suppliers</b>	<b>756</b>	1,669

Suppliers payables expected to be settled within 12 months:

Related entities	<b>14</b>	-
External entities	<b>742</b>	1,669
<b>Total supplier payables</b>	<b>756</b>	1,669

All creditors are entities that are not part of the Australian Government. Settlement is usually made net 30 days.

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	2010 \$'000	2009 \$'000
<b>Note 19: Liabilities administered on behalf of Government - continued</b>		
<b>Note 19B: Subsidies</b>		
Payable to external entities	3,092	4,637
<b>Total subsidies</b>	<b>3,092</b>	<b>4,637</b>
Total subsidies are expected to be settled in:		
No more than 12 months	3,092	4,637
More than 12 months	-	-
<b>Total subsidies</b>	<b>3,092</b>	<b>4,637</b>
<b>Total subsidies</b>	<b>3,092</b>	<b>4,637</b>
Settlement is usually made according to the terms and conditions of each subsidy. This is usually within 30 days of performance or eligibility.		
<b>Note 19C: Grants</b>		
Public sector:		
Australian Government entities (related entities)	11,006	9,356
State and Territory Governments	38,042	-
<b>Total public sector</b>	<b>49,048</b>	<b>9,356</b>
Private sector:		
Non-profit organisations	12,481	1,531
<b>Total private sector</b>	<b>12,481</b>	<b>1,531</b>
<b>Total grants</b>	<b>61,529</b>	<b>10,887</b>
Total grants are expected to be settled in:		
No more than 12 months	61,529	10,887
More than 12 months	-	-
<b>Total grants</b>	<b>61,529</b>	<b>10,887</b>
Settlement is usually made according to the terms and conditions of each grant. This is usually within 30 days of performance or eligibility.		
<b>Total payables</b>	<b>65,377</b>	<b>17,193</b>
<b>Total liabilities administered on behalf of Government</b>	<b>65,377</b>	<b>17,193</b>
All liabilities are expected to be settled within 12 months of balance date except where otherwise stated.		

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	<b>2010</b>	2009
	<b>\$'000</b>	\$'000
<b>Note 20: Administered Reconciliation Table</b>		
<i>Opening administered assets less administered liabilities as at 1 July</i>	<b>2,912,728</b>	3,403,259
Plus: Administered income	<b>688,812</b>	1,173,109
Less: Administered expenses (non CAC)	<b>(3,649,194)</b>	(8,400,396)
Payments to CAC Act bodies	<b>(259,807)</b>	(242,276)
	<b>(307,461)</b>	(4,066,304)
Administered transfers to/from Australian Government:		
Appropriation transfers from OPA:		
Annual appropriations for administered expenses (non CAC)	<b>1,075,942</b>	3,987,192
Administered assets and liabilities appropriations	<b>770,430</b>	422,000
Annual appropriations for payment to CAC Act bodies	<b>100,441</b>	96,623
GST	<b>7,348</b>	11,692
Special appropriations (limited) (non CAC)	-	-
Special appropriations (unlimited) (non CAC)	<b>1,954,557</b>	2,373,495
Special appropriations (unlimited) paid to CAC Act bodies	<b>159,365</b>	145,653
Special Accounts	<b>471,821</b>	1,054,885
Transfers to OPA	<b>(622,475)</b>	(1,121,886)
Transfers to OPA non-cash	<b>(79,460)</b>	(69,638)
Restructuring	<b>(253,604)</b>	-
Administered revaluations taken from reserves	<b>(12,399)</b>	-
Administered investments - revaluations taken to reserves	<b>230,577</b>	(79,106)
<b><i>Closing administered assets less administered liabilities as at end of period</i></b>	<b>3,495,082</b>	2,912,728

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 21: Administered Restructuring**

**Current year restructuring**

The Council of Australian Governments has agreed to a new framework for federal financial relations that was implemented in a staged manner from 1 January 2009. Under these arrangements specific purpose payments (SPPs) are now made through combined monthly payments from the Commonwealth Treasury to and through State and Territory Treasuries.

The following assets transferred to the Department of the Treasury on 1 July 2009:

<b>Net Assets To Be Relinquished</b>	<b>2010</b>
ASSETS	<b>\$'000</b>
Non-financial Assets	
Prepayments	<b>253,604</b>
<b>Total non-financial assets</b>	<b>253,604</b>
<b>Net assets to be relinquished</b>	<b>253,604</b>

**Prior year restructuring**

There were no restructures in 2008–09.



**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

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## Note 22: Administered Contingent Liabilities

### **Quantifiable Administered Contingencies**

There are no Quantifiable Administered Contingencies in 2009–10 or 2008–09.

### **Unquantifiable Administered Contingencies**

#### ***Australian Maritime Safety Authority (AMSA) Incident Costs:***

AMSA is responsible for the provision of funds necessary to meet the clean up costs arising from ship sourced marine pollution and is responsible for making appropriate efforts to recover such costs. The Australian Government meets costs that cannot be recovered. It is not possible to estimate the amounts of any eventual payments that may be required in relation to possible future incident costs.

#### ***Sales Indemnities:***

Indemnities given to Australian National Sales in relation to the acquisition of SA Rail, PAXRAIL and TASRAIL from the Australian Government. It is not possible to value this indemnity.

#### ***Civil Aviation Safety Authority:***

Indemnity in relation to safety regulation activities. It is not possible to value this indemnity.

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**
**Note 22: Administered Contingent Liabilities - continued**
**Significant Remote Administered Contingencies**
***Tripartite Deed relating to the Sale of Core Regulated Airports:***

Tripartite Deeds apply to the 12 Core Regulated Airports (Sydney, Melbourne, Brisbane, Perth, Canberra, Coolangatta, Townsville, Adelaide, Bankstown, Launceston, Darwin and Alice Springs). The Tripartite Deeds between the Australian Government, airport lessees and lessees' financiers provide for limited step in rights for the financiers in circumstances where the airport lease is terminated. Assuming the financiers' step in rights are not triggered, the potential liability of the Australian Government can vary under the Tripartite Deed, depending on whether the airport lease is able to be sold on to a third party or not.

The Australian Government's potential liability to the lessees' financiers is limited to the value received for the affected airport lease or the valuation of the airport site. Where the Australian Government is able to sell on the airport lease, secured financiers have a limited ability to recover their loans from funds obtained by the Australian Government from selling on the airport lease, subject to higher ranking claims being met first. Where the airport lease is not sold on, the Australian Government is required to obtain a valuation of the airport site that will determine the limit for a repayment (or partial repayment) of financiers' loans again subject to higher ranking claims being met. If the Australian Government enters into possession of an airport site, it would seek to recover its costs from a number of sources, including airport revenues and the airport lessee company, in addition to funds obtained from selling the airport lease.

***Assumed Residual Liabilities of the Australian National Railways Commission:***

The matter reported in the previous year's financial statements was settled in June 2010.

***National Rail Corporation (NRC) Ltd Directors' Indemnity:***

The Australian Government jointly indemnifies with other shareholders of the corporation, the directors of NRC against claims and legal costs as a consequence of actions that relate to the sale of NRC.

***TNT Australia Pty Ltd***

Indemnity contained in TNT standard freight consignment notes.

***Australian Research Council agreement on safety in the heavy vehicle industry***

The Australian Government along with the parties to the "Safety in the Heavy Vehicle Industry: A Collaborative Response" equally indemnify each other in the case that contract is breached by themselves.

**Note 23: Administered Contingent Assets**

The Department has no Administered contingent assets at 30 June 2010

(30 June 2009: nil).

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 24: Administered Investments**

The principal activities of each of the controlled entities are as follows:

- National Transport Commission - provides advice to Australian Governments on road transport.
- Airservices Australia - provides services to national air transport, including air traffic control and navigation facilities, as well as airport fire fighting services.
- Australian Maritime Safety Authority - provides regulation and oversight of Australian shipping, maritime navigation facilities and search and rescue services.
- Civil Aviation Safety Authority - responsible for setting aviation safety standards, registration of aircraft, licensing and compliance with safety standards.
- Australian Rail Track Corporation - manages access to the national interstate rail track and infrastructure network, as well as train control services.

**Note 25: Administered Financial Instruments**

**Note 25A: Categories of Administered Financial Instruments**

<b>Financial Assets</b>	<b>Notes</b>	<b>2010 \$'000</b>	<b>2009 \$'000</b>
Cash and cash equivalents	18A	-	1,296
		-	1,296
Loans and receivables financial assets			
Loans to State and Territory Governments	18B	<b>39,880</b>	45,584
Trade receivables	18B	<b>255</b>	237
		<b>40,135</b>	45,821
Available-for-sale financial assets			
Investments	18C	<b>3,412,976</b>	2,411,970
		<b>3,412,976</b>	2,411,970
<b>Carrying amount of financial assets</b>		<b>3,453,111</b>	2,459,087
<b>Financial Liabilities</b>			
At amortised cost			
Trade creditors	19A	<b>756</b>	1,669
Subsidies payable	19B	<b>3,092</b>	4,637
Grants payable	19C	<b>61,529</b>	10,887
		<b>65,377</b>	17,193
<b>Carrying amount of financial liabilities</b>		<b>65,377</b>	17,193

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 25B: Net Income and Expenses from Financial Assets**

		<b>2010</b>	2009
		<b>\$'000</b>	\$'000
Loans and receivables financial assets			
Interest revenue	16C	<b>4,122</b>	4,634
<b>Net gain loans and receivables</b>		<b>4,122</b>	4,634
Available-for-sale assets			
Dividend revenue	16D	<b>10,000</b>	-
Administered investments taken to reserves	20	<b>230,577</b>	79,016
<b>Net gain available for sale</b>		<b>240,577</b>	79,016
<b>Net gain from financial assets</b>		<b>244,699</b>	83,650

**Note 25C: Fair Values of Financial instruments**

		<b>2010</b>	<b>2010</b>	2009	2009
		<b>Carrying</b>	<b>Fair Value</b>	Carrying	Fair Value
		<b>Amount</b>	<b>\$'000</b>	Amount	\$'000
	<b>Notes</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Administered</b>					
<b>Financial Assets</b>					
Cash and cash equivalents	18A	-	-	1,296	1,296
Loans and receivables:					
Loans to State and Territory Governments	18B	<b>39,880</b>	<b>39,880</b>	45,584	45,584
Trade receivables	18B	<b>255</b>	<b>255</b>	237	237
Investments	18C	<b>3,412,976</b>	<b>3,412,976</b>	2,411,970	2,411,970
<b>Total financial assets</b>		<b>3,453,111</b>	<b>3,453,111</b>	2,459,087	2,459,087
<b>Financial Liabilities</b>					
Trade creditors	19A	<b>(756)</b>	<b>(756)</b>	(1,669)	(1,669)
Subsidies payable	19B	<b>(3,092)</b>	<b>(3,092)</b>	(4,637)	(4,637)
Grants payable	19C	<b>(61,529)</b>	<b>(61,529)</b>	(10,887)	(10,887)
<b>Total financial liabilities</b>		<b>(65,377)</b>	<b>(65,377)</b>	(17,193)	(17,193)

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Fair value measurements categorised by fair value hierarchy**

	<b>Level in the fair value hierarchy<sup>1</sup></b>	
	<b>2010</b>	<b>2009</b>
<b>Administered</b>		
<b>Financial Assets</b>		
Cash and cash equivalents	<b>1</b>	1
Loans and receivables:		
Loans to State and Territory Governments	<b>1</b>	1
Trade receivables	<b>1</b>	1
Investments	<b>1</b>	1
<b>Financial Liabilities</b>		
Trade creditors	<b>1</b>	1
Subsidies payable	<b>1</b>	1
Grants payable	<b>1</b>	1

<sup>1</sup> The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**
**Note 25D: Credit Risk Exposures**

The administered activities of the Department are not exposed to a high level of credit risk as the majority of financial assets are trade receivables, loans to State and Territory Governments and shares in government controlled and funded entities.

The Department manages its credit risk by ensuring that the Department has policies and procedures in relation to debt management.

The maximum exposure to credit risk is outlined in the table below.

