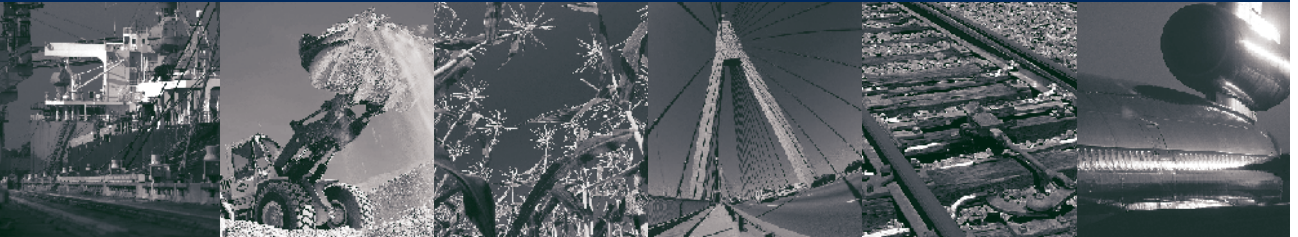




**Australian Government**

**Department of Infrastructure, Transport,  
Regional Development and Local Government**

# Annual Report 2007–08



## Acknowledgements

Specific acknowledgements for the use of data, photographs and other materials are included throughout this report. Where we do not do so, the Department is the source of the material.

**Design and Artwork** Design Direction

**Editing** WordsWorth Writing

**Photographs** Photographs of the executive on pages 1 and 25, and of Award for Excellence recipients on page 219 and 232 were taken on behalf of the Department by Geoff Comfort. The photograph of the Anzac Bridge that appears on the cover and in Chapter 4 was provided courtesy of the RTA NSW.

**Printing** Blue Star Print-ACT

This report has been printed using four colours for the cover and two colours: Pantone 289 (dark blue), and Pantone 138 (orange) 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.

## Copyright

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## Australian Government

### Department of Infrastructure, Transport, Regional Development and Local Government

**Secretary**

The Hon Anthony Albanese MP  
Minister for Infrastructure, Transport, Regional Development and Local Government  
Parliament House  
CANBERRA ACT 2600

Dear Minister

I am pleased to present the Annual Report of the Department of Infrastructure, Transport, Regional Development and Local Government for the year ended 30 June 2008.

This report has been prepared in accordance with the 2007-08 edition of the Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies; and section 63 of the *Public Service Act 1999*, which also requires that you table the report in the parliament.

The report summarises the Department's performance and includes our audited financial statements as required by section 57 of the *Financial Management and Accountability Act 1997*. It includes other 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*; and
- various whole of government Acts as highlighted in the table of contents.

I also advise that the Department has in place appropriate fraud detection, investigation, reporting and data collection procedures and processes; and has prepared fraud risk assessments and fraud control plans that meet the Department's needs and comply with the Australian Government Fraud Control Guidelines.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Michael J. Taylor'.

Michael J. Taylor  
SECRETARY  
20 October 2008

cc The Hon Gary Gray AO MP  
Parliamentary Secretary for Regional Development and Northern Australia

# GUIDE TO THIS REPORT

## What this report covers

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

Our report:

- takes into account the Requirements for Departmental Annual Reports issued by the Joint Committee of Public Accounts and Audit (JCPAA) in June 2008;
- uses data, photographs and other materials from a range of sources to put our activities and results into context; and
- tells you where you can obtain the other annual reports we are required to publish or contribute to.

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 409.

Tables throughout the report use notations as follows:

\$m \$ million                      - either zero or nil                      Est estimated                      n/a not applicable

Amounts are generally rounded to the nearest million 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 40 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)>. We publish it 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 tabled, but details do 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:

[annual.report@infrastructure.gov.au](mailto:annual.report@infrastructure.gov.au) or 02 6274 7111 or write (no stamp required) to:

Infrastructure Annual Report Coordinator  
Reply Paid 594  
CANBERRA ACT 2601

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



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We are results oriented • We are honest, professional and accountable • We are client and stakeholder focussed • We are committed to improving our skills • We are diverse, trusting and respectful of each other

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# CHAPTER 1

Year in Review



# SECRETARY REPORTS

I have much pleasure in delivering my first report as Secretary of the new Department of Infrastructure, Transport, Regional Development and Local Government.

## Our operating environment

Following the change of government in November 2007, the then Department of Transport and Regional Services was restructured, gained an additional outcome, and was renamed the Department of Infrastructure, Transport, Regional Development and Local Government. These changes are discussed in greater detail in Chapter 2 ('About Us').

Through its three outcomes, the Department of Infrastructure, Transport, Regional Development and Local Government plays a key role in assisting the Australian Government to equip Australia to face current and emerging economic challenges, in an environment of rapid change. This role includes:

- delivering a transformational vision for the infrastructure of the 21st century;
- fostering efficient, safe and secure transport systems;
- developing and improving community infrastructure and services in regions, and
- strengthening the role of local governments.

In achieving its three outcomes, the Department delivers a range of programs and services to Australians and provides policy advice to the Australian Government. These activities are underpinned by targeted economic analysis and informed by active engagement with stakeholders.

In this review I will touch on the Department's key achievements of 2007–08, as an introduction to a series of short reports summarising the significant activities of each division. I commend these reports, complemented by the full report on performance (in chapters 3 to 6), the audited financial statements and the detailed appendices, to the reader. Together they demonstrate that the Department maintained its high levels of performance while embracing new objectives for 2007–08 and beyond.

## Infrastructure investment

The Department played an important role in the establishment of Infrastructure Australia, including developing its enabling legislation the *Infrastructure Australia Act 2008*. In addition, the Department commenced bilateral negotiations with the state and territory governments on projects and funding arrangements for the Australian Government's land transport investment program for 2009–10 to 2013–14.

## Local government and regional engagement

The Department supported the establishment of the Regional Development Australia Interim Board and assisted with implementation of the Board's transition work plan. This was part of implementing the transition of Area Consultative Committees to Regional Development Australia committees from 1 January 2009. The Office of Northern Australia was established within the Department in March 2008 to provide high-level policy advice to the Australian Government on sustainable development issues across Northern Australia.

The Department continued to improve regional program processes in line with best practice and the recommendations of the Australian National Audit Office's 2007 performance audit of the Regional Partnerships program. These process improvements will be incorporated into the administration of the regional initiatives which were announced in the 2008–09 Budget.

## Aviation policy and legislation

During 2007–08, the Department commenced the process of developing a national aviation policy which will guide the industry's growth over the next decade and beyond. The Australian Government's aviation white paper is expected to be released in mid-2009.

Two significant legislative changes relating to airport regulation were achieved during 2007–08. Changes to the *Airports Act 1996* give the Minister more powers to investigate and place conditions on major development plans, while amendments to the *Sydney Airport Demand Management Act 1997* have brought demand management at Sydney airport into line with international industry practice.

## Transport safety

The Australian Transport Safety Bureau (ATSB) released a number of reports with associated safety action, including its final report into the grounding of the bulk carrier *Pasha Bulker* at Newcastle, New South Wales.

The ATSB has played a leading role at the International Maritime Organization in progressing a new code for investigating marine casualties and incidents.

Although the final audit report of the International Civil Aviation Organization Universal Safety Oversight Program is yet to be received, the results are expected to recognise the ATSB as a best-practice agency in a range of investigation activities.

The ATSB also made a significant contribution in assisting Indonesia to build its transport safety investigation capability, as part of the Indonesia Transport Safety Assistance Package.

## Transport security

Significant enhancements to transport security were achieved through:

- the creation of the Accredited Air Cargo Agents Scheme;
- the commencement of the Regulated Air Cargo Agent Security Training Quality Assurance Service;
- the release of the 2008 Maritime Security Risk Context Statement;
- the implementation of enhanced airside inspection measures;
- the commencement of a comprehensive review of aviation security screening; and
- the development of a national audit and compliance program guided by the Office of Transport Security (OTS) Regulatory Philosophy and the OTS Strategic Plan 2007–2010.

## Strategic policy and research

A Climate Change Taskforce was established within the Department's Bureau of Infrastructure, Transport and Regional Economics (BITRE) in order to lead the portfolio's engagement with the Australian Government's climate change policy agenda. BITRE also supported the Australian delegation to the inaugural International Transport Forum meeting held in Germany in May 2008 on the theme 'Transport and Energy: the Challenge of Climate Change'.

## Governance

The Australian Public Service Commission included a case study on the Department's governance arrangements in its publication *Building better governance*, recognising the emphasis that the Department places on good governance. The Australian National Audit Office also noted the significant effort the Department had applied to enhance its financial reporting processes.

## In summary

The past year was a time of significant change for the Department. We were able to meet the challenges of the departmental restructure and address our new priorities successfully because of the professionalism and commitment demonstrated by staff at all levels across the Department.



Michael J Taylor  
SECRETARY





## BUSINESS DIVISION SIGNIFICANT ACTIVITIES 2007–08

These sections summarise the significant activities of each of the Department's business divisions in 2007–08. A full report of these activities, addressing the Department's outcome and output structure, is provided in chapters 3 to 5.

### Local Government and Regional Development

In May 2008, the Australian Government closed the Regional Partnerships and Sustainable Regions programs to new applications and announced a package of new approaches to assist Australian regions. This package includes, the Better Regions election commitments, the Office of Northern Australia; Regional Development Australia, the Regional and Local Community Infrastructure Program, and the Australian Council of Local Governments.

The Department continued to improve its processes for the administration of regional programs and is working to ensure that the implementation of new and existing projects is consistent with all relevant requirements of the Financial Management and Accountability Regulations 1997, the Australian National Audit Office (ANAO) best practice guide and the recommendations from the ANAO's performance audit of the Regional Partnerships program.

The Regional Development Council met in August 2007 in Cairns, Queensland, identifying a number of areas for ongoing cooperation between the Australian Government and state and territory governments.

The Department completed its work as the lead agency on the Council of Australian Governments' trial of government service delivery arrangements with Indigenous communities in the East Kimberley region—Balgo, Billiluna, Mulan and Ringer Soak. Formal responsibility was transferred to the Department of Families, Housing, Community Services and Indigenous Affairs in the latter part of the year.

The Remote Air Services Subsidy Scheme subsidised passenger and freight services to 239 remote Indigenous communities and properties such as cattle and sheep stations across four states and the Northern Territory.

In October 2007, the Department completed changes to Area Consultative Committee (ACC) boundaries following the boundary review conducted in November 2006. The changes have ensured that the boundaries of rural ACCs better reflect areas of common interest and that the distribution of metropolitan ACCs is appropriate.

The Department worked with ACCs to assist their transition to Regional Development Australia (RDA) committees by consulting widely on the future role of RDA with state and local governments, other stakeholders and the committees themselves.

A total of \$1,765.8 million in Local Government Financial Assistance Grants was distributed to 612 local governments, including councils that were newly established in Queensland following council structural reforms. About 70 per cent of the funds went to councils in rural and regional Australia. The Department also administered supplementary funding of \$13.6 million to South Australian councils for local roads.

The Department promoted local government's achievements through the National Awards for Local Government, which attracted 287 entries across 15 categories.

The Office of Northern Australia was established in the Department in March 2008 to provide high-level policy advice on sustainable development issues across Northern Australia. The Department also advised the Australian Government in relation to the establishment of the Council of Australian Local Governments and the findings of the Productivity Commission's report *Assessing local government revenue raising capacity*.

In addition, the Department contributed to the Organisation for Economic Cooperation and Development's policy work on regional development, through representation at meetings held in France and China in November 2007.



## Australian Transport Safety Bureau

The ATSB continued to initiate aviation, marine and rail accident investigations and release important investigation reports, including the final report into the grounding of the Panamanian-registered bulk carrier *Pasha Bulker* at Newcastle, New South Wales.

The Code of the International Standards and Recommended Practices for a Marine Safety Investigation into a Marine Casualty or Marine Incident (the Code) was adopted by the International Maritime Organization on 16 May 2008. It is expected to come into effect on 1 January 2010. The ATSB played a major role in both initiating the development of the Code and drafting its provisions. When it comes into effect as a part of the International Convention for the Safety of Life at Sea (SOLAS), the Code will represent a major advance in international maritime safety investigation.

A comprehensive audit pursuant to the International Civil Aviation Organization (ICAO) Universal Safety Oversight Program was conducted in February 2008. The audit focused on all the Australian agencies which have a responsibility for aviation safety oversight and service. The final report of the audit is yet to be received, although the results are expected to recognise the ATSB as a best-practice agency in a range of investigation activities.

Under the Indonesia Transport Safety Assistance Package (ITSAP), the ATSB assisted the Indonesian National Transportation Safety Committee with several aviation investigations. These included the investigations of fatal accidents that occurred in the Makassar Strait in January 2007 and at Yogyakarta Airport in March 2007. The ATSB also provided marine investigation analysis assistance.

In addition, the ATSB conducted training in Indonesia, presenting courses designed to provide the knowledge base for conducting and reporting investigations according to ICAO standards. In May 2008, an Indonesian investigator completed the ATSB's Canberra-based 12-month diploma-level training as an aviation safety investigator. The project was jointly funded by the ATSB and an AusAID Fellowship. The ATSB expanded its program of capacity-building assistance to Indonesia during 2007–08, providing new opportunities for international aviation and marine investigators. This will include an expanded diploma program for Indonesian investigators in 2008–09.

Through its transport safety investigation activities, the ATSB facilitated the initiation of 196 safety actions by stakeholders across modes and made 22 aviation, 32 marine and 42 rail safety recommendations.

The ATSB website experienced over 1 million user sessions in 2007–08, with an average of almost 57,000 unique visitors using the website each month.

## Office of Transport Security

From 1 December 2007, 29 regional airports implemented the first phase of new checked baggage screening measures including the use of explosive trace detection (ETD) equipment. Phase 2 measures involving the use of explosive detection system X-ray equipment will be in place by 1 December 2008.

Amendments to the *Aviation Transport Security Act 2004* provided for the creation of an Accredited Air Cargo Agents (AACA) Scheme and for the mandatory introduction of ETD equipment. The purchase of ETD equipment to be used by industry to examine air cargo loaded at specified Australian airports is part of the Australian Government's investment to strengthen security measures for international and domestic passenger aircraft through increased inspection of air cargo.

On 1 July 2007, the Regulated Air Cargo Agent (RACA) Security Training Quality Assurance Service commenced delivering a high-quality, competency-based security training system for the air cargo sector. This system was superseded by the RACA Security Training Framework on 1 January 2008.

The 2008 Maritime Security Risk Context Statement was released at the end of June 2008, providing a new assessment of threat and risk in the maritime sector based on current intelligence.

Following consultation with key stakeholders, the OTS Regulatory Philosophy and the OTS Strategic Plan 2007–2010 were published. These documents state clearly to industry, staff and other stakeholders how the Department will regulate preventive security in the aviation, maritime and air cargo sectors of the transport





industry. Work is continuing on the implementation of a national compliance work program which will provide assurance that a single, consistent, prioritised security risk-based focus is applied to all OTS compliance activity.

The Department participated in numerous counter-terrorism exercises and contributed to the extensive security operations that accompanied Australia's hosting of the Asia-Pacific Economic Cooperation (APEC) Leaders Week meeting held in Sydney in September 2007 and preparations for World Youth Day 2008 scheduled to be held in Sydney in July 2008.

A Strategic Offshore Oil and Gas Symposium was held in late August 2007. The symposium was convened to facilitate discussion, between the offshore oil and gas industry and relevant Australian Government and state and territory government agencies, on the current and future strategic security environment and how it may impact upon the industry and the security regime within which it operates. As a result, the Oil and Gas Security Forum was established.

The Department participated in a range of capacity-building projects to assist countries in the Asia-Pacific region to develop their compliance with international transport security standards in the port security and aviation security environments.

The Department played a major role in the APEC Air Cargo Security Workshop co-hosted by Australia, China and the United States and held in Thailand in June 2008. Information exchanges focused on best practice solutions to security issues in the air cargo supply chain.

The Department played a leading role in the establishment of an aviation security-related discussion forum known as the QUAD, an informal group of aviation security regulators from Australia, Canada, the European Commission and the United States. The creation of the QUAD has enabled constructive discussion on a wide range of aviation policy issues and has facilitated development of new international aviation security settings and standards.

## Aviation and Airports

The Department was engaged heavily in aviation safety review and reform at both the national level and the international level. In September 2007, the Department led the Australian delegation to the triennial General Assembly of the ICAO, held in Canada. Australia has been a member of the ICAO Council since its inception, and the Department administers an office in Montreal, Canada, to provide a permanent base for Australia's ICAO activities.

International aviation safety was also enhanced through the Department's management of ITSAP projects to enhance the safety of Indonesia's aviation and marine transport network. A total of 22 projects have been approved under ITSAP, which is intended to develop local capacity and underpin the development of a genuine safety culture in the Indonesian transport sector.

Mr Russell Miller's review of the working relationship between the ATSB and the Civil Aviation Safety Authority began in October 2007; the report of the review was presented to the Minister in December 2007 and released for public comment in March 2008. The outcomes of the review will inform the development of the national aviation policy that is expected to be announced in mid-2009.

Airports continued to invest in developing Australia's aeronautical infrastructure. The planning for these developments was subject to new requirements introduced by amendments to the *Airports Act 1996* (Airports Act) in May 2007. These amendments harmonise planning approval processes across all leased federal airports and provide for greater flexibility in granting approval for major developments.

Airport economic regulation was also enhanced, in response to the Productivity Commission's recommendations in its *Review of price regulation of airport services*, and demand management at Sydney airport was brought into line with international practice with the passage of the *Sydney Airport Demand Management Amendment Act 2008*.

In April 2008, the Minister released an issues paper to begin the process of developing a national aviation policy. The Department received over 280 stakeholder submissions in response to the issues paper.



An aviation green paper outlining possible policy directions, settings and reforms for the Australian aviation industry will be released for public comment in late 2008. After this second round of consultation, the Australian Government will finalise the policy and release an aviation white paper, which will provide greater planning and investment certainty for the industry while addressing the wider community and environmental impacts associated with aviation. The process will be completed by mid-2009.

## Infrastructure Investment

In 2007–08, the fourth year of AusLink, the national land transport plan, the Department administered \$3 billion in direct and indirect grants to replace, upgrade and maintain the quality of land transport infrastructure on behalf of the Australian Government. The Department worked cooperatively with counterpart agencies in all states and territories, which allowed sound progress on projects across all programs.

A number of national projects were completed in 2007–08, including duplication of the Brunswick Heads to Yelgun section of the Pacific Highway, the Pakenham bypass, the Tugun bypass and the Clackline bypass. National projects which began in 2007–08 include the Ballina bypass, Bonville deviation and duplication of the Karuah to Bulahdelah (Stages 2 and 3) and Cooperook to Moorland sections of the Pacific Highway; the western bypass of Geelong; construction of an improved rail link to the Port of Melbourne; construction of the Logan Motorway – Ipswich Motorway interchange; and construction of the Perth–Bunbury Highway.

The Department worked with state and territory governments to implement consistent best practice cost estimation processes to support future project planning and development. In addition, bilateral negotiations with state and territory governments commenced on projects and funding arrangements for the land transport investment program for 2009–10 to 2013–14.

The Department progressed the establishment of Infrastructure Australia (IA), including by working with state officials to determine the work program for IA and developing the *Infrastructure Australia Act 2008*. IA held its first meeting in June 2008; the Department provided corporate support to ensure its effective operation.

Secretariat support was also provided to the Infrastructure Working Group established by the Council of Australian Governments (COAG) in December 2007 to help develop an initial work program for IA.

Additionally, the Department administered \$37.3 million under the AusLink Black Spot Projects program to improve road safety at identified crash sites, resulting in 313 new black spots being approved for treatment. A further \$361.2 million was provided to local communities under the AusLink Roads to Recovery and Improving Local Roads programs.

During the year, 28 projects were completed under the AusLink Strategic Regional program, including the Rock Bullenbung construction, Lockhart Shire, New South Wales; Manks Road construction, City of Casey, Victoria; Highams Bridge upgrade and rehabilitation, Mackay Regional Council, Queensland; replacement of the Hume Bridge at Corowa, New South Wales; reconstruction and rehabilitation of main roads 301 and 101 north of Newcastle, New South Wales; and upgrading of Chappel Road, north-western Victoria. In total, 209 projects have been approved for funding under the program; total expenditure in 2007–08 was \$121.7 million.

In the 2008–09 Budget, the Australian Government announced funding of \$559.3 million in 2008–09 for 45 ‘early start’ projects under three AusLink programs: Investment, Strategic Regional and Funding for road projects other than under the *AusLink (National Land Transport) Act 2005*. Negotiations began with states and the Northern Territory to ensure rapid commencement of the projects.

The 2008–09 Budget also saw the government announce a series of major studies in its \$75 million Tackling Urban Congestion and Planning measure. The Department negotiated with the governments of New South Wales, Victoria, Queensland, Western Australia and South Australia to allocate funds for the studies and ensure their early commencement.





## Infrastructure and Surface Transport Policy

The Department led the development of legislation that:

- allowed the integration of the Australian Maritime College and the University of Tasmania to proceed on 1 January 2008—the integration will provide significant benefits for both organisations, through new strategic opportunities, operational synergies and cost rationalisation; and
- implemented in Australia the International Convention on Civil Liability for Bunker Oil Pollution Damage—the convention will ensure adequate compensation is available in the event of an incident involving pollution from a ship's fuel bunkers.

The Department implemented the Australian Government's scheme to subsidise the fitting of seatbelts on school buses which operate on high-risk routes in rural and regional areas. The scheme, which commenced in September 2007, allows eligible bus operators to apply for funding of up to \$25,000 per bus to fit lap sash seatbelts in existing buses and to subsidise the purchase of new buses fitted with Australian Design Rule 68—compliant seats and seatbelts.

The Department continued to monitor and report on road safety progress under the National Road Safety Strategy 2001–10, and carried out initial scoping work on the development of a new national strategy. It also published 23 road safety research and statistical reports, and released an updated edition of *A Simple Guide to Child Restraints*, a comprehensive consumer information booklet on the selection and use of child restraints in passenger vehicles.

In April 2008, the Department convened the national Motorcycle and Scooter Safety Summit, with the theme 'The Road Ahead', bringing together over 100 delegates from community, industry, research and government organisations to discuss a wide range of strategic motorcycle safety issues.

The Department continued to support the role of the Australian Transport Council (ATC) in delivering effective progress on COAG's transport reform agenda. During 2007–08, the ATC focused on developing a national approach to transport policy and taking forward a national action plan. The Department's activities in support of the ATC included providing advice to government and engaging with the National Transport Commission, state and territory governments and industry stakeholders.

Other work by departmental officials on the COAG transport reform agenda included progressing the new heavy vehicle pricing determination and productivity reforms consistent with the COAG delivery timetable, and managing and delivering COAG research outputs.

## National Transport Strategy

In May 2008, the ATC gave in-principle support to a number of proposals that will move Australia towards a single, national transport policy, through better planning and investment in infrastructure to serve freight supply chains and the movement of people, particularly in major cities, and greater uniformity in national regulatory structures. The ATC also recognised the need to achieve environmental outcomes, in the context of the government's climate change agenda, and to improve road and rail safety.

Council members agreed to consider regulatory reforms including:

- a single national system for the regulation, registration and licensing of heavy vehicles;
- more uniform arrangements for rail safety regulation and investigation;
- a single, national approach to maritime legislation, covering commercial vehicle survey, certification, crew competencies and operational practices; and
- the establishment of a national road safety council to provide advice on effective road safety measures that could be implemented on a national basis.

Responding to this initiative, the Department commenced work on developing a national transport policy and progressing the reforms. The Department is a member of nine cross-jurisdictional working groups collectively developing the policy framework. The working groups are led by Ministers, with the Minister for Infrastructure, Transport, Regional Development and Local Government overseeing the governance working group.

## Bureau of Infrastructure, Transport and Regional Economics

The Bureau of Infrastructure, Transport and Regional Economics (BITRE) released major research publications on the long-term passenger growth outlook for Australia's capital city airports and on trends in air transport services in regional Australia.

In March 2008, BITRE released *Australian transport statistics yearbook 2007*. This was the first of a new series of annual compendiums of transport statistics and trends. The yearbook will be expanded to include infrastructure statistics from 2009.

With the Australian Bureau of Statistics (ABS), BITRE participated in a joint review of Australia's transport statistical needs, to inform future national statistical collection priorities. The review was made available to the ABS's Australia Transport Statistics Network and is informing the development of a national transport strategy.