	Notes	2010 \$'000	2009 \$'000
<b>Administered</b>			
Financial assets			
Loans and receivables			
Loans to State and Territory Governments	18B	<b>39,880</b>	45,584
Trade receivables - external entities	18B	<b>255</b>	237
<b>Held to maturity assets</b>			
Investments	18C	<b>3,412,976</b>	2,411,970
<b>Total financial assets</b>		<b>3,453,111</b>	2,459,087

The Department has assessed the risk of default on payment and has allocated the following amounts to an allowance for doubtful debts account:

Goods and services receivables	nil in 2010 (2009:nil)
Loans to State and Territory Governments	nil in 2010 (2009:nil)
Loans to other Governments	nil in 2010 (2009:nil)

**Credit quality of financial instruments not past due or individually determined as impaired**

	Notes	2010 Not Past Due Nor Impaired \$'000	2009 Not Past Due Nor Impaired \$'000	2010 Past Due or Impaired \$'000	2009 Past Due or Impaired \$'000
<b>Loans and Receivables</b>					
Trade receivables	18B	<b>210</b>	33	<b>53</b>	204
Loans to State and Territory Governments	18B	<b>39,880</b>	45,584	-	-
<b>Held to maturity assets</b>					
Investments	18C	<b>3,412,976</b>	2,411,970	-	-
<b>Total loans and receivables</b>		<b>3,453,066</b>	2,457,587	<b>53</b>	204

**Ageing of financial assets that are past due but not impaired for 2010**

	0 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	Total \$'000
<b>Loans and Receivables</b>					
Trade receivables	-	<b>7</b>	-	<b>46</b>	<b>53</b>
<b>Total loans and receivables</b>	-	<b>7</b>	-	<b>46</b>	<b>53</b>

Ageing of financial assets that are past due but not impaired for 2009

	0 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	Total \$'000
<b>Loans and Receivables</b>					
Trade receivables	-	-	-	204	204
<b>Total loans and receivables</b>	-	-	-	204	204

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 25E: Liquidity Risk**

The Department's administered financial liabilities are trade creditors, grants and subsidies payable. The exposure to liquidity risk is based on the notion that the Department will encounter difficulty in meeting its obligations associated with administered financial liabilities. This is highly unlikely due to appropriation funding and mechanisms available to the Department (e.g. Advance to the Finance Minister) and internal policies and procedures put in place to ensure there are appropriate resources to meet its financial obligations.

The following tables illustrates the maturities for non-derivative financial liabilities

	2010 On demand \$'000	2010 within 1 year \$'000	2010 1 to 2 years \$'000	2010 2 to 5 years \$'000	2010 > 5 years \$'000	Total \$'000
<b>Other Liabilities</b>						
Trade creditors	-	756	-	-	-	756
Subsidies payable	-	3,092	-	-	-	3,092
Grants payable	-	61,529	-	-	-	61,529
<b>Total other liabilities</b>	-	65,377	-	-	-	65,377

	2009 On demand \$'000	2009 within 1 year \$'000	2009 1 to 2 years \$'000	2009 2 to 5 years \$'000	2009 > 5 years \$'000	Total \$'000
<b>Other Liabilities</b>						
Trade creditors	-	1,669	-	-	-	1,669
Subsidies payable	-	4,637	-	-	-	4,637
Grants payable	-	10,887	-	-	-	10,887
<b>Total other liabilities</b>	-	17,193	-	-	-	17,193

The Department's administered activities are appropriated funding from the Australian Government. The Department manages its budgeted administered funds to ensure that it has adequate funds to meet payments as they fall due. In addition, the Department has policies in place to ensure timely payments are made when due and has no past experience of default.

**Note 25F: Market Risk**

The Department holds basic financial instruments that do not expose the Department to certain market risks. The Department is not exposed to currency risk or commodity and equity securities price risk.

**Interest rate risk**

The only interest-bearing item on the balance sheet is the Loans to State and Territory Governments which bear interest at a fixed interest rate and will not fluctuate due to changes in the market interest rate.

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 26: Appropriations**

**Note 26A1: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund for Ordinary Annual Services Appropriation**

Particulars	Administered Expenses			
	Outcome 1		Outcome 2	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
Balance brought forward from previous period ( <i>Appropriation Acts</i> )	<b>12,102</b>	43,298	<b>17,823</b>	27,753
Balance brought forward from CAC Act bodies	-	-	-	-
Adjusted balance brought forward from previous period	<b>12,102</b>	43,298	<b>17,823</b>	27,753
<i>Appropriation Act:</i>				
<i>Appropriation Act</i> (No.1, 3 & 5)	<b>99,979</b>	102,297	<b>199,526</b>	186,306
Appropriations reduced ( <i>Appropriation Act</i> sections 10, 11 & 12)	<b>(12,097)</b>	(43,298)	<b>(6,534)</b>	(20,027)
Appropriations reduced ( <i>Appropriation Act</i> section 14) <sup>1</sup>	-	-	<b>(6,062)</b>	-
<i>FMA Act:</i>				
Appropriations to take account of recoverable GST ( <i>FMA Act</i> section 30A) <sup>2</sup>	<b>930</b>	732	<b>1,001</b>	1,732
Relevant agency receipts ( <i>FMA Act</i> section 31)	-	-	-	-
Transfer of agency functions ( <i>FMA Act</i> section 32) <sup>3</sup>	-	-	-	-
<b>Total appropriation available for payments</b>	<b>100,914</b>	103,029	<b>205,754</b>	195,764
Cash payments made during the year (GST inclusive)	<b>100,914</b>	90,927	<b>161,131</b>	177,941
Appropriations credited to special accounts (GST exclusive)	-	-	-	-
Balance of authority to draw cash from the Consolidated Revenue Fund for ordinary annual services appropriations and as represented by:	-	12,102	<b>44,623</b>	17,823
Cash at bank and on hand	-	-	-	-
Departmental appropriation receivable	-	-	-	-
Undrawn, unexpired administered appropriations	-	12,102	<b>44,623</b>	17,823
Net GST receivable from ATO	-	-	-	-
<b>Total as at 30 June</b>	-	12,102	<b>44,623</b>	17,823

<sup>1</sup> Net cash reduction in appropriation for Outcome 2 and Outcome 3 totalling \$1.908m and \$0.004m respectively are not included as the determination did not refer to the correct outcomes. A subsequent determination was made on 30 July 2010.

<sup>2</sup> The amounts in this line item are calculated on an accrual basis to the extent that an expense may have been incurred that includes GST but has not been paid by year end.

<sup>3</sup> Refer to Note 10.



DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 26: Appropriations continued

Note 26A1: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund for  
Ordinary Annual Services Appropriation continued

Administered Expenses				Departmental Outputs		Total	
Outcome 3		Payments to CAC Act bodies					
2010	2009	2010	2009	2010	2009	2010	2009
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
58,681	40,899	-	-	98,536	97,586	187,142	209,536
-	-	-	2,778	-	-	-	2,778
58,681	40,899	-	2,778	98,536	97,586	187,142	212,314
341,015	158,867	100,441	95,275	210,210	241,813	951,171	784,558
(57,616)	(40,039)	-	(1,430)	(1,549)	-	(77,796)	(104,794)
-	-	-	-	(28,284)	-	(34,346)	-
5,407	9,208	-	-	7,974	10,566	15,312	22,238
-	-	-	-	8,819	2,623	8,819	2,623
-	-	-	-	(6,413)	708	(6,413)	708
347,487	168,935	100,441	96,623	289,293	353,296	1,043,889	917,647
98,359	110,254	100,441	96,623	223,394	254,760	684,239	730,505
-	-	-	-	-	-	-	-
249,128	58,681	-	-	65,899	98,536	359,650	187,142
-	-	-	-	1,239	3,472	1,239	3,472
-	-	-	-	63,534	93,381	63,534	93,381
249,128	58,681	-	-	-	-	293,751	88,606
-	-	-	-	1,126	1,683	1,126	1,683
249,128	58,681	-	-	65,899	98,536	359,650	187,142

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 26: Appropriations continued**

**Note 26A2: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund for Ordinary Annual Services Appropriations (Reduction in Administered Items)**

Particulars	Administered Expenses			
	Outcome 1		Outcome 2	
	2010	2009	2010	2009
	\$	\$	\$	\$
Reduction in administered items <sup>4</sup>				
Total administered items appropriated <sup>5</sup>	<b>99,979,000.00</b>	102,297,000.00	<b>198,464,000.00</b>	186,306,000.00
Less administered items required by the agency per <i>Appropriation Act</i> s11 <sup>6</sup> :				
<i>Appropriation Act</i> (No.1)	<b>99,900,000.00</b>	90,199,596.71	<b>158,827,982.61</b>	176,037,315.83
<i>Appropriation Act</i> (No.3)	<b>78,999.54</b>	0.00	<b>0.00</b>	3,735,183.71
<i>Appropriation Act</i> (No.5)	<b>0.00</b>	0.00	<b>0.00</b>	0.00
Total administered items required by the agency as represented by:				
Spent	<b>99,978,999.54</b>	90,194,596.71	<b>155,748,749.96</b>	174,321,538.43
Retention	<b>0.00</b>	5,000.00	<b>3,079,232.65</b>	5,450,961.11
<b>Total reduction in administered items</b>	<b>0.46</b>	12,097,403.29	<b>39,636,017.39</b>	6,533,500.46

<sup>4</sup> Numbers in this section of the table are not rounded.

<sup>5</sup> 2009–10 Appropriation for Outcome 2 has been reduced by \$1,062,000 for net cash reduction in appropriation.

<sup>6</sup> Administered items for 2009–2010 were reduced to these amounts when these financial statements were tabled in the Parliament as part of the Department's 2009-2010 annual report. This reduction is effective in 2010–2011 and the amounts in the Total Reduction row will be reflected in the top section of Table A in the 2010–2011 financial statements in the row 'Administered appropriations (Appropriation Act sections 10, 11 & 12)'.

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 26: Appropriations continued**

**Note 26A2: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund for Ordinary Annual Services Appropriations (Reduction in Administered Items) continued**

Administered Expenses				Departmental Outputs		Total	
Outcome 3		Payments to CAC Act bodies					
2010	2009	2010	2009	2010	2009	2010	2009
\$	\$	\$	\$	\$	\$	\$	\$
<b>341,015,000.00</b>	158,867,000.00	<b>0.00</b>	0.00	<b>0.00</b>	0.00	<b>639,458,000.00</b>	447,470,000.00
<b>105,106,092.53</b>	93,069,138.21	<b>0.00</b>	0.00	<b>0.00</b>	0.00	<b>363,834,075.14</b>	359,306,050.75
<b>0.00</b>	8,181,783.77	<b>0.00</b>	0.00	<b>0.00</b>	0.00	<b>78,999.54</b>	11,916,967.48
<b>0.00</b>	0.00	<b>0.00</b>	0.00	<b>0.00</b>	0.00	<b>0.00</b>	0.00
<b>91,890,323.28</b>	100,185,330.24	<b>0.00</b>	0.00	<b>0.00</b>	0.00	<b>347,618,072.78</b>	364,701,465.38
<b>13,215,769.25</b>	1,065,591.74	<b>0.00</b>	0.00	<b>0.00</b>	0.00	<b>16,295,001.90</b>	6,521,552.85
<b>235,908,907.47</b>	57,616,078.02	<b>0.00</b>	0.00	<b>0.00</b>	0.00	<b>275,544,925.32</b>	76,246,981.77

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

Note 26: Appropriations continued

**Note 26B1: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund  
for other than Ordinary Annual Services Appropriations**

Particulars	Operating									
	Outcome 1				Outcome 2				Outcome 3	
	Special Purpose Payments		New Additional Estimates		Special Purpose Payments		New Additional Estimates		Special Purpose Payments	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance brought forward from previous period ( <i>Appropriation Acts</i> )	-	31,684	-	-	-	-	-	-	70,010	2,637
<i>Appropriation Act:</i>										
<i>Appropriation Act</i> (No.2, 4 & 6)	397,049	2,863,286	-	-	-	-	-	-	550,315	314,267
<i>Appropriation (Nation Building and Jobs) Act (No. 2) 2008-09</i>	-	230,000	-	-	-	-	-	-	-	250,000
Appropriations reduced ( <i>Appropriation Act</i> sections 12,13 & 14)	-	(28,684)	-	-	-	-	-	-	(70,010)	(2,637)
Advance to the Finance Minister ( <i>Appropriation Act</i> section 15)	-	29,017	-	-	-	-	-	-	-	-
<i>FMA Act:</i>										
Repayments to the Commonwealth ( <i>FMA Act</i> section 30)	-	5	-	-	-	-	-	-	-	-
Appropriations to take account of recoverable GST ( <i>FMA Act</i> section 30A) 1	-	-	-	-	-	-	-	-	-	-
Transfer of agency functions ( <i>FMA Act</i> section 32)	-	-	-	-	-	-	-	-	-	-
<b>Total appropriations available for payments</b>	<b>397,049</b>	<b>3,125,308</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>550,315</b>	<b>564,267</b>
Cash payments made during the year (GST inclusive)	379,490	3,125,308	-	-	-	-	-	-	343,385	494,257
Appropriations credited to Special Accounts (GST exclusive)	-	-	-	-	-	-	-	-	-	-
Balance of authority to draw cash from the Consolidated Revenue Fund for other than ordinary annual services appropriations	17,559	-	-	-	-	-	-	-	206,930	70,010
<b>Represented by:</b>										
Cash at bank and on hand	-	-	-	-	-	-	-	-	-	-
Departmental appropriation receivable (appropriation for additional outputs)	-	-	-	-	-	-	-	-	-	-
Undrawn, unexpired administered appropriations	17,559	-	-	-	-	-	-	-	206,930	70,010
Net GST receivable from the ATO	-	-	-	-	-	-	-	-	-	-
<b>Total as at 30 June</b>	<b>17,559</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>206,930</b>	<b>70,010</b>

<sup>1</sup> The amounts in this line item are calculated on an accrual basis to the extent that an expense may have been incurred that includes GST but has not been paid by year end.

DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 26: Appropriations continued

**Note 26B1: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund for other than Ordinary Annual Services Appropriations**

Operating		Non-Operating								Total	
Outcome 3		Payments to CAC Act bodies		Equity		Previous Years' Outputs		Admin assets and Liabilities			
New Additional Estimates		2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
-	-	-	-	-	-	-	-	774,800	7,900	844,810	42,221
-	-	3,530	-	-	-	267	-	-	1,188,900	951,161	4,366,453
-	-	-	-	-	-	-	-	-	-	-	480,000
-	-	-	-	-	-	-	-	(4,331)	-	(74,341)	(31,321)
-	-	-	-	-	-	-	-	-	-	-	29,017
-	-	-	-	-	-	-	-	-	-	-	5
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	3,530	-	-	-	267	-	770,469	1,196,800	1,721,630	4,886,375
-	-	3,530	-	-	-	-	-	766,900	422,000	1,493,305	4,041,565
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	267	-	3,569	774,800	228,325	844,810
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	267	-	-	-	267	-
-	-	-	-	-	-	-	-	3,569	774,800	228,058	844,810
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	267	-	3,569	774,800	228,325	844,810

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 26B2: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund for other than Ordinary Annual Services Appropriations (Reduction in Administered Items)**

Particulars	Outcome 1				Outcome 2				Outcome 3	
	Special Purpose Payments		New Additional Estimates		Special Purpose Payments		New Additional Estimates		Special Purpose Payments	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Reduction in administered items<sup>2</sup></b>										
Total administered items appropriated	<b>397,049,000.00</b>	3,122,302,740.00	<b>0.00</b>	0.00	<b>0.00</b>	0.00	<b>0.00</b>	0.00	<b>550,315,000.00</b>	564,267,000.00
Less administered items required by the agency per <i>Appropriation Act</i> s12 <sup>3</sup> :	<b>0.00</b>	0.00	<b>0.00</b>	0.00	<b>0.00</b>	0.00	<b>0.00</b>	0.00	<b>0.00</b>	0.00
<i>Appropriation Act (No.2)</i>	<b>378,774,000.00</b>	2,500,313,740.00	<b>0.00</b>	0.00	<b>0.00</b>	0.00	<b>0.00</b>	0.00	<b>356,042,959.60</b>	220,700,247.00
<i>Appropriation Act (No.4)</i>	<b>716,000.00</b>	0.00	<b>0.00</b>	0.00	<b>0.00</b>	0.00	<b>0.00</b>	0.00	<b>0.00</b>	93,566,753.00
<i>Appropriation Act (No.6)</i>	<b>0.00</b>	391,989,000.00	<b>0.00</b>	0.00	<b>0.00</b>	0.00	<b>0.00</b>	0.00	<b>0.00</b>	0.00
<i>Appropriation (Nation Building and Jobs) Act (No.2) 2008–2009</i>	<b>0.00</b>	229,999,999.89	<b>0.00</b>	0.00	<b>0.00</b>	0.00	<b>0.00</b>	0.00	<b>0.00</b>	179,990,056.00
Total administered items required by the agency and represented by:										
Spent	<b>379,490,000.00</b>	3,122,302,739.89	<b>0.00</b>	0.00	<b>0.00</b>	0.00	<b>0.00</b>	0.00	<b>343,385,213.60</b>	494,257,056.00
Retention	<b>0.00</b>	0.00	<b>0.00</b>	0.00	<b>0.00</b>	0.00	<b>0.00</b>	0.00	<b>12,657,746.00</b>	0.00
<b>Total reduction in administered items</b>	<b>17,559,000.00</b>	0.11	<b>0.00</b>	0.00	<b>0.00</b>	0.00	<b>0.00</b>	0.00	<b>194,272,040.40</b>	70,009,944.00

<sup>2</sup> Numbers in this section of the table are not rounded.

<sup>3</sup> Administered items for 2009–2010 were reduced to these amounts when these financial statements were tabled in the Parliament as part of the Department's 2009–2010 annual report. This reduction is effective in 2010–2011 and the amounts in the Total Reduction row will be reflected in the top section of Table B in the 2010–2011 financial statements in the row 'Appropriations reduced (Appropriation Act sections 12, 13 & 14)'.

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 26B2: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund for other than Ordinary Annual Services Appropriations (Reduction in Administered Items)**

Outcome 3											
New Additional Estimates		Payments to CAC Act bodies		Equity		Previous Years' Outputs		Admin assets and Liabilities		Total	
2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	947,364,000.00	3,686,569,740.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	734,816,959.60	2,721,013,987.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	716,000.00	93,566,753.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	391,989,000.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	409,990,055.89
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	722,875,213.60	3,616,559,795.89
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12,657,746.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	211,831,040.40	70,009,944.11

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 26C: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund — Special Appropriations (Unlimited Amount)**

<b>Local Government (Financial Assistance) Act 1995 – section 19</b>	<b>Outcome 3</b>	
	<b>2010 \$'000</b>	<b>2009 \$'000</b>
Purpose: For payments to States, the ACT and the NT for local government purposes. Nature: Administered		
Cash payments made during the year	<b>1,954,557</b>	2,370,863
Appropriations credited to Special Accounts	-	-
Repayments to the Commonwealth (net) ( <i>FMA Act</i> section 30)	-	-
Total charged to appropriation	<b>1,954,557</b>	2,370,863
<i>Estimated actual</i>	<b>1,954,557</b>	2,351,298
<b>Protection of the Sea (Oil Pollution Compensation Fund) Act 1993 – section 40(4)</b>	<b>Outcome 2</b>	
	<b>2010 \$'000</b>	<b>2009 \$'000</b>
Purpose: For payments of contributions and late payment penalties relating to oil compensation from CRF into the International Oil Compensation Fund 1992 Nature: Administered		
Cash payments made during the year	-	2,632
Appropriations credited to Special Accounts	-	-
Repayments to the Commonwealth (net) ( <i>FMA Act</i> section 30)	-	-
Total charged to appropriation	-	2,632
<i>Estimated actual</i>	-	3,856
<b>Interstate Road Transport Act 1985 – section 14</b>	<b>Outcome 1</b>	
	<b>2010 \$'000</b>	<b>2009 \$'000</b>
Purpose: To provide for payments to the States and Territories for maintenance and upkeep of roads from registration charges received from vehicles engaged in interstate trade and commerce. Nature: Administered		
Cash payments made during the year	<b>61,871</b>	54,309
Appropriations credited to Special Accounts	<b>61,871</b>	54,309
Repayments to the Commonwealth (net) ( <i>FMA Act</i> section 30)	-	-
Total charged to appropriation	<b>61,871</b>	54,309
<i>Estimated actual</i>	<b>60,015</b>	55,030
<b>Australian Maritime Safety Authority Act 1990, section 48</b>	<b>Outcome 2</b>	
	<b>2010 \$'000</b>	<b>2009 \$'000</b>
Purpose: To establish the Australian Maritime Safety Authority to perform the function in accordance with section 48. Nature: Administered		
Cash payments made during the year	<b>78,700</b>	67,400
Appropriations credited to Special Accounts	-	-
Repayments to the Commonwealth (net) ( <i>FMA Act</i> section 30)	-	-
Total charged to appropriation	<b>78,700</b>	67,400
<i>Estimated actual</i>	<b>78,652</b>	64,097



DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

**Note 26C: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund — Special Appropriations (Unlimited Amount)**

<b>Aviation Fuel Revenues (Special Appropriation) Act 1988</b>	<b>Outcome 2</b>	
	<b>2010</b>	2009
Purpose: Payment to CASA for entitled share of aviation fuel excise collected.	<b>\$'000</b>	\$'000
Nature: Administered		
Cash payments made during the year	<b>80,666</b>	78,253
Appropriations credited to Special Accounts	-	-
Repayments to the Commonwealth (net) (FMA Act section 30)	-	-
Total charged to appropriation	<b>80,666</b>	78,253
Estimated actual	<b>79,768</b>	78,112
Totals for unlimited special appropriations		
<i>Estimated actual</i>	<b>2,172,992</b>	2,552,393
Cash payments made during the year	<b>2,175,794</b>	2,573,457

**Note 26D: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund – Special Appropriations (Refund Provisions)**

<b>Financial Management and Accountability Act 1997 - section 28(2)</b>	<b>Outcome 2</b>	
	<b>2010</b>	2009
Purpose: For payments required or permitted by law.	<b>\$'000</b>	\$'000
Nature: Administered		
Cash payments made during the year	<b>329</b>	208
Appropriations credited to Special Accounts	-	-
Repayments to the Commonwealth (net) (FMA Act section 30)	-	-
Total charged to Special Appropriation	<b>329</b>	208
Budget estimate (listing each other legislative provision that refunds have been made under)	-	-
Budget estimate (FMA Act section 28)	-	-

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

<b>Note 26E: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund – Special Appropriations (Limited Amount)</b>		
<b>Stevedoring Levy (Collection) Act 1998 - section 18(3) and 19(2)</b>	<b>Outcome 1</b>	
Purpose: For payments in connection with stevedoring industry reform	<b>2010</b>	2009
Nature: Administered	<b>\$'000</b>	\$'000
Amount brought forward from previous period	<b>45,235</b>	45,235
Appropriation for reporting period	-	-
Repayments to the Commonwealth (net) (FMA Act section 30)	-	-
Appropriations to take account of recoverable GST (FMA Act section 30A)	-	-
Available for payments	<b>45,235</b>	45,235
Cash payments made during the year (GST Inclusive)	-	-
Appropriations credited to Special Accounts	-	-
Appropriations lapsed	-	-
Amount available carried to the next period and as represented by:	<b>45,235</b>	45,235
Cash	-	-
Undrawn, unexpired administered appropriations	<b>45,235</b>	45,235
<b>Total</b>	<b>45,235</b>	45,235
<b>Roads to Recovery Act 2000 – section 6(3)</b>	<b>Outcome 1</b>	
Purpose: For funding to supplement spending on roads.	<b>2010</b>	2009
Nature: Administered	<b>\$'000</b>	\$'000
Amount brought forward from previous period	<b>1,919</b>	1,919
Appropriation for reporting period	-	-
Repayments to the Commonwealth (net) (FMA Act section 30)	-	-
Appropriations to take account of recoverable GST (FMA Act section 30A)	-	-
Available for payments	<b>1,919</b>	1,919
Cash payments made during the year (GST Inclusive)	-	-
Appropriations credited to Special Accounts	-	-
Appropriations lapsed	-	-
Amount available carried to the next period and as represented by:	<b>1,919</b>	1,919
Cash	-	-
Undrawn, unexpired administered appropriations	<b>1,919</b>	1,919
<b>Total</b>	<b>1,919</b>	1,919
The Department also has responsibility for a range of Special Appropriations which are current but have had no funds appropriated or payments made. These special appropriations include:		
Section 27(4) of the <i>Sydney Airport Demand Management Act 1997</i> - Outcome 2 (Administered) - this appropriation has a nil balance.		
Section 23(2) of the <i>Air Passenger Ticket Levy (Collection) Act 2001</i> - Outcome 2 (Administered) - this appropriation has a nil balance.		
Section 67AH(4) of the <i>Australian National Railways Commission Sale Act 1997</i> - Outcome 1 (Administered) - this appropriation has a nil balance.		