In June 2008, BITRE held its third Regional Perspectives conference in Canberra, on the theme 'Understanding sustainable regions'. The conference was attended by approximately 160 delegates, and covered such topics as understanding community wellbeing, understanding growth and change across Northern Australia, and understanding regional adaptation to climate shocks.

BITRE's eighth Transport Colloquium, on the theme 'Australian transport—Building Capacity and Competitiveness', also held in Canberra in June 2008, attracted around 200 delegates. The colloquium included sessions on the transport infrastructure challenge; coping with growth in Australian aviation; climate change and international transport; and transport security.

BITRE leads Australia's engagement with the International Transport Forum, which was established out of the European Conference of Ministers of Transport as a global platform for transport, logistics and mobility issues. In May 2008, the Secretary of the Department led the Australian delegation to the inaugural International Transport Forum, held in Germany, on the theme of 'Transport and Energy: the Challenge of Climate Change'.

In March 2008, the Climate Change Task Force was established as part of BITRE, to lead the portfolio's engagement with the Australian Government's climate change policy agenda.





# MANAGEMENT AND ACCOUNTABILITY SIGNIFICANT ACTIVITIES 2007–08

## Management

In the lead-up to the announcement of the 2008–09 Budget, the Department reviewed the performance planning information that it publishes in its Portfolio Budget Statements (PBS), as part of a whole of government activity. As a consequence, the 2008–09 PBS contained more focused external performance indicators together with a text description of the output that each indicator supports. In addition, the 2008–09 PBS included an overall strategic direction statement for the Department along with a strategy for each outcome.

Following a competitive tendering process, the Department transitioned to a new IT service provider. The groundwork was laid for a technology refresh that will be completed by the end of 2008.

The effectiveness of the Department's awareness-raising and communications campaigns was recognised by the Public Relations Institute of Australia (refer Case Study: 'Green Vehicle Guide' page 14). In the Institute's Golden Target Awards announced in October 2007, the Department's campaign for the introduction of new aviation regulations related to liquids, aerosols and gels won the Government Campaigns category, while the campaign for the introduction of the Maritime Security Identification Card won the Highly Commended Award in the same category. These campaigns played a key role in the successful introduction of two critical transport security initiatives.

A delegations management system, i-Delegate, was implemented by the Department in July 2007. The i-Delegate system enables immediate access to information about the powers and authority that departmental staff have in making decisions and taking action under approximately 120 pieces of legislation. The implementation of this system provides a higher level of assurance of the Department's responsible, effective and efficient use of its powers and resources, and improves staff awareness of some of their accountability responsibilities.

## Financial performance

Departmental activities involve the use of assets, liabilities, revenues 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.

### Departmental finances

This section should be read in conjunction with the Department's audited financial statements for 2007–08, which appear in the Financial Statements section of this report.

In 2007–08, the Department reported an operating surplus of \$5.8 million.

Total income available in 2007–08 increased by \$26.4 million. The increase mainly comprised funding for measures announced in, and since, the 2007–08 Budget (\$28.7 million).

The operating surplus, along with the adjustment to asset values, contributed to an increase of \$14.0 million in the Department's net assets. This is mainly reflected in the Department's Appropriation Receivable balance.

The Department's commitment to financial management continues to be reflected in its financial performance and unqualified financial statements. The Department's 2007–08 operating result placed the Department in a strong position to manage its finances in a tighter fiscal environment.

The Department also maintained its strong focus on compliance with the *Financial Management and Accountability Act 1997* (FMA Act), and implemented systems to enhance its FMA Act compliance regime.

**Table 1.1 Summary of departmental financial performance and position**

		2003-04 \$m	2004-05 \$m	2005-06 \$m	2006-07 \$m	2007-08 \$m	Change since last year
Revenue from government		222.8	197.1	217.4	213.3	239.8	12.4% ▲
Other revenue		18.9	40.1	5.1	4.1	4.5	9.8% ▲
Gains				1.0	1.1	0.6	-45.5% ▼
<b>Total income</b>		<b>241.7</b>	<b>237.2</b>	<b>223.5</b>	<b>218.5</b>	<b>244.9</b>	<b>12.1% ▲</b>
Employee and supplier expenses		195.8	176.6	209.5	208.2	220.5	5.9% ▲
Depreciation		14.0	8.2	9.7	11.8	13.6	15.3% ▲
Other expenses		91.2	7.2	4.0	3.2	5.0	56.3% ▲
<b>Total expenses</b>		<b>301.1</b>	<b>192.0</b>	<b>223.2</b>	<b>223.2</b>	<b>239.1</b>	<b>7.1% ▲</b>
<b>Operating result (Loss)</b>		<b>(59.4)</b>	<b>45.2</b>	<b>0.3</b>	<b>(4.7)</b>	<b>5.8</b>	<b>&gt;100.0% ▲</b>
Financial assets	A	160.7	93.0	105.0	92.2	98.6	6.9% ▲
Non-financial assets	B	247.9	46.8	63.9	57.7	64.9	12.5% ▲
Liabilities	C	108.9	74.1	51.1	55.1	54.7	-0.7% ▼
<b>Net assets = A + B - C</b>		<b>299.7</b>	<b>65.6</b>	<b>117.7</b>	<b>94.8</b>	<b>108.8</b>	<b>14.8% ▲</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 \$64.9m of non-financial assets comprising several asset classes: land and buildings; infrastructure, plant and equipment; artworks; intangibles (software); inventories; and other non-financial assets. Of these, our major investments are in land and buildings (\$32.7m) and intangibles (\$22.4m).

The Department's capital program is underpinned by centralised approval processes. Business divisions submit proposals for the consideration of the Department's Strategic Information Technology Committee (for IT-related projects) and the Executive (for all other proposals >\$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 makegood assets which were revalued internally on a current market basis.

The Department's Secretary has issued a Chief Executive Instruction on asset management and the Department also 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

The government provided appropriations totalling \$4.5 billion for grants, subsidies and other administered expenses in 2007–08, including additional appropriations of \$75.0 million provided in the Portfolio Supplementary Additional Estimates Statements.

Expenses totalling \$5.2 billion were recognised during the year. The major contributors were:

- AusLink (\$2,979.8 million);
- Local Government Financial Assistance Grants (\$1,780.8 million);
- Tasmanian Freight Equalisation Scheme (\$101.3 million);
- Transfer of the Australian Maritime College to the University of Tasmania (\$66.5 million);
- Regional Partnerships (\$58.0 million); and
- Interstate Road Transport Fees (\$54.4 million).

In aggregate, the administered programs managed by the Department were under-expensed by \$323.0 million, or 5.8 per cent, of which \$83.1 million was rephased (moved to later years) during the 2008–09 Budget update and \$191.3 million was related to the recognition of expenses associated with prepayments made in 2005–06 and 2006–07. Other major variances are shown in Table 1.2.

**Table 1.2 Administered programs—reporting variances of more than \$10 million**

Program	Amount overspent (\$m)	More info
Local Government Financial Assistance Grants	19.6	page 211
Sustainable Regions	-10.7	page 201
Regional Partnerships	-28.0	page 196

Taxation revenue collected on behalf of the government rose by \$3.6 million in 2007–08 largely due to increased fees collected under the *Interstate Road Transport Act 1985* (\$3.6 million) and airport land tax equivalents (\$2.8 million). These were partially offset by decreased revenue from noise levies collected at Adelaide Airport (\$2.9 million).

Non-taxation revenue declined by \$14.3 million overall, due mainly to reduced revenue from refunds of prior-year payments (\$13.7 million) and the transfer of revenue items following the Administrative Arrangements Order of 3 December 2007 (\$13.2 million), partially offset by an increase in Australian Maritime Safety Authority (AMSA) levies (\$10.3 million).

In 2007–08, administered net assets declined by \$961.9 million due mainly to:

- the transfer of assets (\$449.2 million) and liabilities (\$11.6 million) to the Attorney-General's Department following the Administrative Arrangements Order of 3 December 2007;
- the transfer of the Australian Maritime College to the University of Tasmania (\$61.4 million); and
- decreases in prepayments due to the expensing of some prepayments made in 2005–06 (\$635.4 million) and 2006–07 (\$46.0 million).

The decrease was partially offset by increases in the net asset value of administered investments in government authorities and companies (\$236.8 million).

Figure 1.1 illustrates the mix of administered assets at 30 June 2008. For more information, see the audited financial statements.

Figure 1.1 Value of administered assets held at 30 June 2008

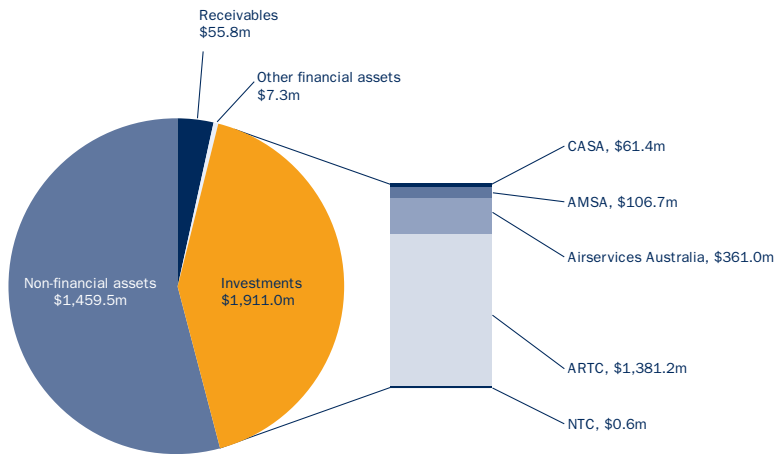


Table 1.3 Summary of administered financial performance and position

	2003-04 \$m	2004-05 \$m	2005-06 \$m	2006-07 \$m	2007-08 \$m	Change since last year
Taxation revenue	147.2	151.6	150.1	77.1	80.7	4.7% ▲
Non-taxation revenue	142.7	138.4	135.7	168.3	154.1	-8.4% ▼
Gains			36.7	0.6	7.7	>100.0% ▲
<b>Total income</b>	<b>289.9</b>	<b>290.1</b>	<b>322.5</b>	<b>246.0</b>	<b>242.5</b>	<b>-1.4% ▼</b>
Grants	3,549.8	3,620.9	3,841.7	4,319.8	4,966.6	15.0% ▲
Subsidies	134.3	138.8	136.3	128.0	142.4	11.3% ▲
Other expenses	44.7	113.7	88.9	117.6	123.8	5.3% ▲
<b>Total expenses</b>	<b>3,728.8</b>	<b>3,873.5</b>	<b>4,066.9</b>	<b>4,565.5</b>	<b>5,232.8</b>	<b>14.6% ▲</b>
Financial assets	850.4	719.5	2,118.3	1,937.3	1,974.1	1.9% ▲
Non-financial assets	85.5	289.2	2,494.7	2,459.4	1,459.5	-40.7% ▼
Liabilities	82.3	70.6	25.2	31.5	30.3	-3.8% ▼
<b>Net assets</b>	<b>853.6</b>	<b>938.0</b>	<b>4,587.8</b>	<b>4,365.1</b>	<b>3,403.3</b>	<b>-22.0% ▼</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.



## CASE STUDY – GREEN VEHICLE GUIDE

The Department's efforts to highlight information on the Green Vehicle Guide (GVG) website about the fuel consumption, pollution and greenhouse gas performance of new vehicles sold in Australia has been successful in striking a chord with new car buyers, the motoring media and industry.

Established in 2004, the GVG website <[www.greenvehicleguide.gov.au](http://www.greenvehicleguide.gov.au)> is the only information source which rates the environmental performance of all new light vehicles (up to 3.5 tonnes gross vehicle mass) sold in Australia. Detailed information, including details of engine and transmission, body style, seating and fuel type, helps users to identify and compare the performance attributes of specific vehicle models.

The site provides flexibility for users, enabling them to undertake vehicle searches and comparisons using a range of parameters. A fuel cost calculator was added in 2007–08.

The ongoing goal of the Department's campaign is to increase awareness and use of the website and establish it as the premier source for information on the environmental performance of new light vehicles on the Australian market.

During 2007–08, the campaign included national 'bus back' advertisements in major cities, internet search engine advertisements, promotion at key conferences and events, and distribution of promotional information materials such as posters, fact sheets and brochures. The paid advertising component of the campaign ran for six weeks.

The campaign made use of a relatively small advertising budget to target motorists and new car buyers in the most cost-effective way. Research has shown that the campaign's visuals and catch phrase, 'Make a smarter choice', resonate with the target audience.