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 27: Special Accounts**

<b>Interstate Road Transport Account (Administered)</b>	<b>2010</b>	2009
	<b>\$'000</b>	\$'000
Establishing Instrument: <i>Interstate Road Transport Act 1985</i> (Administered); s21. Appropriation: <i>Financial Management and Accountability Act 1997</i> ; s21. Purpose: to provide for payments to the States and Territories for maintenance and upkeep of roads from registration charges received from vehicles engaged in interstate trade and commerce. This account is non interest bearing.		
Balance brought forward from previous year	4,756	326
Appropriation for reporting period	61,871	54,309
Appropriations to take account of recoverable GST (FMA Act section 30A)	-	-
Other receipts	-	-
Available for payments	-	-
<b>Total increase</b>	<b>66,627</b>	54,635
Payments made	(60,821)	(49,879)
<b>Total decrease</b>	<b>(60,821)</b>	(49,879)
<b>Balance carried to next period and as represented by:</b>	<b>5,806</b>	4,756
Cash held in the Official Public Account	5,806	4,756
<b>Total balance carried to the next year</b>	<b>5,806</b>	4,756
<b>Federation Fund Account (Administered)</b>		
Establishing Instrument: <i>Financial Management and Accountability Act 1997</i> ; s20. Purpose: to fund projects of national significance to mark the Centenary of Federation This account is non interest bearing.		
	<b>2010</b>	2009
	<b>\$'000</b>	\$'000
Balance brought forward from previous year	-	15,000
Appropriation for reporting period	-	-
Appropriations to take account of recoverable GST (FMA Act section 30A)	-	-
Other receipts	-	-
Available for payments	-	15,000
<b>Total increase</b>	-	15,000
Special Account abolished - funds transferred to OPA	-	(15,000)
<b>Total decrease</b>	-	(15,000)
<b>Balance carried to next period and as represented by:</b>	-	-
Cash held in the Official Public Account	-	-
<b>Total balance carried to the next year</b>	-	-
The Federation Fund was abolished by <i>Financial Management and Accountability Determination 2009/06 — Special Accounts Abolition 2009</i> on 3 March 2009.		
<b>BAF Infrastructure Portfolio Special Account (Administered)</b>		
Establishing Instrument: <i>Nation-building Funds Bill 2008</i> ; s61. Purpose: to make payments in relation to the creation or development of transport infrastructure.		
	<b>2010</b>	2009
	<b>\$'000</b>	\$'000
Balance brought forward from previous year	-	-
Appropriation for reporting period	-	-
Appropriations to take account of recoverable GST (FMA Act section 30A)	-	-
Other receipts	411,000	1,005,000
Available for payments	411,000	1,005,000
<b>Total increase</b>	<b>411,000</b>	1,005,000
Payments made	(411,000)	(1,005,000)
<b>Total decrease</b>	<b>(411,000)</b>	(1,005,000)
<b>Balance carried to next period and as represented by:</b>	-	-
Cash held in the Official Public Account	-	-
<b>Total balance carried to the next year</b>	-	-

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 27: Special Accounts (Continued)**

	<b>2010</b>	2009
	<b>\$'000</b>	\$'000
<b>Services for Other Government and Non-Agency Bodies (Special Public Monies)</b>		
Establishing Instrument: Financial Management and Accountability Act 1997; s20. Purpose: For expenditure in connection with services performed on behalf of other governments and bodies that are not FMA agencies. This account is non interest bearing.		
Balance brought forward from previous year	93	93
Other receipts	-	-
Available for payments	93	93
<b>Total increase</b>	<b>93</b>	93
Payments made - other	(3)	-
Restructure - transferred	-	-
<b>Total decrease</b>	<b>(3)</b>	-
<b>Balance carried to next period and as represented by:</b>	<b>90</b>	93
Cash held by DITRDLG	90	93
<b>Total balance carried to the next year</b>	<b>90</b>	93
<b>Other Trust Monies Account (Special Public Monies)</b>		
Establishing Instrument: Financial Management and Accountability Act 1997; s20. Purpose: Expenditure of money temporarily held on trust or otherwise for the benefit of a person other than the Commonwealth. This account is non interest bearing.		
Balance brought forward from previous period	319	335
Other receipts	8,716	13
Available for payments	9,035	348
<b>Total increase</b>	<b>9,035</b>	348
Payments made	(7,743)	(29)
Restructure - transferred	-	-
<b>Total decrease</b>	<b>(7,743)</b>	(29)
<b>Balance carried to next period and as represented by:</b>	<b>1,292</b>	319
Cash held by DITRDLG	1,292	319
<b>Total balance carried to the next year</b>	<b>1,292</b>	319
In 2009–10, the "Other Trust Monies Account" includes monies received and payments made for the Queensland Government in relation to the Pacific Adventurer.		

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 28: Assets Held in Trust**

**Monetary Assets**

Monetary assets held in trust are also disclosed in Note 27 – Special Accounts in the tables titled “Services to Other Government and Non-Agency Bodies” and “Other Trust Monies Account”.

The Trust accounts are for monies received from other Government and non-agency bodies, or monies which are required to be held in trust for the benefit of a person other than the Commonwealth.

These monies are not available for other purposes of the Department and are not recognised in the financial statements. These assets are reported as assets held in trust, within this note.

	2010 \$'000	2009 \$'000
<b>Services to Other Government and Non-Agency Bodies</b>		
Total amount held at the beginning of the reporting period	<b>93</b>	93
Receipts	-	-
Payments	<b>(3)</b>	-
<b>Total amount held at the end of the reporting period</b>	<b>90</b>	93
<b>Other Trust Monies</b>		
Total amount held at the beginning of the reporting period	<b>319</b>	335
Receipts	<b>8,716</b>	13
Payments	<b>(7,743)</b>	(29)
<b>Total amount held at the end of the reporting period</b>	<b>1,292</b>	319
<b>Total</b>	<b>1,382</b>	412

In 2009–10, the “Other Trust Monies Account” includes monies received and payments made for the Queensland Government in relation to the Pacific Adventurer.

**Note 29: Compensation and Debt Relief**

**Departmental**

No ‘Act of Grace’ expenses were made during the reporting period, and there were no amounts owing as at year end (2009: no payments).

No waivers of amounts owing to the Australian Government were made pursuant to subsection 34(1) of the Financial Management and Accountability Act 1997 (2009: no waivers).

2 payments were provided under the Compensation for Detriment caused by Defective Administration (CDDA) Scheme during the reporting period (2009: no payments).

No ex-gratia payments were provided for during the reporting period (2009: no payments).

No payments were provided in special circumstances relating to APS employment pursuant to S73 of the Public Service Act 1999 (PS Act) during the reporting period (2009: no payments).

**Administered**

No ‘Act of Grace’ expenses were made during the reporting period, and there were no amounts owing as at year end. (2009: no payments)

No waivers of amounts owing to the Australian Government were made pursuant to subsection 34(1) of the Financial Management and Accountability Act 1997 (2009: no waivers)

No payments were provided under the Compensation for Detriment caused by Defective Administration (CDDA) Scheme during the reporting period (2009: no payments).

No ex-gratia payments were provided for during the reporting period (2009: no payments).

No payments were provided in special circumstances relating to APS employment pursuant to S73 of the Public Service Act 1999 (PS Act) during the reporting period (2009: no payments).

2010	2009
\$	\$

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<b>8,661</b>	-
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**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**
**Note 30A: Net Cost of Outcome Delivery**

	Outcome 1		Outcome 2	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
<b>Expenses</b>				
Administered	985,687	5,215,394	222,380	238,204
Departmental	35,945	30,855	137,269	177,699
<b>Total</b>	<b>1,021,632</b>	<b>5,246,249</b>	<b>359,649</b>	<b>415,903</b>
<b>Income from non-government sector</b>				
Administered				
Other	-	-	90,452	74,453
<b>Total administered</b>	<b>-</b>	<b>-</b>	<b>90,452</b>	<b>74,453</b>
Departmental				
Other	156	44	995	1,246
<b>Total departmental</b>	<b>156</b>	<b>44</b>	<b>995</b>	<b>1,246</b>
<b>Total</b>	<b>156</b>	<b>44</b>	<b>91,447</b>	<b>75,699</b>
<b>Other own source income</b>				
Administered				
Levies, fees and fines	-	-	88,994	84,019
Interest	199	232	1	1
Dividends	-	-	10,000	-
Contributions	-	33	834	1,490
Rental income	-	-	2,939	2,796
Other revenue	491,146	1,005,000	1	5
Departmental				
Sale of goods and rendering of services	417	2	2,321	2,496
Rental income	388	45	1,805	314
Gains	134	88	646	614
<b>Total</b>	<b>492,284</b>	<b>1,005,400</b>	<b>107,541</b>	<b>91,735</b>
<b>Net cost/(contribution) of outcome</b>	<b>529,192</b>	<b>4,240,805</b>	<b>160,661</b>	<b>248,469</b>

Outcomes 1, 2 and 3 are described in Note 1.1. Net costs shown include intra-government costs that are eliminated in calculating the actual Budget Outcome.

Costs have been allocated on the structure that existed at the time of the Department's Portfolio Additional Estimates Statements.

Revenue and Expense items have been allocated directly to the Outcome that they represent. For corporate overhead related activities revenue and expenses have been allocated on a per capita basis, which most closely reflects actual usage. Departmental overheads are not allocated to Administered expenses.

The Department does not have any activities that are subject to competitive neutrality arrangements.

\* Payments to CAC Act bodies are not related to outcomes. They are included here so the total can agree to the resourcing table.

DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

**Note 30A: Net Cost of Outcome Delivery**

Outcome 3		Payments to CAC Act bodies *		Total	
2010	2009	2010	2009	2010	2009
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2,441,127</b>	2,946,798	<b>259,807</b>	242,276	<b>3,909,001</b>	8,642,672
<b>43,821</b>	42,453	-	-	<b>217,035</b>	251,006
<b>2,484,948</b>	2,989,251	<b>259,807</b>	242,276	<b>4,126,036</b>	8,893,679
-	-	-	-	<b>90,452</b>	74,453
-	-	-	-	<b>90,452</b>	74,453
<b>101</b>	246	-	-	<b>1,252</b>	1,536
<b>101</b>	246	-	-	<b>1,252</b>	1,536
<b>101</b>	246	-	-	<b>91,704</b>	75,989
<b>7</b>	-	-	-	<b>89,001</b>	84,019
<b>3,922</b>	4,401	-	-	<b>4,122</b>	4,634
-	-	-	-	<b>10,000</b>	-
-	679	-	-	<b>834</b>	2,202
-	-	-	-	<b>2,939</b>	2,796
<b>317</b>	-	-	-	<b>491,464</b>	1,005,005
<b>235</b>	115	-	-	<b>2,973</b>	2,613
<b>594</b>	70	-	-	<b>2,787</b>	429
<b>209</b>	167	-	-	<b>989</b>	869
<b>5,284</b>	5,432	-	-	<b>605,109</b>	1,102,567
<b>2,479,563</b>	2,983,573	<b>259,807</b>	242,276	<b>3,429,223</b>	7,715,123

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**
**Note 30B: Major Classes of Departmental Expense, Income, Assets and Liabilities by Outcomes**

	Outcome 1		Outcome 2	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
<b>Departmental expenses</b>				
Employee benefits	17,930	14,848	71,939	92,877
Suppliers	14,975	13,807	55,651	73,912
Grants	140	54	651	1,635
Depreciation and amortisation	2,660	2,070	7,893	8,737
Finance costs	37	30	172	213
Write-down and impairment of assets	203	46	963	324
<b>Total</b>	<b>35,945</b>	<b>30,855</b>	<b>137,269</b>	<b>177,698</b>
<b>Departmental income</b>				
Revenue from Government	33,617	29,826	133,140	171,843
Sale of goods and rendering of services	573	46	3,315	3,742
Rental income	388	45	1,805	314
Other gains	134	88	646	614
<b>Total</b>	<b>34,712</b>	<b>30,005</b>	<b>138,906</b>	<b>176,513</b>
<b>Departmental assets</b>				
Cash and cash equivalents	-	-	-	-
Trade and other receivables	548	347	755	1,957
Accrued Revenue	33	13	473	500
Land and buildings	13,717	3,506	9,331	25,593
Property, plant and equipment	3,715	747	2,755	5,602
Intangibles	7,777	4,734	5,635	16,693
Inventories	-	-	-	1
Other non-financial assets	2,302	460	1,870	3,878
<b>Total</b>	<b>28,092</b>	<b>9,807</b>	<b>20,819</b>	<b>54,224</b>
<b>Departmental liabilities</b>				
Suppliers	4,529	1,813	6,745	12,760
Other payables	3,002	1,045	4,471	7,700
Leases	39	35	26	256
Employee provisions	6,742	4,077	17,471	23,104
Other provisions	2,505	517	1,697	3,771
<b>Total</b>	<b>16,817</b>	<b>7,490</b>	<b>30,410</b>	<b>47,807</b>

Outcomes 1, 2 and 3 are described in Note 1.1. Net costs shown include intra-government costs that are eliminated in calculating the actual budget outcome.

Revenue and Expense items have been allocated directly to the Outcome that they represent.

Departmental overheads are not allocated to Administered expenses.

\* Assets and liabilities that cannot be reliably attributed to outcomes.



DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

**Note 30B: Major Classes of Departmental Expense, Income, Assets and Liabilities by Outcomes (continued)**

Outcome 3		Not attributed *		Total	
2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
<b>23,131</b>	20,238	-	-	<b>113,000</b>	127,963
<b>17,710</b>	19,070	-	-	<b>88,336</b>	106,789
<b>263</b>	270	-	-	<b>1,054</b>	1,959
<b>2,365</b>	2,760	-	-	<b>12,918</b>	13,567
<b>58</b>	45	-	-	<b>267</b>	288
<b>294</b>	70	-	-	<b>1,460</b>	440
<b>43,821</b>	42,453	-	-	<b>217,035</b>	251,006
<b>42,084</b>	40,852	-	-	<b>208,841</b>	242,521
<b>335</b>	361	-	-	<b>4,223</b>	4,149
<b>594</b>	70	-	-	<b>2,787</b>	429
<b>209</b>	167	-	-	<b>989</b>	869
<b>43,222</b>	41,450	-	-	<b>216,840</b>	247,968
-	-	<b>1,239</b>	3,472	<b>1,239</b>	3,472
<b>456</b>	1,233	<b>63,801</b>	93,385	<b>65,560</b>	96,922
<b>83</b>	42	-	-	<b>589</b>	555
<b>6,268</b>	5,960	-	-	<b>29,316</b>	35,059
<b>1,763</b>	1,193	-	-	<b>8,233</b>	7,542
<b>2,520</b>	2,680	-	-	<b>15,932</b>	24,107
-	-	-	-	-	1
<b>1,029</b>	782	-	-	<b>5,201</b>	5,120
<b>12,119</b>	11,890	<b>65,040</b>	96,857	<b>126,070</b>	172,778
<b>2,767</b>	4,898	-	-	<b>14,041</b>	19,471
<b>1,834</b>	2,417	-	-	<b>9,307</b>	11,162
<b>18</b>	60	-	-	<b>83</b>	351
<b>5,567</b>	5,541	-	-	<b>29,780</b>	32,722
<b>1,141</b>	878	-	-	<b>5,343</b>	5,166
<b>11,327</b>	13,575	-	-	<b>58,554</b>	68,872

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**
**Note 30C: Major Classes of Administered Income, Expenses, Assets and Liabilities by Outcomes**

	Outcome 1		Outcome 2		Outcome 3	
	2010	2009	2010	2009	2010	2009
<b>Administered expenses</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Grants	969,064	5,202,459	74,288	79,438	2,430,924	2,941,072
Subsidies	-	-	138,966	149,462	8,553	5,726
Suppliers	16,510	12,935	8,042	4,321	1,610	-
Depreciation and amortisation	-	-	1,062	1,062	-	-
Payments to CAC bodies	-	-	-	-	-	-
Write-down and impairment of assets	-	-	22	-	-	-
Other expenses	113	-	-	3,921	40	-
<b>Total</b>	<b>985,687</b>	<b>5,215,394</b>	<b>222,380</b>	<b>238,204</b>	<b>2,441,127</b>	<b>2,946,798</b>
<b>Administered income</b>						
Levies, fees and fines	-	-	88,994	84,019	7	-
Rendering of services	-	-	90,452	74,453	-	-
Interest	199	232	1	1	3,922	4,401
Dividends	-	-	10,000	-	-	-
Contributions	-	-	834	903	-	-
Rental income	-	-	2,939	2,796	-	-
Other Revenue	491,146	1,005,033	1	592	317	679
<b>Total</b>	<b>491,345</b>	<b>1,005,265</b>	<b>193,221</b>	<b>162,764</b>	<b>4,246</b>	<b>5,080</b>
<b>Administered assets</b>						
Cash and cash equivalents	-	-	-	-	-	-
Receivables	2,927	3,480	255	198	36,953	42,143
Investments	2,465,167	1,638,008	947,809	581,870	-	-
Accrued revenue	-	-	6,587	6,771	895	1,022
Land and buildings	-	-	49,455	62,938	-	-
Property, plant and equipment	-	-	7,550	7,550	-	-
Prepayments	41,731	390,554	-	-	-	-
<b>Total</b>	<b>2,509,825</b>	<b>2,032,042</b>	<b>1,011,656</b>	<b>659,327</b>	<b>37,848</b>	<b>43,165</b>
<b>Administered liabilities</b>						
Suppliers	-	-	752	1,669	4	-
Subsidies	-	-	2,180	3,860	912	777
Grants	-	6	11,155	9,963	50,374	918
<b>Total</b>	<b>-</b>	<b>6</b>	<b>14,087</b>	<b>15,492</b>	<b>51,290</b>	<b>1,695</b>

\* Assets and liabilities that can not be reliably attributed to outcomes.

Outcomes 1, 2 and 3 are described in Note 1.1. Net costs shown include intra-government costs that are eliminated in calculating the actual budget outcome.

Revenue and Expense items have been allocated directly to the Outcome that they represent. Departmental overheads are not allocated to Administered expenses.

DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

**Note 30C: Major Classes of Administered Income, Expenses, Assets and Liabilities by Outcomes (continued)**

Payments to CAC Act bodies		Not attributed *		Total	
2010	2009	2010	2009	2010	2009
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
-	-	-	-	3,474,276	8,222,969
-	-	-	-	147,519	155,188
-	-	-	-	26,162	17,256
-	-	-	-	1,062	1,062
259,807	242,276	-	-	259,807	242,276
-	-	-	-	22	-
-	-	-	-	153	3,921
259,807	242,276	-	-	3,909,001	8,642,672
-	-	-	-	-	-
-	-	-	-	89,001	84,019
-	-	-	-	90,452	74,453
-	-	-	-	4,122	4,634
-	-	-	-	10,000	-
-	-	-	-	834	903
-	-	-	-	2,939	2,796
-	-	-	-	491,464	1,006,304
-	-	-	-	688,812	1,173,109
-	-	-	-	-	-
-	-	-	1,296	-	1,296
-	-	1,130	1,999	41,265	47,820
-	-	-	-	3,412,976	2,219,878
-	-	-	-	7,482	7,793
-	-	-	-	49,455	62,938
-	-	-	-	7,550	7,550
-	-	-	-	41,731	390,554
-	-	1,130	3,295	3,560,459	2,737,829
-	-	-	-	-	-
-	-	-	-	756	1,669
-	-	-	-	3,092	4,637
-	-	-	-	61,529	10,886
-	-	-	-	65,377	17,193

FINANCIAL  
STATEMENTS

# INDEX AND KEY TERMS



## GLOSSARY

<b>accident</b>	An incident where a person suffers serious or fatal injuries or where property is extensively damaged.
<b>Administrative Arrangements Order</b>	A document that provides for the arrangements of government administration, including the matters that are dealt with by each department and the legislation administered by each minister.
<b>administered item</b>	A component of an administered program.
<b>appropriation</b>	An authorisation by parliament to spend moneys from the Consolidated Revenue Fund for a particular purpose.
<b>Australian Workplace Agreement (AWA)</b>	An agreement between an employer and an employee about the terms and conditions of employment.
<b>business division</b>	An organisational unit within the Department, which is managed by an executive director and reports to the Secretary of the Department.
<b>Chief Executive's Instructions</b>	Instructions that the Chief Executive of an agency is authorised to give to officials in the agency on any matter necessary or convenient for the carrying out or giving effect to the Financial Management and Accountability Act 1997, the Financial Management and Accountability Regulations 1997 or the Financial Management and Accountability Orders 2008.
<b>competitive tendering and contracting</b>	The process of contracting out the delivery of government activities by an Australian Government agency to another organisation.
<b>corporate governance</b>	The process by which agencies are directed and controlled. It is generally understood to encompass authority, accountability, stewardship, leadership, direction and control.
<b>enterprise agreement</b>	An agreement made at enterprise level between employers and employees about terms and conditions of employment.
<b>General Government Sector</b>	A classification of entities controlled and largely funded by the Australian Government. The sector provides public services for the collective consumption of the community or services that involve the transfer and redistribution of income. All government departments are classified as General Government Sector entities.
<b>grant</b>	Commonwealth financial assistance as defined under Regulations 3(A)1 and 3(A)2 of the Financial Management and Accountability Regulations 1997.
<b>National Partnership Agreement</b>	A mechanism to enable policy or project collaboration and, in most cases, to provide for financial transfers between the Commonwealth and the states to support that collaboration. It may include an implementation plan outlining the specific performance benchmarks that may, when attained by a state, trigger a payment from the Commonwealth.
<b>National Partnership payment</b>	A mechanism to support the delivery of specified outputs or projects; to facilitate reforms; or to reward jurisdictions that deliver on nationally significant reforms.
<b>outcome</b>	The intended result, consequence or impact of government actions on the Australian community.

<b>performance information</b>	Evidence about performance that is collected and used systematically. Evidence may relate to appropriateness, effectiveness and efficiency. It may be about outcomes, factors that affect outcomes, and what can be done to improve them.
<b>Portfolio Budget Statements</b>	A Budget-related paper detailing budget initiatives and appropriations, by outcome and program, for each agency within a portfolio.
<b>program</b>	An activity or group of activities that delivers benefits or services or transfers payments to individuals, industry or the community as a whole.
<b>purchaser–provider arrangement</b>	An arrangement under which the services of one agency are purchased by another agency to contribute to outcomes.
<b>service charter</b>	A public statement about the service the department will provide and what customers can expect from the department.
<b>slot</b>	A permission for an aircraft movement. A slot allocated under the Slot Management Scheme permits a specified aircraft movement at a specified time on a specified day.

## ACRONYMS AND ABBREVIATIONS

AAO	Administrative Arrangements Order
AAWG	Aviation Access Working Group
ACCC	Australian Competition and Consumer Commission
ADR	Australian Design Rules
AGRIS	Australian Government Regional Information Service
AMC	Australian Maritime College
AMSA	Australian Maritime Safety Authority
ANAO	Australian National Audit Office
ANCAP	Australasian New Car Assessment Program
APS	Australian Public Service
APSC	Australian Public Service Commission
APTAC	Accessible Public Transport National Advisory Committee
ARTC	Australian Rail Track Corporation
ATC	Australian Transport Council
ATSB	Australian Transport Safety Bureau
BITRE	Bureau of Infrastructure, Transport and Regional Economics
CAC Act	<i>Commonwealth Authorities and Companies Act 1997</i>
CASA	Civil Aviation Safety Authority
CEIs	Chief Executive's Instructions
COAG	Council of Australian Governments
CPGs	Commonwealth Procurement Guidelines
DEEWR	Department of Education, Employment and Workplace Relations
EKDP	East Kimberley Development Package
ESD	ecologically sustainable development
EU	European Union
FIRS	Federal Interstate Registration Scheme
FMA Act	<i>Financial Management and Accountability Act 1997</i>
FOI Act	<i>Freedom of Information Act 1982</i>
GVG	Green Vehicle Guide
ICAO	International Civil Aviation Organization
IMO	International Maritime Organization
IMSO	International Mobile Satellite Organization
LLMC Convention	Convention on Limitation of Liability for Maritime Claims
MLC	Maritime Labour Convention
MPF	Major Project Facilitation
NRSC	National Road Safety Council
NTC	National Transport Commission
OECD	Organisation for Economic Cooperation and Development