Use of the website has increased, from an average of 8,500 visits per month in its first year (2004–05) to over 22,800 per month in 2007–08. The use of GVG information by motoring magazines, governments, businesses and the general public has also increased. The GVG is frequently referenced in general media articles related to new vehicle model releases.

Governments at all levels now use GVG ratings for vehicle fleet purchasing, and the Australian Capital Territory Government uses the ratings to determine new vehicle stamp duty rates to encourage the purchase of low-emission models. The GVG campaign was awarded the prestigious Public Relations Institute of Australia (ACT) 2008 Award for Excellence for a Government Sponsored Campaign.





## Environmental performance

The Department is required by the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) to report on how it has implemented the principles for ecologically sustainable development (ESD) set out in section 516A of the EPBC Act. Overall, the Department performed well in this regard during 2007–08.

The Department reports the ESD impacts of both its daily operations and the delivery of its three outcomes. This chapter focuses on the Department's operations, while Appendix E ('Report on Ecologically Sustainable Development') provides a detailed report on the following aspects of the Department's performance:

- how our activities accord with the five principles of ESD identified in the Act;
- how we administer legislation in accordance with ESD principles;
- how the outcomes we work towards and our appropriated resources contribute to ESD;
- how our activities affect the environment, and how we minimise harm to it; and
- how we review and increase the effectiveness of measures to minimise harm.

The Department's environmental policy is the driver for maintaining its environment management system (EMS). The EMS provides the supporting framework to guide operations in the Department's national office, located in the Australian Capital Territory, with a flow-on to interstate offices. It is compliant with ISO14001:2004, the international standard for EMSs.

The Department continues to seek ways to reduce its day-to-day impact on the environment and to continuously improve environmental performance by mitigating the primary environmental impacts of its operations, for example by:

- minimising energy and water consumption;
- reducing waste production while increasing recycling;
- adopting sustainable purchasing practices; and
- creating greater staff awareness of ESD principles and practices.

Working with the owners of the two buildings that accommodate the national office, through lease-negotiated base building upgrades, the Department has positioned itself to deliver significantly improved environmental performance in its key tenancies.

ESD principles were incorporated into the design of the fit-out of the Department's premises at 62 Northbourne Avenue with the aim of achieving a 4.5 Australian Building Greenhouse Rating, or better, on completion of the works. The sustainability measures included:

- water—installation of a grey water recycling system, rainwater tanks, and a dual-flush toilet system and tap sensors to reduce water waste;
- energy—installation of energy-efficient lamps, automated lighting controls, and solar panels to boost the hot water system; application of external solar-resistant film to reduce impact by solar loads; and a detailed upgrade of the mechanical base building system; and
- waste—implementation of a waste management plan which saw approximately 63 per cent (by weight) of the previous fit-out being recycled.

The sustainable practices implemented at the Department's premises at 111 Alinga Street included:

- water—installation of a low-flush toilet system, water-saving shower heads and low-flow taps to reduce water waste, leading to a reported 50 per cent reduction in water consumption; and
- energy—installation of energy-efficient chillers for the airconditioning system, a gas-fired central hot water system, and motion detectors to control lighting in bathrooms, and upgrading of the computerised light management system, leading to a reported 40 per cent reduction in electricity and gas consumption.





ESD principles were also applied in establishing Infrastructure Australia's accommodation in Sydney. The Department was able to acquire a quality tenancy, enabling the extensive reuse of existing fit-out, furniture and fixtures and minimising the need for modifications. This helped to limit the new tenancy's impact on landfill and waste, while providing a significant cost saving.

## Social performance

The Department is required to report annually on various aspects of its social performance. In particular, the Department must address the reporting requirements of the:

- *Occupational Health and Safety Act 1991*;
- *Freedom of Information Act 1982*;
- *Requirements for annual reports for departments, executive agencies and FMA Act bodies*, Department of Prime Minister and Cabinet, 8 June 2008;
- Commonwealth Access and Equity Strategy; and
- Commonwealth Disability Strategy.

Detailed reports against these requirements are provided in Chapter 6 ('Management and Accountability') and related appendices.

To a large extent, these matters relate to the impacts of the Department's operations on its staff. As described in Chapter 6, the Department places a high priority on the wellbeing of its people, and has renewed its focus on people management to ensure it provides the necessary capability to deliver outcomes for government.

The Department's activities also have social implications for the wider community, through the nature of the programs and services which the Department delivers. At an outcome level this is particularly reflected in:

- the 'infrastructure investment' focus of Outcome 1: Assisting the Government to provide, evaluate, plan and invest in infrastructure across industry sectors;
- the 'safe and secure' focus of Outcome 2: Fostering an efficient, sustainable, competitive, safe and secure transport system; and
- the 'assisting' focus of Outcome 3: Assisting regions and local government to develop and manage their futures.

In turn, social performance is evident in the Department's nine outputs as follows:

- the improved national transport system and infrastructure investment coordination delivered through outputs 1.1.1 and 1.1.2;
- the 'no blame' investigations, research and statistical analysis undertaken through Output 2.1.1;
- the transport security work undertaken through Output 2.2.1;
- the surface transport policy development and program delivery work delivered through Output 2.3.1;
- the vehicle safety regulatory work undertaken through Output 2.3.2;
- the aviation transport policy development and program delivery work delivered through Output 2.3.3; and
- the regional development and local government services and programs delivered through outputs 3.1.1 and 3.1.2.

Particular highlights of the Department's social performance in 2007–08, within Australia and overseas, include:

- the finalisation of the Department's role as the lead agency on the COAG trial of arrangements to improve government linkages with remote Indigenous communities;
- the work on ITSAP, which is enhancing the safety of Indonesia's aviation and marine transport networks;
- the implementation of the program to fit seatbelts on regional school buses; and
- the support provided for the establishment of IA.

Further detail on the social impacts of the Department's outputs can be found in chapters 3, 4 and 5 and in appendices A and D.







## CHAPTER 2

About Us

## ABOUT US

The Infrastructure, Transport, Regional Development and Local Government portfolio, in accordance with its three published outcome statements, contributes to the wellbeing of all Australians by assisting the Government to provide, evaluate, plan and invest in infrastructure across industry sectors, by fostering an efficient, sustainable, competitive, safe and secure transport system, and by assisting regions and local government to develop and manage their futures.

Prior to the change of government in November 2007, the Department was known as the Department of Transport and Regional Services. In accordance with the priorities of the new government, the Department transferred responsibility for services to territories and natural disaster relief functions and associated administrative programs to the Attorney-General's Department and gained responsibility for major projects facilitation from the former Department of Industry, Tourism and Resources. The Department also assumed responsibility for the new role of infrastructure planning and coordination. As a consequence, the Department now has a new outcome that addresses Infrastructure, and a revised set of outputs. Refer Appendix L which shows the Department's current and previous outcome and output structures.

### Our Minister and Parliamentary Secretary

The Department is accountable to the Minister for Infrastructure, Transport, Regional Development and Local Government and the Parliamentary Secretary for Regional Development and Northern Australia.

The Hon Anthony Albanese MP and the Hon Gary Gray AO MP were respectively appointed as Minister for Infrastructure, Transport, Regional Development and Local Government, and Parliamentary Secretary for Regional Development and Northern Australia on 3 December 2007. During 2007 until the change of government, the Hon Mark Vaile MP was the Minister for Transport and Regional Services, the Hon Jim Lloyd MP was the Minister for Local Government, Territories and Roads and the Hon De-Anne Kelly MP was the Parliamentary Secretary.

### About the portfolio

This annual report focuses on the Department of Infrastructure, Transport, Regional Development and Local Government. 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 as at 30 June 2008 are:

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

Other bodies and corporations in the portfolio include:

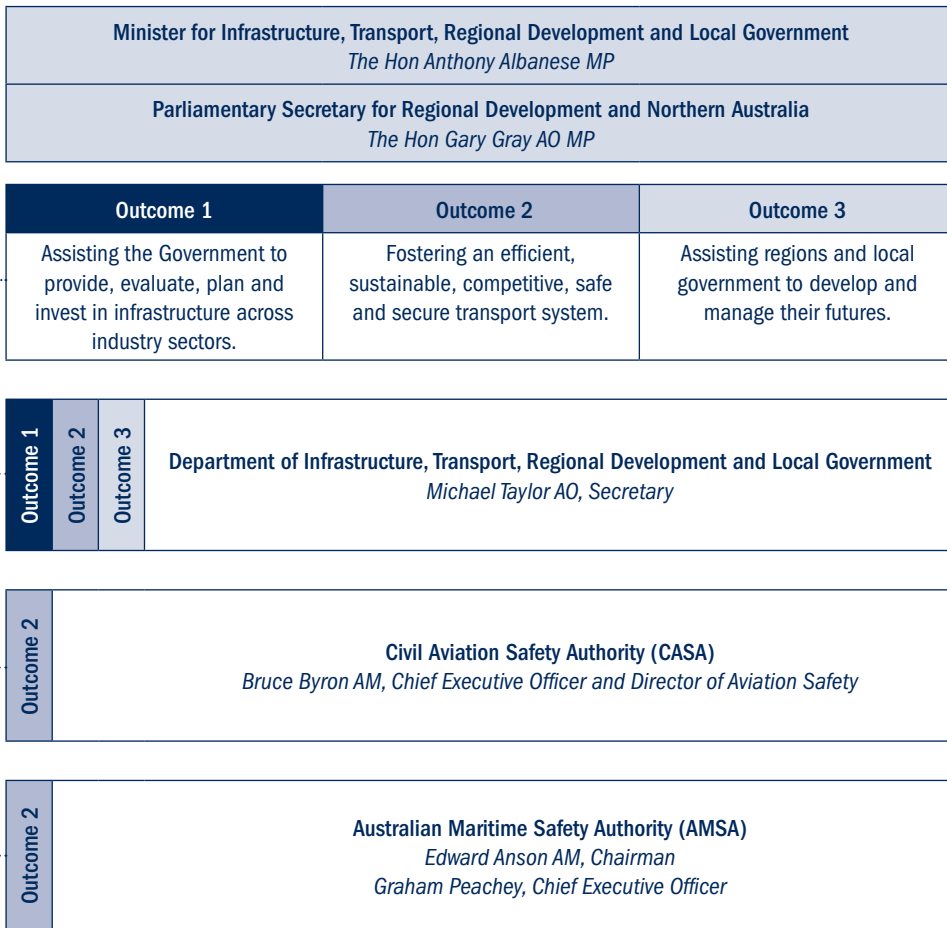
- International Air Services Commission <[www.iasc.gov.au](http://www.iasc.gov.au)>;
- National Transport Commission <[www.ntc.gov.au](http://www.ntc.gov.au)>; and
- Australian Rail Track Corporation <[www.artc.com.au](http://www.artc.com.au)>.

Three portfolio agencies, including the Department of Infrastructure, Transport, Regional Development and Local Government, belong to the general government sector. Figure 2.1 illustrates how these agencies contribute to portfolio outcomes. A complete list of portfolio bodies, including agencies which are outside the general government sector, appear at Appendix J.

The major changes to the structure of the portfolio during 2007–08, aside from the restructuring and renaming of the Department, was the transfer of the National Capital Authority to the Attorney-General's portfolio following the Administrative Arrangements Order on 3 December 2008, and the establishment of the statutory advisory council Infrastructure Australia.



**Figure 2.1 Relationship of portfolio agencies in the general government sector, as at 30 June 2008**



*Notes: The Department of Infrastructure, Transport, Regional Development and Local Government also includes the Australian Transport Safety Bureau (ATSB) and the Bureau of Infrastructure, Transport and Regional Economics (BITRE).*

*General government-sector agencies provide public services that are mainly non-market in nature, are mainly for the collective consumption of the community, involve the transfer or redistribution of income or are financed mainly through taxes and other compulsory levies. For more information about this classification, which reflects standards issued by the International Monetary Fund, see the Australian Bureau of Statistics publication Australian system of government finance statistics: concepts, sources and methods, 2003 (Cat. No. 5514.0.55.001), available at <www.abs.gov.au>.*

## About the department

### Who we are

The Department of Infrastructure, Transport, Regional Development and Local Government provides 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*.

### What we do

We contribute to the wellbeing of all Australians through our three outcomes by:

- assisting the Government to provide, evaluate, plan and invest in infrastructure across industry sectors;
- fostering an efficient, sustainable, competitive, safe and secure transport system; and
- assisting regions and local government to develop and manage their futures.