OHS	occupational health and safety
OHS Act	<i>Occupational Health and Safety Act 1991</i>
ONA	Office of Northern Australia
OTS	Office of Transport Security
PAES	Portfolio Additional Estimates Statements
PBS	Portfolio Budget Statements
PSAES	Portfolio Supplementary Additional Estimates Statements
RAWS	Registered Automotive Workshop Scheme
RDA	Regional Development Australia
RIS	regulation impact statement
RLCIP	Regional and Local Community Infrastructure Program
SES	Senior Executive Service
TPA	<i>Trade Practices Act 1974</i>
UNECE	United Nations Economic Commission for Europe
UNODC	United Nations Office on Drugs and Crime

## INDEX

### A

- accident investigations
  - aviation accidents (training and support ), 75
  - rail transport, 58
- accountability and management, 116–128
- Adelaide Airport, noise amelioration, 71, 81–82
- administered finances, 7
- administered items
  - Program 1.1: Infrastructure investment, 20, 23–24, 136
  - Program 1.2: Infrastructure Investment Coordination, 31, 107, 136
  - Program 2.1: Transport Security, 36, 40, 137
  - Program 2.2: Surface Transport, 45, 50, 137
  - Program 2.3: Road Safety, 59, 63, 137
  - Program 2.4: Air Transport, 68–69, 71–72, 138
  - Program 3.1: Regional Development, 88, 92, 139
  - Program 3.2: Local Government, 98, 101, 139
- Administrative Arrangements Orders, 13
- advertising and market research, 143–144
- aerodrome safety and inspection services, 72, 141–142 *see also* airports
- Agency resource statements and resources for outcomes, 130–139
- AGRIS *see* Australian Government Regional Information Service (AGRIS)
- air cargo, security of, 35, 72
- Air Navigation Act 1920*, 76
- air pollution, 57, 156
- air safety *see* aviation safety
- air services
  - international agreements, 76
  - passenger movements, 76
  - regulation, 76
  - to remote Australian communities, 72
- air traffic management *see under* aviation safety
- air transport policy *see* aviation policy
- aircraft movements *see* curfews on aircraft movements; slot management, Sydney Airport
- Aircraft Noise Levy Act 1995*, 81
- Aircraft Noise Levy Collection Act 1995*, 81
- aircraft noise management, 71, 73, 81–82
  - curfews, 81–82
  - information package (software), 82, 154
  - levies, 81
- aircraft, Prohibited Items List revision, 44
- airlines, 76 *see also* air services
- airports
  - environmental protection measures, 44, 68, 78, 83, 154
  - leased airports *see* leased federal airports
  - performance data, 169–171
  - planning and development controls, 68, 72–73, 77–78, 83, 154
  - prices and revenue, 79
  - regional, 35
  - regulation of, 77–84, 169–171
  - remote and community airstrips, 72, 141–142
  - security measures, 3, 35, 42, 72
- Airports Act 1996*, 77, 78, 154, 157
- Airports Amendment Bill 2010*, 73, 77
- Airports (Building Control) Regulations 1996*, 78
- Airports (Environmental Protection) Regulations 1997*, 157
- Airservices Australia, 73, 75
  - compensation for financial detriment, 120
  - dividends, 7
  - payment scheme for en route charges, 72
- airspace regulation, 73–74, 83, 120
- AMSA *see* Australian Maritime Safety Authority (AMSA)
- ANAO *see* Australian National Audit Office (ANAO)
- ANCAP *see* Australasian New Car Assessment Program
- annual report, availability of, iv
- APEC *see* Asia-Pacific Economic Cooperation
- approval processes for infrastructure projects, 29
- armed robbery at sea, 35, 43 *see also* piracy
- Asia-Pacific Economic Cooperation Aviation Emissions Task Force, 82
- Asia-Pacific Economic Cooperation Transportation Working Group, 42
- Asia-Pacific region
  - air transport regulation capabilities, 75
  - transport security capacity-building, 41–42
  - transport security standards compliance, 42
- asset management, 6–8
- ATSB *see* Australian Transport Safety Bureau (ATSB)
- Audit Committee, 117, 118–119
- audits
  - Australia's aviation safety system, 74
  - external, 121
  - strategic, 2, 116
  - vehicle production and/or test facilities, 66
- see also* Australian National Audit Office (ANAO); external scrutiny
- AusTender, 140, 141
- Australasian New Car Assessment Program, 59
- Australia Day Achievement Awards, 126
- Australian Airspace Policy Statement, 73
- Australian Automobile Association, 3, 59
- Australian Centre for Excellence in Local Government, 32, 97, 100, 102, 103

- Australian Competition and Consumer Commission, 66, 79
- Australian Council of Local Government, 4, 97, 100, 102
- Australian Design Rules for vehicle safety, 64–65  
see also vehicles
- Australian Government Regional Information Service (AGRIS), 142, 147, 150
- Australian Greenhouse Office, 158
- Australian Human Rights Commission, 124
- Australian Leadership Awards Fellowships program, 42
- Australian Local Government Association, 102
- Australian Local Government Women's Association, 103
- Australian Maritime College, integration with University of Tasmania, 54
- Australian Maritime Safety Authority (AMSA), 16, 51, 57, 75, 154  
governance arrangements, 53  
levies, 7
- Australian National Audit Office (ANAO), 93, 122–123, 140  
*Implementing Better Practice Grants Administration* report, 93
- Australian National Railways Commission residual projects, 24
- Australian Public Service Values and Code of Conduct, 116, 121
- Australian Rail Track Corporation, 19, 27, 153
- Australian Road Deaths Database, 63–64
- Australian Shipping Counter Piracy and Armed Robbery at Sea Advisory Guidelines, 35, 43
- Australian Strategic Air Traffic Management Group, 74
- Australian Strategic Transportation Agenda for Research and Technology, 57
- Australian Transport Council, 45, 55, 57, 58, 59, 63
- Australian Transport Safety Bureau (ATSB), 5, 16, 58, 75, 127 *see also* accident investigations
- Australian Workplace Agreements, 126
- automotive-related product recalls, 66
- aviation, 68–84
- Aviation and Airports Division, 68
- aviation emissions, 155
- Aviation Experts Group, APEC, 42
- aviation green paper (policy discussion paper), 84 *see also* Aviation White Paper
- Aviation Implementation Group, 74
- aviation markets, 76
- aviation policy, 3, 44, 68, 72–74, 82–83, 84
- Aviation Policy Group, 73–74
- aviation safety, 73–75  
air traffic management, 73–74  
Asia-Pacific region, 75  
audit of Australia's safety system, 74  
cross-agency collaboration, 73  
international collaboration on, 74–75  
regulation, 75–76  
*see also* International Civil Aviation Organization (ICAO)
- aviation security, 35, 36–42, 44  
domestic collaboration, 41  
international capacity-building, 42  
international collaboration, 41–42  
passenger and luggage screening, 72  
Prohibited Items List revision, 44  
*see also* airports
- Aviation White Paper, 44, 68, 74, 82–83, 84 *see also* aviation green paper (policy discussion paper)
- awards  
departmental, 126  
excellence in local government, 97, 99, 102
- ## B
- Badgerys Creek (Sydney West airport site), 72, 82–83, 141
- Bass Strait Passenger Vehicle Equalisation Scheme, 49, 50
- Better Regions program, 87, 92, 93
- bike paths projects, 87, 94, 154
- biodiversity *see* environmental performance
- BITRE *see* Bureau of Infrastructure, Transport and Regional Economics (BITRE)
- Black Spot program, 19, 21, 23, 27
- boom gates at rail crossings, 19, 21, 23, 28
- Building Australia Fund, 7, 111
- building control, at leased federal airports, 141
- Bureau of Infrastructure, Transport and Regional Economics (BITRE), 4, 54, 57, 68, 156
- buses, seatbelts in, 63, 64
- ## C
- capacity-building projects, transport safety, 41–42, 75
- capital program, 6
- carbon dioxide emissions standards for light vehicles, 57
- carbon offsets for infrastructure, 111
- cargo shipping *see* shipping
- CASA *see* Civil Aviation Safety Authority (CASA)
- case studies  
Aviation White Paper, 84  
East Kimberley Development Package, 96  
Mandurah Entrance Road project, WA, 30  
National Road Safety Council, 67  
Prohibited Items List revision (aviation), 44  
Regional and Local Community Infrastructure Program, 104
- Centre of Excellence for Local Government

- see Australian Centre of Excellence for Local Government
  - Centrelink, purchaser-provider arrangement with, 50–51
  - Chicago Convention on International Aviation, 42
  - Chief Executive's Instructions, 140, 143
  - Chief Financial Officer, 6
  - cities see urban policy
  - Civil Aviation Safety Authority (CASA), 16, 72, 73, 75
  - client service charter, 122
  - climate change adaptation, 82
    - policy development, 24, 155
  - COAG see Council of Australian Governments (COAG)
  - coastal shipping, 53–54
  - code of conduct, 116, 121
  - collective agreements see enterprise agreements
  - Comcare, 164
  - Commercial Principles for Economic Infrastructure, 112
  - committees, senior management, 116–119
  - Commonwealth Disability Strategy, report under, 145–152
  - Commonwealth Fraud Control Guidelines, 121
  - Commonwealth Ombudsman, 124
  - Commonwealth Procurement Guidelines, 140, 143
  - community attitudes to road safety (survey), 64
  - Community Engagement Branch, 2, 116
  - community infrastructure programs, 97, 99, 100, 101, 104, 154–155 see also regional development
  - competitive tendering and contracting see procurement practices and outcomes
  - complaints, 122, 124
  - congestion pricing, 113
  - constitutional recognition of local governments, 103
  - construction projects tendering pre-qualification, 29
  - consultancy contracts, 143
  - consultation
    - public, 156
    - with stakeholders, 163
  - consumer awareness programs, 59
  - consumer safety, 66
  - contact officer
    - department, inside back cover
    - freedom of information, 161
  - contracts and contract management, 140–141
    - consultancy contracts, 143
    - contracting out, 141–143
    - exempt contracts, 141
  - contributions to international organisations, 49, 72, 74, 155–156 see also International Civil Aviation Organization; International Maritime Organization; Organisation for Economic Cooperation and Development
  - Convention on International Aviation (Chicago Convention), 42
  - Convention on Limitation of Liability for Maritime Claims, 52
  - Convention on the International Mobile Satellite Organization, 52
  - Cooma Monaro Technology Centre Ltd, 142
  - corporate activities, contracted, 142
  - corporate governance, 116–122
  - Corporate Services Division, 116
  - Corrective Action Plan (aviation safety), 74
  - Council of Australian Governments (COAG)
    - Business Regulation and Competition Working Group, 29
    - infrastructure approvals processes, 29
    - Infrastructure Australia report to, 107, 110
    - Infrastructure Working Group, 24, 29, 112
    - National Partnership Agreements, 58
    - national regulatory systems, 45
    - planning criteria for capital cities, 58
    - Road Reform Plan Project Board, 29
    - transport reforms, 29, 58
    - vehicle fuel efficiency measures, 57, 156
    - see also Local Government and Planning Ministers' Council
  - counter-piracy/armed robbery at sea activities, 35, 43
  - counter-terrorism activities, 41–42, 43 see also transport security
  - courts and tribunals, 122
  - curfews on aircraft movements, 81–82 see also aircraft noise management
- ## D
- Darwin Port expansion project, 27
  - decision-making powers, 163
  - defective administration finding, 124
  - delegations, 163
  - deliverables see performance
  - demand management, Sydney Airport, 79–80
  - Denpasar Airport, 42
  - Department of Education, Employment and Workplace Relations, 52
  - Department of Foreign Affairs and Trade, International Counter Terrorism Coordination Group, 41
  - Department of Infrastructure and Transport, 13
  - Department of Infrastructure, Transport, Regional Development and Local Government
    - outcomes and portfolio agencies, 16
    - renamed, 13
    - reports relating to, 123
  - Department of Regional Australia, Regional

Development and Local Government, functions transferred to, 13  
 Departmental Consultative Committee, 117, 119  
 Departmental finances *see* financial statements  
 departmental overview, 10–14  
 departmental role and functions, 10, 13, 116, 163  
 Departmental Security Committee *see*  
 Strategic Information Technology and Security  
 Committee  
 Deputy Secretaries, 11  
 development  
 airport planning and development controls,  
 68, 72–73, 77–78, 83, 154  
 Northern Australia *see* Northern Australia  
 Directors General of Civil Aviation, 75  
 Disability Standards for Accessible Public  
 Transport, 56  
 disability strategy, 127, 145–152  
 diversity in the workplace, 127–128  
 driver education, 3, 59, 64  
 driver fatigue management, 28, 55 *see also*  
 heavy vehicles

## E

Earth Hour, 158  
 East Kimberley Development Package, 4, 87, 92,  
 95–96  
 ecologically sustainable development, 153–158  
 Economic Commission for Europe vehicle  
 regulations, 59  
 economic development, Northern Australia *see*  
 Northern Australia  
 Economic Stimulus Plan, 3, 4, 19, 27, 30, 153  
*see also* Nation Building Program  
 electricity consumption, departmental, 158–159  
 emissions  
 aviation, 82, 155  
 departmental, 159  
 maritime industry, 157  
 vehicle, 57, 156  
*see also* environmental protection measures  
 emissions trading, 156–157  
 employment agreements, 119, 126  
 Energy Efficiency in Government Operations  
 policy, 158  
 energy use, departmental, 158–159  
 enterprise agreements, 119, 126  
*Environment Protection and Biodiversity  
 Conservation Act 1999*, report under, 153–159  
 environmental performance  
 community initiatives funding, 154–155  
 departmental, 153–159  
 environmental protection measures, 154–159  
 airports, 44, 68, 78, 83, 154  
 marine environment, 154, 155–156, 157  
 reduction of plastic cutlery waste, 44

ethical standards, 121  
 Executive Management Team, 117, 118  
 Executive Team, roles and responsibilities, 6, 11  
 exempt contracts, 141  
 external scrutiny, 122–124 *see also* audits

## F

federal airports, leased *see* leased federal  
 airports  
 Federal Interstate Registration Scheme (heavy  
 vehicles), 55  
 female staff, 167  
 Finance and Reporting Committee, 117, 119  
 financial assistance grants to local governments,  
 97, 100, 101  
*Financial Management and Accountability Act  
 1997*, 5, 93, 163  
 Financial Services Branch, 6  
 financial statements, 177–265  
 independent audit of, 178–179  
 summary, 5–8  
 fishing vessels, piracy and armed robbery  
 security, 43  
*Flight Path to the Future* (Aviation White Paper)  
*see* Aviation White Paper  
 FOI *see* *Freedom of Information Act 1982*  
 Fort Street High School noise insulation, 69, 71  
 Forum of Federations, 32  
 fraud control, iii, 121 *see also* audits; risk  
 management  
*Freedom of Information Act 1982*, 160  
 report under, 160–163  
 freight strategy, 107, 113  
 freight subsidy arrangements, Tasmania, 50, 51  
 fuel consumption, departmental vehicles,  
 158–159  
 fuel efficiency, vehicle, 156  
 functions, departmental, 10, 13, 116, 163

## G

gender, staff, 167  
*Getting the Fundamentals Right for Australia's  
 Infrastructure Priorities* report, 107, 110  
 Global Maritime Distress and Safety System, 52  
 governance arrangements, 116–122  
 graduate development program, 125  
 grants, 166  
 Great Barrier Reef, environmental damage to, 52  
 Green Vehicle Guide, 48, 57, 156 *see also*  
 emissions  
 greenhouse gas emissions *see* emissions

## H

hazardous substances, 56–57  
 carriage by sea, 49, 56, 154

- Health and Safety Management Arrangements, 164–165
- Heavy Vehicle Safety and Productivity Program, 28
- heavy vehicles
- driver safety and productivity, 23, 28, 55
  - fatal crashes, 63–64
  - registration scheme, 55
  - regulatory systems, 3, 45, 55, 58
  - road pricing, 29
  - safety standards, 65
- House of Representatives Standing Committee on Infrastructure, Transport, Regional Development and Local Government, 123
- Inquiry into Smart Infrastructure, 24, 58
- human resources management, 124–8
- I**
- identity cards, 35
- imported vehicles, and import applications, 65–66
- IMSO *see* International Mobile Satellite Organization
- Indigenous communities
- aerodrome inspection services, 141–142
  - Kimberley region, 96 *see also* East Kimberley Development Package
- Indigenous employees, 127, 128
- Indigenous Employment Coordination Group, 96
- Indonesia, collaboration with, 41, 42, 75
- Indonesia Transport Safety Assistance Package, 75
- information services
- AGRIS, 142, 147, 150
  - road safety, 141
- information technology, 6, 117, 119
- infrastructure
- approval processes, 29
  - corridor planning and acquisition, 111
  - demand and cost model, 111
  - policy, 24, 110
  - priorities, 110
  - superannuation fund investment in, 113 *see also* Infrastructure Australia; Program 1.2: Infrastructure investment; Program 1.1: Infrastructure Investment Coordination
- Infrastructure Australia, 31
- Annual Report, 105–113
  - Council members, 107–108
  - report to COAG, 107, 110
  - see also* Program 1.2: Infrastructure Investment Coordination
- Infrastructure Employment Projects, 87, 92, 94–95
- Infrastructure Procurement Manual*, 143
- Infrastructure, Transport, Regional Development and Local Government portfolio *see* portfolio
- Inspector of Transport Security, 43
- insurance reviews, airports, 170
- intelligence agencies, collaboration on transport security, 41, 43
- intergovernmental cooperation on regional issues, 93–95 *see also* Council of Australian Governments (COAG); international collaboration
- internal audit, 121
- international air services *see* air services
- international airports *see* airports
- International Civil Aviation Organization (ICAO)
- Air Navigation Commission, 74
  - audit of Australia's aviation safety system, 74
  - Australian contribution, 72, 74
  - Committee on Aviation Environmental Protection, 82
  - Council, 74
  - Directors General of Civil Aviation Climate Group, 155
  - High-level Safety Conference, 74
  - International Aviation and Climate Change Group, 82
  - standards, 42
- international collaboration
- air services, 76
  - aviation safety and security, 74–75
  - transport security, 35, 41–43
  - vehicle design standards, 59, 64–65
- International Convention for the Prevention of Pollution from Ships, 154
- International Convention on Liability and Compensation for Damage in Connection with the Carriage of Hazardous and Noxious Substances by Sea
- 2010 Protocol, 57, 154
- International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage
- Supplementary Fund Protocol, 56
- international conventions, 42, 52, 56, 154
- International Counter Terrorism Coordination Group, 41
- International Fund for Compensation for Oil Pollution Damage, 56, 155
- International Maritime Bureau, 43
- International Maritime Organization, 43, 49, 52, 56
- Australian contribution, 49, 155
  - collaboration with, 43
  - International Ship and Port Facility Security Code, 42
  - Maritime Safety Committee, 52
- International Mobile Satellite Organization, 52
- International Oil Pollution Compensation Fund, 56, 155

international organisations, payments to, 49, 72, 74, 155–156 see also International Civil Aviation Organization; International Maritime Organization; Organisation for Economic Cooperation and Development

international piracy see piracy

International Piracy and Armed Robbery at Sea Security Inquiry Report, 35, 43

International Ship and Port Facility Security Code, 42

Interstate Road Transport Fees, 49

## J

Jakarta Airport, 42

Jobs Fund initiative, 94

- Bike paths program, 87, 88, 92, 94
- Infrastructure Employment Projects, 87, 88, 92, 94–95

Joint Standing Committee on Treaties, 52

## K

key performance indicators see performance indicators

keys2drive program, 3, 59, 63, 64

Kingsford Smith Airport see Sydney Airport

## L

land transport infrastructure see Nation Building Program; Program 1.1: Infrastructure investment; Program 1.2: Infrastructure Investment Coordination; rail infrastructure; road infrastructure

land use planning near airports/flight paths, 83 see also planning and development controls under airports

law enforcement agencies, collaboration on transport security, 41, 43

leadership programs, 42, 103

learner driver programs, 3, 59, 64

learning and development activities, 125–126

leased federal airports

- building and parking control, 79, 141
- environmental authorisations, 171
- insurance reviews, 78, 170
- lease review meetings, 78, 169
- parking fines reimbursement, 68, 71, 80–81
- planning and development controls, 77–78, 154
- prices and revenue, 79
- regulation of, 77–84, 169–171 see also Sydney Airport

legal services expenditure, 122

letter of transmittal, iii

level-crossings, safety issues, 19, 23, 28

levies, 7, 53, 81

Lihou and Others v Commonwealth of Australia, 122

liner shipping, 54 see also coastal shipping

List of requirements, 174–175

local government, 4, 97–104

- financial assistance grants, 97, 101
- functions transferred to new Department, 13
- programs and projects, 4, 97–104
- road funding, 28, 101
- strengthening role of, 102–103
- women in, 97, 103 see also Australian Council of Local Government

Local Government and Planning Ministers' Council, 58, 99, 102

Local Government and Regional Development Division, 88, 98

*Local Government (Financial Assistance) Act 1995*, 10

Local Government Reform Fund, 97, 98, 103

## M

Major Cities Unit, 31–32

Major Infrastructure Projects Office, 2, 3, 19, 116

major projects facilitation, 28–29

male staff, 167

management and accountability, 116–128

Mandurah Entrance Road project, WA, 30

marine environment protection, 51, 53, 154, 155–156, 157

marine fuel oil, sulphur content, 154

marine pollution, 51, 56–57, 154

- oil spill compensation and liability funds, 49, 53, 56–57

marine safety see maritime safety

maritime claims, 52

Maritime Experts Group, APEC, 42

maritime industry, emissions, 157

Maritime Industry Finance Company, indemnities, 120

Maritime Labour Convention, 52

*Maritime Legislation Amendment Act 2007*, 54

maritime penalties, 52

maritime safety, 51–52, 53, 56

- regulatory systems, 3, 45, 58 see also Australian Maritime Safety Authority (AMSA)

maritime security, 35, 41–42, 43, 52, 56 see also transport security

Maritime Security Identity Card scheme, 35, 41

*Maritime Transport and Offshore Facilities Security Act 2003*, 35, 41



- Maritime Transport and Offshore Facilities Security Amendment Regulations 2003, 35, 41
- market research and advertising, 143–144
- Minister, 10
- briefings and responses, 53
- Ministerial directions, 51, 106
- Ministerial Guidelines for Granting Licences or Permits to Engage in Australia's Domestic Shipping, 53
- Montara Wellhead Platform incident, 53
- Motor Vehicle Standards Regulations fees, 7
- ## N
- Nation Building Black Spot Projects, 19, 20, 21, 23, 27
- Nation Building Boom Gates for Rail Crossings, 19, 20, 21, 23, 28
- Nation Building—Economic Stimulus Plan, 3, 4, 19, 27, 30, 153, 157 *see also* Nation Building Program
- Nation Building Heavy Vehicle Safety and Productivity program, 23, 28
- Nation Building improving local roads, 20, 23
- Nation Building improving the National Network, 24
- Nation Building—Infrastructure Investment Division, 20, 31, 116
- Nation Building Off-Network Projects, 20, 23, 28, 30
- Nation Building Off-Network-Supplementary, 20, 23
- Nation Building Plan for the Future, 19, 20, 24, 27
- Nation Building Program, 20, 23–24, 157
- Nation Building Program Investment, 20, 23
- Nation Building Roads to Recovery program, 20, 23, 28
- National Airports Safeguarding Advisory Group, 83
- National Aviation Policy *see* aviation policy; Aviation White Paper
- National Awards for Excellence in Local Government, 97, 99, 102
- National Environment Protection Measures (Implementation) Act 1998*, 158
- national freight strategy, 107, 113
- National Guidelines for Passenger Transport and Land Use Planning Integration, 58
- National Partnership Agreement to Support Local Government and Regional Development, 95
- National Partnership Agreements, 7, 58, 95 *see also* public-private partnership policy and guidelines
- National Plan to Combat Pollution of the Sea by Oil and other Hazardous and Noxious Substances, 53, 57
- National Public Private Partnership Policy and Guidelines, 112
- national regulatory systems *see* regulation and regulatory systems
- National Road Safety Council, 3, 59, 63
- members, ambassadors and priorities, 67
- National Road Safety Strategy 2011–2020, 63, 67
- national security activities, 41 *see also* aviation security; maritime security; ports; transport security
- National Strategy on Energy Efficiency, 57, 156
- National Transport and Logistics Workforce Planning and Skills Strategic Action Plan, 57
- National Transport Commission, 45, 49, 55, 112
- National Transport Commission Act 2003*, 45
- national transport strategy, 57–58 *see also* aviation policy
- national urban policy, 32
- Navigation Act 1912, 45, 51, 52, 53
- Ngnowar Aerwah Aboriginal Corporation, 96
- noise amelioration (aircraft noise), 69, 71, 81–82
- non-taxation revenue collection, 7–8 *see also* revenue collection
- Northern Australia
- policy and projects, 87, 90, 92, 95–96 *see also* East Kimberley Development Package
- Northern Australia Land and Water Taskforce, 87, 89, 90, 95, 155
- noxious substances, 57
- carriage by sea, 57, 154
- ## O
- Oakajee Port expansion project, 27
- Occupational Health and Safety Act 1991*, 164
- report under, 164–165
- occupational health and safety committee, 117, 119
- OECD *see* Organisation for Economic Cooperation and Development (OECD)
- Off-Network Projects program, 20, 21, 22, 23, 28, 30
- Office of Northern Australia, 88, 95
- Office of the Infrastructure Coordinator, 14, 31
- office services, contracted, 143
- offshore oil and gas platforms, threat and risk to, 35
- Offshore Oil and Gas Security Risk Context Statement, 35
- Oil Pollution Compensation Fund, 50, 56
- oil spills, liability and compensation for, 50, 53, 56