### How we make a difference

The services and funding provided by the Australian Government through the Department affect every Australian household. Our work bears on decisions on infrastructure investment, the quality of our roads, the efficiency, safety and security of our transport systems, and our access to goods and services from interstate and overseas.

The Department administers approximately \$5.2 billion a year across a number of major business lines, as illustrated in Figure 2.2, noting that the Corporate Services Division and the Bureau of Infrastructure, Transport and Regional Economics provide vital support to business divisions by delivering essential research and business services for all outputs. For more information about the results we have achieved in each area, see our report on performance (chapters 3, 4 and 5).

### Changes in the organisation since the last report

Following the change of government in November 2007, the Department was reorganised to reflect the priorities of the new government. Additionally the Department transferred responsibility for services to territories and natural disaster relief functions (the previous Outputs 2.2.1 and 2.2.3) and the associated administered programs to the Attorney-General's Department. A revised outcome and output structure, which formalised these priorities, and included a new outcome focused on infrastructure, was published in the 2008–09 Portfolio Budget Statements (PBS).

The Financial Statements section of this report reflects the outcome and output structure that was published in the 2007–08 budget documents (PBS, Portfolio Additional Estimates Statements [PAES] and Portfolio Supplementary Additional Estimates Statements [PSAES]). However, for consistency with the restructured organisation and the focus of the Department's work for the second half of 2007–08, the performance chapters of this report reflect the revised outcome and output structure as published in the 2008–09 PBS, with cross-references as necessary to the previous outcome and output structure (refer Figures 3.1, 4.1 and 5.1). Appendix L shows both the previous and current outcome and output structures, while Appendix M shows total resourcing by outcome and output mapped against both the current and previous outcome and output structures.

Figure 2.2 shows the alignment of our organisational structure with our Outcomes and Outputs. Figure 2.3 details our current organisational structure and the senior staff responsible for each area at 30 June 2008.





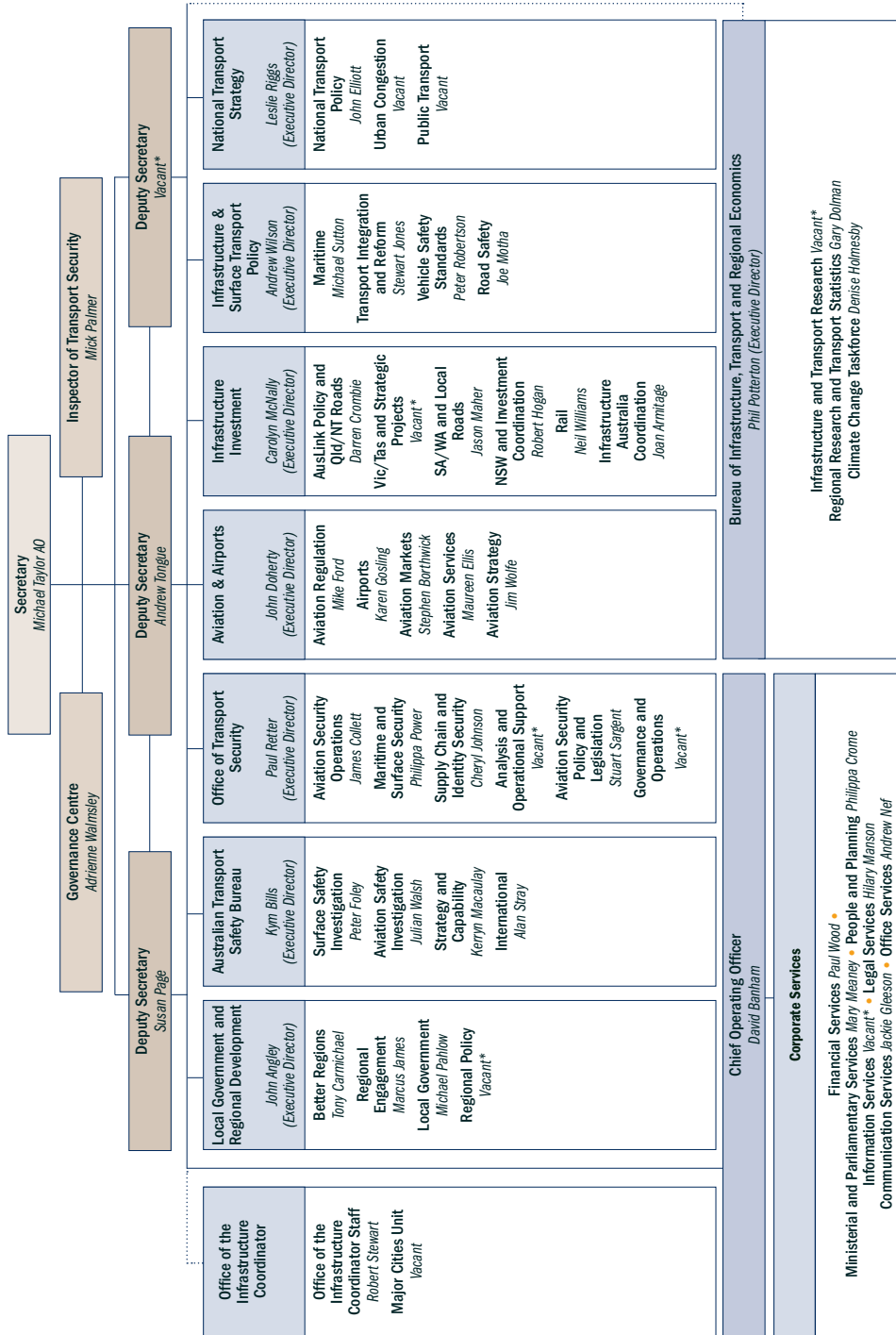
**Figure 2.2 Current departmental outcome and output structure**

Outcome	Output Group	Output	Division/s	More info	
<b>Outcome 1</b> Assisting the Government to provide, evaluate, plan and invest in infrastructure across industry sectors	1.1 Infrastructure investment	1.1.1 Infrastructure investment policy and programs	Infrastructure Investment Infrastructure and Surface Transport Policy	page 37	
		1.1.2 Infrastructure investment coordination	Infrastructure Investment	page 57	
<b>Outcome 2</b> Fostering an efficient, sustainable, competitive, safe and secure transport system	2.1 Transport safety investigations	2.1.1 Transport safety investigations	Australian Transport Safety Bureau	page 69	
	2.2 Transport security	2.2.1 Transport security policy, programs and regulation	Office of Transport Security Office of the Inspector of Transport Security	page 89	
		2.3 Transport systems	2.3.1 Surface transport policy, programs and regulation	Infrastructure and Surface Transport Policy National Transport Strategy	page 111
			2.3.2 Road safety and vehicle policy, programs and regulation	Infrastructure and Surface Transport Policy	page 127
	2.3.3 Aviation and airports policy, programs and regulation	Aviation and Airports	page 141		
	<b>Outcome 3</b> Assisting regions and local government to develop and manage their futures	3.1 Regional development	3.1.1 Regional development policy and programs	Local Government and Regional Development	page 181
3.2 Local government		3.2.1 Local government policy and programs	Local Government and Regional Development	page 205	





**Figure 2.3 Organisational structure as at 30 June 2008**



\*A/g Deputy Secretary Andrew Wilson. \*A/g General Manager Vic/Tas and Strategic Projects Ned Rukvic. \*A/g General Manager Regional Policy Judy Jenkins.  
 \*A/g General Manager Analysis and Operational Support Ross Hallinan. \*A/g General Manager Governance and Operations Stewart Dietrich.  
 \*A/g Chief Information Officer Neil Thomas. \*A/g General Manager Infrastructure and Transport Research David Gargett.

## Meet our executive team



**Michael Taylor AO**  
Secretary

Michael Taylor leads and manages departmental staff in their policy development, regulatory and program implementation work. He has specific responsibilities as Secretary, many of which are set out in legislation. Mr Taylor also chairs the National Standing Committee on Transport and Regional Development.



**Susan Page**  
Deputy Secretary

Susan Page is responsible for infrastructure investment, local government and regional development, and international and multilateral forums, such as those of the Asia–Pacific Economic Cooperation, and chairs the Strategic Information Technology and Departmental Security committees.



**Andrew Tongue**  
Deputy Secretary

Andrew Tongue oversees transport security investigation and safety issues including security regulation of the aviation and maritime sectors. He represents the Department on the National Counter-Terrorism Committee and the Australian Government Counter-Terrorism Policy Committee, and chairs the Transport Security Working Group with the states and territories and the Department's People Management and Audit committees, and the Departmental Consultative Committee.



**Mike Mrdak**  
Deputy Secretary

Until his transfer to the Department of the Prime Minister and Cabinet on 25 March 2008, Mike Mrdak was responsible for transport and climate change policy and research, along with aviation, airports, maritime and land transport. He also chaired the Department's Audit and People Management committees.



## Our governance arrangements

### How we do business

The Department employs 1,247 people who are located throughout Australia. In accordance with our Client Service Charter, we aspire to be:

- results oriented;
- honest, professional and accountable;
- client and stakeholder focused;
- committed to improving our skills; and
- diverse, trusting and respectful of each other.

### Governance framework and senior management committees

During 2007–08, senior management committees provided leadership in and coordination of 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:

- managing the Department efficiently, effectively and in accordance with Australian Public Service legislative requirements;
- ensuring the Department's outputs were of a high quality, were timely and contributed to the achievement of the Australian Government's desired outcomes; and
- supporting the Department to meet its obligation to be open and accountable to its stakeholders.

There are four high-level departmental groups which meet regularly and assist the Secretary and senior management in the organisation's decision-making process. These are the:

- Secretary's Business Meeting;
- Executive Management Team;
- Senior Executive Service (SES) Management Team; and
- SES Strategic Planning Forum.

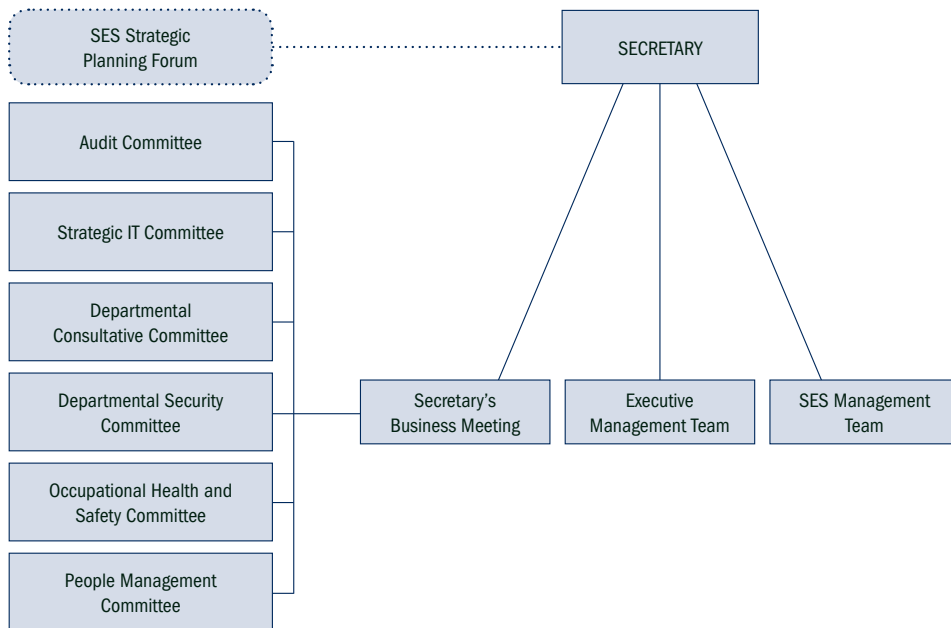
There are also six supporting committees that focus on specific areas of organisational management and decision making. These are the:

- Audit Committee;
- Strategic IT Committee;
- Departmental Consultative Committee;
- Departmental Security Committee;
- People Management Committee; and
- Occupational Health and Safety Committee.

Additionally, a Financial Statements Sub-Committee of the Audit Committee meets to support the financial statements activity.



**Figure 2.4 Governance committee framework in place during 2007-08**



The most senior of the Department's committees is the Secretary's Business Meeting, comprised of the Secretary, 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, Deputy Secretaries, the Chief Operating Officer and Executive Directors (heads of the Department's nine business divisions). Other employees, including the Chief Financial Officer, General Counsel, Chief Information Officer, General Manager People and Planning, Director Communication Services, Director Ministerial and Parliamentary Services, and Director Governance Centre 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 relevant to all areas of the Department, 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 to Executive Directors.

All Senior Executive Service employees are required to demonstrate leadership in departmental governance and planning through participation in quarterly strategic planning forums and monthly Senior Executive Service Management Team (SESMT) meetings.

## Audit Committee

The objective of the Committee is to provide independent assurance and assistance to the Secretary on the Department's risk, control and compliance framework, and its external accountability responsibilities.

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;
- oversees preparation of the Department's financial statements in conjunction with the Financial Statements Sub-Committee.

During 2007–08, the role of Chair of the Audit Committee changed from Deputy Secretary Mike Mrdak, who transferred from the Department in March 2008, to Deputy Secretary Andrew Tongue. Another change to the membership of the committee reflected the retirement of Jeremy Chandler as Chief Operating Officer and the subsequent appointment of David Banham in this role. Other members of the Committee include one Executive Director of the Department and three independent members (see Table 2.1).

**Table 2.1 Audit Committee membership and meetings to 30 June 2008**

Member	Role	Number of meetings held	Number of meetings attended
Mike Mrdak (to 23 March 2008)	Chair	6	5
Andrew Tongue (from 24 March 2008)	Chair	6	1
Leslie Riggs	Member	6	5
Jeremy Chandler (to 21 December 2007)	Member	6	3
David Banham (from 22 December 2007)	Member	6	2
Johanna Barker	Independent	6	6
Jenny Morison	Independent	6	6
Paul McGrath	Independent	6	6

The Audit Committee has a Financial Statements Sub-Committee whose primary role is to oversee financial statements reporting and processes on behalf of the Audit Committee. The committee membership consists of two independent members of the Audit Committee (one as chair), the Chief Financial Officer and one General Manager. Several other observers contribute to the sub-committee meetings, including representatives from the ANAO, the Governance Centre and various members of the Financial Services Branch.

## Other committees

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

- The Strategic Information Technology Committee develops a common vision for the Department's information technology requirements; determines the Department's data requirements and data collection priorities; and recommends information technology funding priorities to the Secretary within the budget allocated by the Executive.
- The Departmental Consultative Committee provides a forum for consultation on matters arising out of the operation and implementation and ongoing application of the Department's Collective Agreement 2006–09.
- The Departmental Security Committee provides a mechanism for an integrated agency approach to protective security and compliance with the *Australian Government Protective Security Manual*.
- The Occupational Health and Safety Committee considers occupational health and safety strategy, policy and performance matters with the aim of continually improving the Department's health and safety environment.
- The People Management Committee considers high-level strategic people management issues and directions for the Department.





CHAPTER 2





## CHAPTER 3

Outcome 1—Infrastructure  
Outputs and Programs

# INFRASTRUCTURE OVERVIEW

## Overview

During 2007–08, the Department:

- contributed to better transport investment decisions through sound management and partnered decision making with other jurisdictions through a range of administered programs, including the AusLink Investment Program; and
- established Infrastructure Australia and supported it with administrative resources as it prepared to undertake its initial key infrastructure audit and to develop a priority infrastructure list and public-private partnership policy guidelines.

## Outcome and outputs

Figure 3.1 shows the relationships between Outcome 1 and its two outputs, as published in the 2008–09 Portfolio Budget Statements (PBS), and identifies the responsible business division. The figure also relates each of the current outputs to the corresponding output under the previous outcome and output structure.

**Figure 3.1 Outcome 1 and outputs**

Outcome	Output Group	Output	Business division/s	Applicable 2007–08 PBS Output
<b>Outcome 1</b> Assisting the Government to provide, evaluate, plan and invest in infrastructure across industry sectors	1.1 Infrastructure investment	1.1.1 Infrastructure investment policy and programs	Infrastructure Investment  Infrastructure and Surface Transport Policy	1.3.1 AusLink  1.4.1 Maritime and land transport (COAG national reform agenda road transport aspects)
		1.1.2 Infrastructure investment coordination	Infrastructure Investment	1.3.1 AusLink

## What this chapter covers

### Revised outcome and output structure

When the Department was restructured during 2007–08 to reflect the new government’s priorities, the outcome and output structure was revised. The structure of the performance chapters of this report reflects the new outcome and output structure, which was published in the 2008–09 PBS. Refer Appendix L which shows both the current and previous structures.



## Performance indicators

This chapter describes the Department's performance against the performance indicators (excluding price and cost) published in the 2007–08 PBS or modified in the 2007–08 Portfolio Additional Estimates Statements (PAES).

Financial performance indicators—price (for outputs) and cost (for administered programs)—are on an accrual expense basis as published in the 2007–08 PAES, with the exception of the Tackling urban congestion and planning program for which appropriation of \$75.0 million was provided in the 2007–08 Portfolio Supplementary Additional Estimates Statements (PSAES). They have been adjusted to reflect the revised outcome and output structure.

In most cases, the effectiveness, quantity, quality and location performance indicators are as originally published in the 2007–08 PBS. Exceptions occur because:

- several new programs, and their accompanying performance indicators, were first published in the 2007–08 PAES; and
- the performance indicators for any new or modified programs announced in the PSAES are not published until the following year's PBS, even if the new or modified programs have implications for the current financial year. Refer Appendix K for a list of new or modified performance indicators.

## Reporting structure

The chapter begins with a table summarising the attributed budgeted and actual resources of Outcome 1, and the overall performance achieved, in 2007–08.

This is followed by the reports on performance for individual outputs. Each output report includes:

- an overview of the output's functions and how they are delivered;
- a cross-reference to the applicable 2007–08 PBS output;
- a summary of the output's results against the performance indicators;
- a more detailed report on the output's performance against each indicator; and
- if the output has administered programs, a report on performance against the indicators for each program.

Each output and administered summary report also includes a rating of progress towards achievement of the performance indicators, using the following ratings:

- ✓✓✓ Fully achieved
- ✓✓✓ Mostly achieved
- ✓✓✓ Partially achieved
- ✓✓✓ Not achieved

These ratings are an overall assessment of performance for 2007–08 taking into account both financial and non-financial aspects.



**Resources and performance—Outcome 1****Table 3.1** Summary of resources and performance

	Budget 2007–08 <sup>a</sup> \$'000	Actual 2007–08 \$'000	Variance <sup>b</sup> %	Performance rating	Page
<b>Outcome 1—Infrastructure</b>					
<b>Output 1.1.1—Infrastructure investment policy and programs</b>	<b>19,195</b>	<b>19,479</b>	<b>1.5</b>	<b>✓✓✓</b>	<b>37</b>
<i>Administered programs</i>					
AusLink Investment	1,841,906	1,847,336	0.3	✓✓✓	42
AusLink Black Spot Projects	47,492	37,264	-21.5	✓✓✓	44
AusLink Roads to Recovery	307,500	262,500	-14.6	✓✓✓	45
AusLink Strategic Regional	75,700	75,700	0.0	✓✓✓	46
AusLink Strategic Regional—supplementary	25,026	46,041	84.0	✓✓✓	48
AusLink improving local roads	153,750	98,710	-35.8	✓✓✓	49
AusLink improving the National Network	693,914	536,677	-22.7	✓✓✓	50
Funding for road projects other than under the <i>AusLink (National Land Transport) Act 2005</i>	6,000	570	-90.5	✓✓✓	52
Tackling urban congestion and planning <sup>c</sup>	75,000	75,000	0.0	✓✓✓	53
Management of residual issues of former Australian National Railways Commission	350	38	-89.1	✓✓✓	53
Murray River Bridges—Federation Fund Project	0	0	0.0	✓✓✓	54
Upgrade of the Mainline Interstate Railway Track	20,000	0	-100.0	✓✓✓	55

	Budget 2007–08 <sup>a</sup> \$'000	Actual 2007–08 \$'000	Variance <sup>b</sup> %	Performance rating	Page
<b>Output 1.1.2—Infrastructure investment coordination</b>	<b>3,307</b>	<b>946</b>	<b>-71.4</b>	<b>✓✓✓</b>	
<b>Outcome 1—All outputs</b>					
Total price of departmental outputs	22,502	20,425	-9.2		
Less receipts from independent sources	177	128	-27.7		
Net price to government	22,325	20,297	-9.1		
Administered programs summary					
Total cost of administered programs	3,246,638	2,979,836	-8.2		
Plus depreciation, write-down of assets etc.	0	0	0.0		
Total administered operating expenses	3,246,638	2,979,836	-8.2		
Less administered revenues	263	264	0.4		
Net cost to government	3,246,375	2,979,572	-8.2		
<b>Average staffing level</b>	<b>103</b>	<b>109</b>	<b>6.0</b>		

*a The budget shown for departmental outputs is the attributed budget for the Department's revised outcome and output structure as first published in the 2008–09 PBS, and reflects the final budget as per the 2007–08 PAES. Appendix M shows the output budgets and actuals in accordance with the Department's previous outcome and output structure as published in the 2007–08 PAES. The budget shown for administered programs is the revised budget published in the 2007–08 PAES, except where indicated for measures announced in the 2007–08 PSAES. Departmental outputs include the Department's own source revenue.*

*b The variance is the change in the Department's 2007–08 actuals over its revised 2007–08 budget.*

*c This measure was announced in the 2007–08 PSAES.*





CHAPTER 3

## OUTPUT 1.1.1—INFRASTRUCTURE INVESTMENT POLICY AND PROGRAMS

### Highlights

In 2007–08, the fourth year of the national land transport plan, AusLink, the Department administered \$3.0 billion in direct and indirect grants to replace, upgrade and maintain the quality of land transport infrastructure on behalf of the Australian Government.

The Black Spot Program administered \$37.3 million to improve road safety at identified crash sites; 313 new black spots were approved for treatment in 2007–08.

In the 2008–09 Budget, the Australian Government announced funding of \$559.3 million in 2008–09 for 45 early start projects under three AusLink programs: Investment, Strategic Regional, and Funding for road projects other than under the *AusLink (National Land Transport) Act 2005*. Work was initiated with states and the Northern Territory to ensure rapid commencement of the projects.

The Australian Government also announced the provision of \$75.0 million to several states to conduct urban congestion and planning studies. Agreements enabling payment of funds in June 2008 were put in place with the states.

Bilateral negotiations with state and territory governments commenced on projects and funding arrangements for the Australian Government's land transport investment program for 2009–10 to 2013–14.

The AusLink Program Management System was implemented for the AusLink Investment, Black Spot and Roads to Recovery programs. This provides an online reporting and payment claims system for states, territories, local councils and the Australian Rail Track Corporation. It also facilitates improved program and financial management for the Department.

### Overview

Output 1.1.1 is delivered by the Infrastructure Investment and the Infrastructure and Surface Transport Policy (ISTP) business divisions.

Through infrastructure investment, the Australian Government has committed to increasing the efficiency and safety of Australia's land transport infrastructure. The Department manages AusLink, a suite of programs aimed at improving national land transport infrastructure to meet Australia's changing transport needs.

In 2007–08, the output included 12 programs:

- AusLink Investment;
- AusLink Black Spot Projects;
- AusLink Roads to Recovery;
- AusLink Strategic Regional;
- AusLink Strategic Regional—supplementary;
- AusLink improving local roads;
- AusLink improving the National Network;
- Funding for road projects other than under the *AusLink (National Land Transport) Act 2005*;
- Tackling urban congestion and planning;
- Management of residual issues of former Australian National Railways Commission;
- Murray River Bridges—Federation Fund; and
- Upgrade of the Mainline Interstate Railway Track.



As a result of the Administrative Arrangements Order of 3 December 2007, the Major Project Facilitation (MPF) function was transferred to the Department from Invest Australia, a division within the former Department of Industry, Tourism and Resources. The MPF service is tailored to suit each project, drawing on the Department's knowledge and experience of government processes.

Output 1.1.1 corresponds to Output 1.3.1 and the COAG national reform agenda road transport aspects of Output 1.4.1 in the previous outcome and output structure (see Appendix L for a comparison between the current and previous structures).

Table 3.2 summarises the output's performance in 2007–08.