- Ombudsman, 124
- Online System for Comprehensive Activity Reporting (OSCAR), 158
- operating deficit, 5
- Organisation for Economic Cooperation and Development (OECD) Road Transport contribution, 49
- organisational structure, 12
- outcome and program structure, 14, 18, 34, 86
- outcomes, 10, 14, 16
- Outcome 1, 18, 132, 136
- Outcome 2, 34, 133–134, 137–138
- Outcome 3, 86, 135, 139
- portfolio agencies, 16
- program performance see performance resources for, 130–139
- overview
- departmental, 10–14
- Secretary's, 2–8
- P**
- Pacific Aviation Safety Office, 75
- Pacific Maritime Association, 42
- Pacific Public Sector Linkages Program, 75
- Papua New Guinea, air transport capabilities of, 75
- parking control, at leased federal airports, 79, 80–81, 141
- parking fines reimbursement, Airport Lessee Companies, 71, 80–81
- parliamentary inquiries, 122–123
- parliamentary questions on notice, 123–124
- Parliamentary Secretaries, 10
- passenger movements, airline, 76
- passenger screening at airports see aviation security
- passenger ship operations
- policy and regulation, 53
- security measures, 35
- passenger transport needs, and urban planning, 58
- passenger vehicles, transporting over Bass Strait, 50
- People and Capability Committee, 117, 119
- performance
- Program 1.1: Infrastructure investment, 19–30
- Program 1.2: Infrastructure Investment Coordination, 31–32, 107–113
- Program 2.1: Transport Security, 35–44
- Program 2.2: Surface Transport, 45–58
- Program 2.3: Road Safety, 59–67
- Program 2.4: Air Transport, 68–84
- Program 3.1: Regional Development, 87–96
- Program 3.2: Local Government, 97–104
- performance indicators, 21, 36–38, 46, 60, 69, 88–89, 98, 109
- performance management (employees), 125–126
- performance pay, 126
- Philippines, collaboration with, 41
- piracy, 35, 43
- planning and reporting framework, 119–120
- pleasure yachts, piracy and armed robbery security, 43
- Policy and Research Division, 2, 4, 116
- Portfolio Additional Estimates Statements, 119
- portfolio bodies, 15–16, 172–173
- Portfolio Budget Statements, 13, 119
- Portfolio Supplementary Additional Estimates, 119
- ports
- infrastructure projects, 27
- national strategy, 107, 112
- security, 42
- Prime Minister's Taskforce on Energy Efficiency, 57
- Privacy Commissioner, 124
- probity plans, 121
- procurement practices and outcomes, 140–144
- product recalls, 66
- Productivity Commission review of airport price regulation, 79
- professional services, contracted, 142
- Program 1.1: Infrastructure Investment, 19–30, 132, 136
- Program 1.2: Infrastructure Investment Coordination, 31–32, 107–113, 132, 136
- Program 2.1: Transport Security, 35–44, 133, 137
- Program 2.2: Surface Transport, 45–58, 133, 137
- Program 2.3: Road Safety, 59–67, 133, 137
- Program 2.4: Air Transport, 68–84, 134, 138
- Program 3.1: Regional Development, 87–96, 135, 139
- Program 3.2: Local Government, 97–104, 135, 139
- Prohibited Items List (aviation), 44
- property services, contracted, 143
- Protection of the Sea (Shipping Levy) Amendment Regulations 2010, 53
- protective security, 121 see also Strategic Information Technology and Security Committee
- public consultation, 57, 63, 156
- public-private partnership policy and guidelines, 112
- Public Service Act 1999*, iii, 116, 163
- Section 24(1) determinations, 126
- public transport, disability access standards, 56

purchaser-provider arrangement with  
Centrelink, 50–51  
purchasing practices and procedures, 140–144

## R

rail infrastructure  
development and maintenance, 3, 157  
national freight strategy, 107, 113  
projects, 19, 26–28  
rail crossing safety measures, 19, 23, 28  
regulatory systems, 3, 45, 58  
recruitment and retention of staff, 127  
regional airline access to Sydney Airport, 80  
regional airports, security measures, 35, 40  
Regional and Local Community Infrastructure  
Program, 4, 97–99, 101–102, 104  
Regional and Rural Research and Development  
Grants, 88, 92  
regional development, 4, 86–104, 154–155  
programs and projects, 4, 86–104  
transfer of functions, 13  
water security review, 112  
Regional Development Australia, 95  
committees, 4, 87, 88, 92, 95, 154  
executive officer induction, 95  
National Forum, 87, 95  
Regional Impact Statements, 155  
Regional Partnerships program, 88, 92, 93  
Registered Automotive Workshop Scheme,  
65–66  
registration charges, heavy vehicles, 55  
regulation and regulatory systems  
air services, 76  
airports, 77–84, 169–171  
airspace, 73–74, 83, 120  
heavy vehicles, 3, 45, 55, 58  
maritime safety, 3, 45, 58  
passenger ship operations, 53  
rail safety, 3, 45, 58  
shipping, 53–54  
surface transport, 3, 45  
transport security, 42  
regulation impact statements, 57  
Remote Aerodrome Inspection Program, 69,  
72, 141–142  
Remote Air Services Subsidy Scheme, 88, 92  
Remote Aviation Infrastructure Fund, 88, 92  
remuneration, 126, 168  
research and statistical reports  
BITRE, 156  
road safety, 141  
revenue collection, 5, 7–8  
risk management, 118–119, 120–121  
road deaths database, 63–64  
road infrastructure  
development and maintenance, 3, 157

funding to local government, 28, 98, 101  
projects, 24–30, 101  
road pricing, 29, 113  
road safety  
advisory council, 3, 59–67  
Black Spot program, 19, 20, 21, 23, 27  
community attitudes survey, 64  
heavy vehicle driver safety and productivity,  
20, 23, 28, 55  
national strategy, 63, 67  
rail crossing safety measures, 19, 20, 21,  
23, 28  
research and information, 141  
road deaths database, 63–64  
safety investigations and recalls, 66  
seatbelts in buses, 59, 63, 64  
vehicle side-impact crashworthiness  
standard, 59  
road transport policy, 55  
national freight strategy, 107, 113  
*see also* heavy vehicles  
Roads to Recovery *see* Nation Building Roads  
to Recovery program  
role, departmental, 10, 13, 116, 163  
Royal Australian Air Force, 73

## S

safety ratings for vehicles, 156  
*Safety Rehabilitation and Compensation Act  
1988*, 164  
satellites, 52  
seafarers, working conditions, 52  
seatbelts in buses, 59, 63, 64  
secretariat support services, 61, 63, 67, 82,  
90, 95  
Secretary, 11  
Deputy Secretaries, 11  
Secretary's overview, 2–8  
Secretary's Business Meeting, 117, 118  
Senate committees, 123, 124  
Senior Executive Service employees  
attendance at parliamentary hearings/  
inquiries, 123  
remuneration, 126, 168  
Senior Executive Service Management Team,  
11, 117, 118  
senior management committees, 116–119  
service charter, 122  
*Shen Neng 1* grounding, 52, 53  
shipping  
emissions, 157  
*Navigation Act 1912*, 45, 51, 52, 53  
penalties for environmental damage, 52  
piracy and armed robbery security, 35, 43  
policy and regulation, 53–54  
register of agreements, 54

seafarers' working conditions, 52  
 tracking and identification of ships, 52  
*see also* International Maritime Organization;  
 maritime safety; maritime security;  
 passenger ship operations

shipping levies, 53

Shire of Wyndham – East Kimberley, 4, 87, 95,  
 96

slot management, Sydney Airport, 80

software  
 aircraft noise information, 82, 154  
 carbon footprint computation, 154

South Australia local road funding, 98, 101

Specialist and Enthusiast Vehicles Scheme, 65

staff  
 development, 125–126  
 diversity, 127–128  
 employment agreements, 126  
 flexible working arrangements, 168  
 gender, 128, 167  
 location of, 167  
 non-salary benefits, 168  
 recruitment and retention, 127  
 remuneration, 126, 168  
 statistics, 126–128, 167–168  
*see also* occupational health and safety

stakeholder engagement, 2

standards  
 ethics, 121  
 public transport disability access, 55  
 transport security, 42  
 vehicles, 57, 59, 64–66

state and territory governments, funding paid  
 to, 28

*State of Australian Cities 2010* report, 31

strategic audit, 2, 116

Strategic Information Technology and Security  
 Committee, 6, 117, 119

Strategic Regional program *see* Off-Network  
 Projects program

Strongim Gavman Program, 75

superannuation funds, as source of  
 infrastructure funding, 113

surface transport, 45–58  
 regulatory systems *see* regulation and  
 regulatory systems  
 security *see* transport security  
*see also* rail infrastructure; road  
 infrastructure; shipping

Surface Transport Policy Division, 45, 59

Survey of Community Attitudes to Road Safety,  
 61, 64

*Sustainable Development of Northern Australia*  
 report, 87, 155

Sydney Airport  
 capacity study, 73  
 environmental authorisations, 171

noise amelioration, 69, 71, 81–82  
 regional airline access arrangements, 79  
 slot management, 80  
*see also* leased federal airports

Sydney Airport Community Forum, 82

*Sydney Airport Demand Management Act*  
*1997*, 80

Sydney Aviation Capacity Study, 73

Sydney West airport site, management of  
 properties, 72, 82–83, 141

## T

Taskforce on Energy Efficiency, 57

Tasmanian Freight Equalisation Scheme, 45,  
 49, 50–51

Tasmanian transport schemes, 45, 49–51

Tasmanian Wheat Freight Scheme, 7, 45, 49,  
 51

tendering for construction projects, 29

terrorism threat, 52

*Trade Practices Act 1974*, 54, 66, 78

training  
 ethics, 121  
 OH&S, 164  
 on transport security, for Asia-Pacific  
 countries, 42

Transparent Noise Information Package  
 software, 154

Transport and Logistics Centre, 57

transport security, 3, 35–44  
 inquiries, 43  
 international collaboration on, 35, 41–43  
 policy and regulation discussions, 42  
 standards compliance, 42  
*see also* maritime security

transport strategy, 57–58

tribunals, 122

## U

United Nations  
 Economic Commission for Europe vehicle  
 regulations, 59, 64–66  
 International Maritime Organization *see*  
 International Maritime Organization  
 Office on Drugs and Crime, Counter Piracy  
 Programme, 43

United States, collaboration with, 41, 42

University of Tasmania, integration of  
 Australian Maritime College, 54

urban air quality, 57

urban policy, 31–32, 58

urban transport  
 performance indicators, 58  
 planning, 58

urban water security and regulatory reform,  
107, 111–112

## V

vehicle import applications, 65 *see also*  
Australian Design Rules for vehicle safety

vehicles

- departmental fuel consumption, 158–159
- emissions, 57, 156
- fuel efficiency, 57, 156
- imported, 65–66
- safety ratings, 156
- safety standards, 59, 64–66
- seatbelts in buses, 59, 63, 64
- side-impact crashworthiness standard, 59
- specialist and enthusiast vehicles, 65
- see also* heavy vehicles

Victorian Department of Transport, 57

Vietnam, collaboration with, 42

## W

water quality and security, 107, 111–112, 155

Western Australian Government, 4, 30, 87, 95,  
96

wheat shipments, across Bass Strait, 51

women in local government, 97, 103

workers' compensation claims, 164

working conditions, seafarers, 52

workplace diversity, 127–128

workplace health and safety, 164–165

## Y

year in review, 2–8

Year of Women in Local Government, 97, 103