## Summary of performance

**Table 3.2 Summary of performance—Output 1.1.1—Infrastructure investment policy and programs**

Performance indicators	Results
<b>Effectiveness</b>	
<i>The Australian Government's national land transport plan (AusLink) is implemented to maintain and improve the standard of national infrastructure (Infrastructure Investment).</i>	In 2007–08, the Department administered \$3.0 billion in direct and indirect grants for land transport infrastructure (including financial assistance grants for roads administered under Output 2.2.2). See the reports on individual programs for descriptions of their contribution to national infrastructure.
<i>Infrastructure planning and investment decision making processes are improved in partnership with state and territory governments (Infrastructure Investment).</i>	The Department continued to work closely with state and territory agencies. Bilateral negotiations with state and territory governments commenced on projects and funding arrangements for the land transport investment program for 2009–10 to 2013–14. The potential for the early start of projects was considered in conjunction with states and the Northern Territory.
<i>The COAG national reform agenda for transport is actively progressed in conjunction with all Australian governments (ISTP).</i>	The Department also worked with states and territories to implement the Phased Road Reform Plan for heavy vehicles agreed to by COAG in April 2007. A new national charging determination was endorsed by transport Ministers in February 2008. The Department is coordinating work to provide COAG with information to assess the benefits of moving to more direct charging of heavy vehicles. This first phase of results will be reported to COAG at the end of 2008.
<b>Quality</b>	
<i>Programs are administered in line with relevant legislation (Infrastructure Investment).</i>	All programs were administered in accordance with relevant legislation, agreements, notes on administration and other guidance material.
<b>Price</b>	
\$19.2 million	The actual price of this output in 2007–08 was \$19.5 million.
<b>Overall performance</b>	<b>Fully achieved.</b>





## CASE STUDY – PAKENHAM BYPASS

The Australian Government contributed \$121 million to the construction of the Pakenham Bypass – a 20 km bypass that forms a critical link in providing a safe, uninterrupted freeway between Gippsland and Melbourne. The bypass was opened to public traffic on 1 December 2007, relieving a major bottleneck and improving safety on the section of the Princes Highway between Beaconsfield and Nar Nar Goon.

Jointly funded by the Australian Government and the Victorian Government, the \$242 million four-lane freeway provides a safe and efficient route south of the existing Princes Highway through the townships of Pakenham and Officer.

The Princes Highway provides a key transport route serving various industries, freight services and tourist areas in Gippsland, the La Trobe Valley and southern New South Wales. Key industries served by the highway in the region include timber, power generation, dairy, mining, agriculture and off-shore natural gas and oil. Construction of the Pakenham Bypass facilitates the continued growth and contribution of these industries to the Victorian and national economy.

Prior to the construction of the Pakenham Bypass, the Princes Highway through Pakenham was considered the last remaining bottleneck on Melbourne's eastern outskirts, with 11 intersections and six continuous traffic signals. The bypass has reduced travel time between Beaconsfield and Nar Nar Goon by up to 50%.

Other key benefits of the three-stage Pakenham Bypass project include:

- improved safety in and around the townships of Officer and Pakenham, resulting in reduced accidents and their associated economic and social costs;
- fuel cost savings and reduced emissions through the reduction in travel time for freight and tourism transport; and
- regional economic growth through improved freight efficiency and road access to Melbourne for businesses in south-east Victoria.

Environmental concerns were paramount in the planning of the project. A Project Environment Protection Strategy was developed with relevant stakeholders and provided a framework for environmental protection during and after construction. This ensured that specific plans were in place to protect three nationally listed threatened species identified within the Pakenham Bypass reservation: the Matted Flax-Lily flower, the Dwarf Galaxias fish and the Growling Grass frog.

The Pakenham Bypass is an enormous engineering feat that is complete with interchanges, bridge structures, noise walls and landscaping. The road reserve includes an allowance for the possible future upgrading of the bypass to six-lane freeway standard.



*Pakenham Bypass looking east and showing noise walls (Photo DITRD/LG)*

## Detailed report on performance

### Effectiveness—Output 1.1.1

*The Australian Government's national land transport plan (AusLink) is implemented to maintain and improve the standard of national infrastructure.*

*Infrastructure planning and investment decision making processes are improved in partnership with state and territory governments.*

The Australian Government's commitment to land transport infrastructure under AusLink over the five financial years to 30 June 2009 is \$15.9 billion. In 2007–08, the fourth year of the plan, the Department administered \$3.0 billion in direct and indirect grants to replace, upgrade and maintain the quality of land transport infrastructure on behalf of the Australian Government.

In the 2008–09 Budget, the government announced funding of \$559.3 million in 2008–09 for 45 'early start' projects under three AusLink programs: Investment, Strategic Regional and Funding for road projects other than under the *AusLink (National Land Transport) Act 2005* (AusLink Act). In 2007–08, the Department began negotiations with states and the Northern Territory to ensure rapid commencement of the projects.

Details of achievements are provided in the reports on performance for each of the programs administered under Output 1.1.1.

The Department continued to work cooperatively with counterpart agencies in all states and territories and local councils to implement land transport investment projects in 2007–08. States and the Northern Territory were consulted closely about the potential for 'early start' projects.

In 2007–08, the Department worked with state and territory governments to develop consistent best practice cost estimation processes to support future project planning and development. A workshop was held with states and territories in February 2008.

Bilateral negotiations with state and territory governments commenced on projects and funding arrangements for the land transport investment program for 2009–10 to 2013–14.

The AusLink Program Management System was implemented for the AusLink Investment, Black Spot and Roads to Recovery programs. This provides an online reporting and payment claims system for states, territories, local councils and the Australian Rail Track Corporation. It also facilitates improved program and financial management for the Department.



*The COAG national reform agenda for transport is a progressed in conjunction with all Australian governments.*

In April 2007, COAG agreed to a three-phase road reform plan to improve the efficiency of road freight and help to meet growing demand. Phase 1 is due for completion by December 2008. The Department played a key role during 2007–08 in work to deliver the reforms.

New heavy vehicle charges that ensure ongoing cost recovery of the damages that heavy vehicles do to the road network and that remove cross-subsidies from across vehicle classes were unanimously supported by the ATC on 29 February 2008. Legislation to implement the new charges was prepared but is yet to pass through the Australian Parliament.

The Department is coordinating work to assess the benefits of moving to more direct charging of heavy vehicles, potentially encompassing mass–distance location-based charges. In cooperation with the states and territories, the Department commissioned reports on the extent to which heavy vehicle externalities and road costs imposed by heavy vehicles should be included in a cost base to be recovered from heavy vehicles.

Work is also progressing on the development of a methodology to quantify road funding to meet community service obligations (CSOs) and a method to take this into account in calculating a heavy vehicle charges cost base. Analysis work on externalities, road costs and CSOs will be completed for reporting to COAG at the end of 2008.

### Quality—Output 1.1.1

*Programs are administered in line with relevant legislation.*

All programs were administered in line with the AusLink Act or other relevant legislation. The AusLink Act provides for the funding of projects related to land transport matters and for related purposes.

In 2007–08, the Department administered the following programs:

- AusLink Investment;
- AusLink Black Spot Projects;
- AusLink Roads to Recovery;
- AusLink Strategic Regional;
- AusLink Strategic Regional—supplementary;
- AusLink improving local roads;
- AusLink improving the national network;
- Tackling urban congestion and planning;
- Funding for road projects other than under the *AusLink (National Road Transport) Act 2005*;
- Management of residual issues of former Australian National Railways Commission;
- Murray River Bridges—Federation Fund; and
- Upgrade of Mainline Interstate Railway Track.



## Administered programs for Output 1.1.1—Infrastructure investment policy and programs

**Table 3.3 Summary of performance—AusLink Investment**

Performance indicators	Results
<b>Effectiveness</b>	
<p><i>Road, rail and related infrastructure is maintained and enhanced along designated transport corridors.</i></p> <p><i>Infrastructure planning and investment decision making processes are improved in partnership with state and territory governments.</i></p>	<p>A total of 189 National Network projects were funded under the five-year program. Of these, 115 had been completed and nearly all other projects were well advanced by 30 June 2008.</p> <p>Road maintenance contributions were provided to states and territories in line with the AusLink allocation formula.</p> <p>The Department continued to work cooperatively with counterpart agencies in all states and territories to implement land transport investment projects in 2007–08.</p> <p>Bilateral negotiations with state and territory governments commenced on projects and funding arrangements for the Australian Government's land transport investment program for 2009–10 to 2013–14.</p>
<b>Quality</b>	
<p><i>Transport corridor objectives, strategies and priorities reflect national needs for future investment.</i></p> <p><i>Projects are administered in line with relevant legislation.</i></p>	<p>The Department completed 23 corridor strategies with states and territories covering the designated road and rail links that make up the National Land Transport Network. The strategies have been referred to Infrastructure Australia to help inform its work on the national infrastructure audit and the infrastructure priority list.</p> <p>All AusLink Investment projects active in 2007–08 were administered in accordance with relevant legislation. Most projects were administered under the AusLink Act, while a small number of former Roads of National Importance projects were administered under the <i>Australian Land Transport Development Act 1988</i>.</p> <p>Projects were also administered in accordance with AusLink bilateral agreements (between the Australian Government and each state and territory government), a memorandum of understanding with the Australian Rail Track Corporation and notes on administration.</p>
<b>Cost</b>	
<p><i>\$1,841.9 million</i></p>	<p>The actual cost of this program in 2007–08 was \$1,847.3 million. The increase is due to unspent funds being moved to the program from the Funding for road projects other than under the <i>AusLink (National Land Transport) Act 2005</i> program. Funding will be reduced in 2008–09 by an equivalent amount.</p>
<b>Overall performance</b>	<b>Fully achieved.</b>



## Effectiveness—AusLink Investment

Performance indicators	Results
<b>Effectiveness</b>	
<p><i>Road, rail and related infrastructure is maintained and enhanced along designated transport corridors.</i></p>	<p>AusLink Investment funds maintenance and construction projects on the National Land Transport Network, as well as a small number of projects off the network. The Australian Government invested \$1,847.3 million on projects and maintenance in 2007–08. Some projects were funded jointly with state and territory governments and other parties.</p> <p>Of the 189 National Network projects in the five-year program, 115 had been completed by 30 June 2008. Projects that were completed in 2007–08 included:</p> <ul style="list-style-type: none"> <li>• duplication of the Brunswick Heads to Yelgun section of the Pacific Highway;</li> <li>• Pakenham bypass;</li> <li>• Tugun bypass;</li> <li>• Clackline bypass;</li> <li>• upgrade of the Hampstead, Regency and Mullers intersection in Adelaide; and</li> <li>• duplication of the Penguin to Ulverstone Stage 2 section of the Bass Highway.</li> </ul> <p>Projects that began or continued in 2007–08 included:</p> <ul style="list-style-type: none"> <li>• Ballina bypass, Bonville deviation and duplication of the Karuah to Bulahdelah (Stages 2 and 3) and Cooperook to Moorland sections of the Pacific Highway;</li> <li>• the western bypass of Geelong;</li> <li>• construction of an improved rail link to the Port of Melbourne;</li> <li>• construction of the Logan Motorway–Ipswich Motorway interchange;</li> <li>• construction of the Perth–Bunbury Highway;</li> <li>• construction of the Northern Expressway and upgrading of Port Wakefield Road in Adelaide; and</li> <li>• upgrade works on the Victoria Highway.</li> </ul> <p>In the May 2008 Budget the government allocated funding for 35 'early start' projects to commence in 2008–09. In 2007–08, the Department worked with states and the Northern Territory to ensure rapid commencement of the projects.</p>
<p><i>Infrastructure planning and investment decision making processes are improved in partnership with state and territory governments.</i></p>	<p>As described in the summary of performance for Output 1.1.1, bilateral negotiations with state and territory governments commenced on projects and funding arrangements for the Australian Government's land transport investment program for 2009–10 to 2013–14. This includes National Network projects.</p>



**Table 3.4 Summary of performance—AusLink Black Spot Projects**

Performance indicators	Results
<b>Effectiveness</b>	
<i>Road crashes are reduced at treated sites, along with trauma and associated costs to the community.</i>	<p>Black Spot Projects are a key element of the Australian Government's efforts to reduce the national road fatality rate by 40% over the decade to 2010. In 2007–08, the Department administered \$37.3 million in support for projects to improve road safety at identified crash sites.</p> <p>The program has reduced the risk of crashes by funding measures such as traffic lights, roundabouts, signage and edge sealing at dangerous locations on roads around Australia.</p>
<b>Quality</b>	
<i>Priority is given to proposals for cost-effective treatment of sites with a proven history of crashes (black spots).</i>	<p>In 2007–08, the Department continued to work with state and territory agencies to ensure that the program was administered efficiently and cost-effectively across all jurisdictions.</p> <p>Most funding goes to treat sites with a record of at least three accidents involving casualties over a five-year period that can demonstrate a robust benefit to cost ratio of at least 2:1.</p> <p>Approximately 50% of program funding is reserved for projects in rural areas, consistent with the proportion of road deaths and serious injuries occurring in those areas. Rural projects received 49% of the total funding in 2007–08.</p>
<i>Payments are made in line with the AusLink legislation.</i>	<p>The Department administered payments under this program in line with Part 7 of the AusLink Act.</p>
<b>Quantity</b>	
<i>Approximately 300 'black spots' are approved for funding.</i>	<p>While most black spots are nominated by state and local governments, members of the public can nominate a black spot through the AusLink website &lt;<a href="http://www.auslink.gov.au">www.auslink.gov.au</a>&gt;</p> <p>The number of Black Spot Projects approved varies each year depending on the cost of approved works. In 2007–08, 313 new black spots were approved for treatment.</p>
<b>Cost</b>	
<i>\$47.5 million</i>	<p>The actual cost of this program in 2007–08 was \$37.3 million.</p> <p>Funding is provided to the states and territories for approved projects, with payments made on the basis of claimed project expenditure. The states and territories collectively under-claimed the available funding by \$10.2 million in 2007–08 because of delays in completing some projects. These projects will be completed during 2008–09 and the states and territories will claim the funding balance.</p> <p>Approval has been provided to move \$6.0 million of the underspend forward to 2008–09.</p>
<b>Overall performance</b>	<b>Mostly achieved.</b>

Table 3.5 Summary of performance—AusLink Roads to Recovery

Performance indicators	Results
<b>Effectiveness</b>	
<i>Local councils use funds to maintain and improve land transport infrastructure.</i>	<p>The 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.</p> <p>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. Money is paid directly by the Australian Government to each council. Decisions on projects to be funded are made locally and reported to the Australian Government.</p> <p>Funds are used for a range of purposes, including road work, bridge work and the installation of traffic lights, but cannot be spent on moveable capital equipment such as graders. Councils are required to lodge audited financial statements stating how they have spent the program funds.</p> <p>At 30 June 2008, 13,430 projects had been completed under the program since 1 July 2005.</p>
<b>Quality</b>	
<i>Payments are made in line with AusLink legislation.</i>	The Department administered payments under this program in line with Part 8 of the AusLink Act.
<b>Quantity</b>	
<i>Approximately 700 councils are eligible for funding.</i>	<p>All of the 612 local councils of Australia are eligible to receive funding under the Roads to Recovery program. Funds are also available to the Northern Territory Government and state governments for roads in unincorporated areas.</p> <p>Over the four financial years, commencing 2005–06, of the current program: \$1.2 billion will be provided to councils, distributed in accordance with the recommendations of local government grants commissions; and \$30 million will be provided to the unincorporated areas of New South Wales, Victoria, South Australia, the Northern Territory and the Indian Ocean Territories.</p>
<b>Cost</b>	
<i>\$307.5 million</i>	<p>The actual cost of this program in 2007–08 was \$262.5 million. Approval has been given to move the underspend of \$45.0 million to 2008–09.</p> <p>Under the AusLink Act, the Minister has determined a four-year allocation for each local government authority (LGA) for the period 2005–06 to 2008–09. Each LGA is expected to fully claim its four-year allocation by 2008–09.</p>
<b>Overall performance</b>	<b>Fully achieved.</b>



**Table 3.6 Summary of performance—AusLink Strategic Regional**

Performance indicators	Results
<b>Effectiveness</b>	
<i>Local councils use funds to develop regional land transport infrastructure supporting industry, tourism and economic development.</i>	In 2007–08, 16 projects were completed, making a total of 35 projects completed since 2004–05.
<b>Quality</b>	
<i>Projects satisfy eligibility criteria.</i>	The program was administered under Part 6 of the AusLink Act.
<b>Quantity</b>	
<i>Approximately 700 councils are eligible for funding.</i>	In total, 87 councils, five state governments and the Northern Territory Government have received or are receiving funding for 107 approved projects. The Australian Government has announced funding for another six projects in 2008–09.
<b>Cost</b>	
<i>\$75.7 million</i>	The actual cost of this program in 2007–08 was \$75.7 million.
<b>Overall performance</b>	<b>Fully achieved.</b>





### Effectiveness—AusLink Strategic Regional

Performance indicator	Results
<i>Local councils use funds to develop regional land transport infrastructure supporting industry, tourism and economic development.</i>	<p>The AusLink Strategic Regional program encourages collaboration among local government authorities to develop an effective regional transport network to assist established and emerging industries and strengthen social connectivity.</p> <p>Project funding is conditional on proponents entering into a funding agreement with the Australian Government. Since the program began in 2004, 107 funding agreements have been finalised.</p> <p>Between 2004–05 and 2008–09, the program provided funds of \$219.8 million.</p> <p>Sixteen projects were completed during 2007–08, including:</p> <ul style="list-style-type: none"> <li>• replacement of the Hume Bridge at Corowa, New South Wales;</li> <li>• reconstruction and rehabilitation of main roads 301 and 101 north of Newcastle, New South Wales;</li> <li>• upgrading of Chappel Road, north-western Victoria;</li> <li>• sealing of Eidsvold–Theodore Road, Queensland;</li> <li>• sealing Point Labatt Road, Streaky Bay, South Australia; and</li> <li>• upgrading the Tasman Highway between Nunamara and Targa, Tasmania.</li> </ul> <p>In the May 2008 Budget, the government announced the allocation of \$10 million to ‘early start’ projects in 2008–09. Work has commenced on administrative arrangements. These projects include:</p> <ul style="list-style-type: none"> <li>• Colac–Lavers Hill Road, Victoria;</li> <li>• Peninsula Development Road, Queensland;</li> <li>• Victor Harbor intersection with Main South Road, South Australia;</li> <li>• Churchill Road, South Australia; and</li> <li>• north-east freight roads, Tasmania.</li> </ul>

### Quality—AusLink Strategic Regional

Performance indicator	Results
<i>Projects satisfy eligibility criteria.</i>	<p>Under Part 6 of the AusLink Act, 107 projects have been approved. The approval process requires that the approving Minister is satisfied that projects meet legislative criteria in terms of eligibility and appropriateness. Throughout 2007–08, the Department continued to monitor projects to ensure that funds spent were consistent with the scope of the project and that the projects progressed according to agreed timelines. This included a number of on-site visits to projects.</p>



**Table 3.7 Summary of performance—AusLink Strategic Regional—supplementary**

Performance indicators	Results
<b>Effectiveness</b>	
<i>Local councils and state and territory governments on behalf of unincorporated areas use funds to develop regional land transport infrastructure supporting industry, tourism and economic development.</i>	In 2006–07, \$250.0 million was paid to local councils and state and territory governments to be expensed in subsequent years. Funding agreements covering 102 projects were finalised with proponents in June 2007. In 2007–08, 12 projects were completed, including: <ul style="list-style-type: none"> <li>• Dickson Road upgrade, Wyong Shire, New South Wales;</li> <li>• the Rock Bullenbung construction, Lockhart Shire, New South Wales;</li> <li>• Manks Road construction, City of Casey, Victoria;</li> <li>• Highams Bridge upgrade and rehabilitation, Mackay Regional Council, Queensland; and</li> <li>• Berwick Street upgrade (McMillan to Kent Street), Victoria Park Town Council, Western Australia.</li> </ul>
<b>Quality</b>	
<i>Projects eligible for approval by the responsible Minister under Part 6 of the AusLink (National Land Transport) Act 2005.</i>	All 102 projects funded in the supplementary round were approved by the responsible Minister.
<b>Quantity</b>	
<i>Approximately 700 councils and state and territory governments on behalf of unincorporated areas are eligible for funding.</i>	The Australian Government provided supplementary funding for 102 projects, to 79 councils and the South Australian Government
<b>Cost</b>	
<i>\$25.0 million</i>	The Department estimates what proportion of the total funding will be used each year, and monitors the expensing of the funds against the progress of the work.  The actual cost of this program in 2007–08, as reported by funding recipients, was \$46.0 million. The Department's estimate was exceeded because projects progressed more quickly than expected.
<b>Overall performance</b>	<b>Fully achieved.</b>

*Note: Performance indicators for this program which was first announced in the 2007–08 PAES, are based on those originally published in the 2007–08 PBS for the Auslink Strategic Regional program, but expanded to include state and territory governments which can apply on behalf of unincorporated areas.*



**Table 3.8 Summary of performance—AusLink improving local roads**

Performance indicators	Results
<b>Effectiveness</b>	
<i>Local councils use funds to accelerate works to maintain and improve the local road network.</i>	In 2005–06, a special one-off payment of \$307.5 million was paid to local councils, three state governments, the Northern Territory Government and the Indian Ocean Territories, to be expensed in subsequent years to accelerate improvements to local road networks.
<b>Quality</b>	
<i>Funds are paid to local councils and for unincorporated areas and are used for the construction or maintenance of roads.</i>	The funds were distributed and are administered under funding conditions similar to those of the AusLink Roads to Recovery Program. Reports from councils, the state governments and the Northern Territory Government on their use of these funds during 2007–08 are to be lodged by 31 October 2008.
<b>Quantity</b>	
<i>Approximately 700 councils are eligible for funding.</i>	Payments were made in June 2006 to 706 councils, the Northern Territory Government and state governments responsible for roads in unincorporated areas.
<b>Cost</b>	
<i>\$153.8 million</i>	<p>The Department estimates what proportion of the total funding will be used each year, and monitors the expensing of the funds against the progress of the work.</p> <p>Expensing of the prepayment occurs on receipt of an annual or quarterly report. In 2007–08, grant recipients provided reports that resulted in \$223.7 million being expensed, \$125.0 million related to activity in 2006–07 and \$98.7 million to 2007–08.</p>
<b>Overall performance</b>	<b>Fully achieved.</b>



The \$2.3m recently upgraded Higham's Bridge on Owens Creek Loop Road off the Mackay Eungella Road, Queensland (Photo DITRDG)

**Table 3.9 Summary of performance—AusLink improving the National Network**

Performance indicators	Results
<b>Effectiveness</b>	
<i>Roads and related infrastructure is enhanced along designated transport corridors.</i>	In 2005–06, \$1,820.0 million was paid to states and the Northern Territory to be expensed in subsequent years to accelerate works on the National Network. Sound progress was achieved on all works packages in 2007–08, with construction activity well underway.
<b>Quality</b>	
<i>Projects are administered in line with relevant legislation and agreements between jurisdictions and the Australian Government.</i>	The Department administers projects in line with the AusLink Act, memorandums of understanding, sections of AusLink bilateral agreements and notes on administration.
<b>Cost</b>	
<i>\$693.9 million</i>	<p>The Department estimates what proportion of the total funding will be used each year and monitors the expenditure of the funds against the progress of the work.</p> <p>The 2007–08 PBS provided for an estimated cost of \$524.0 million. This was revised to \$693.9 million in the PAES in light of better than expected progress. However, because of unforeseen factors such as wet weather and a modification of accounting treatment, the revised estimate was not reached.</p> <p>The actual cost of this program in 2007–08, as reported by funding recipients, was \$536.7 million.</p>
<b>Overall performance</b>	<b>Fully achieved.</b>

## DID YOU KNOW

### AUSLINK BLACK SPOT PROGRAM

Anyone can nominate a Black Spot under the AusLink Black Spot program with nominations invited from state and territory governments, local councils, community groups and associations, road user groups, industry and individuals. Nominations can be made through the AusLink website <[www.auslink.gov.au](http://www.auslink.gov.au)>

Funding is mainly available for the treatment of Black Spot sites, or road lengths, with a proven history of crashes. However, the AusLink Black Spot program also recognises that there are road locations which could be considered as 'accidents waiting to happen'. Therefore, up to 20% of program funds may be used to treat sites where road traffic engineers have completed a road safety audit and found that remedial work is necessary. This allows an opportunity for proactive safety works to be undertaken before casualties occur.

### Effectiveness—AusLink improving the National Network

Performance indicator	Results
<p><i>Roads and related infrastructure is enhanced along designated transport corridors.</i></p>	<p>In June 2006, the Australian Government paid \$1.8 billion to states and the Northern Territory to undertake designated works packages towards improving the AusLink National Network. The funding is being expensed by the states and the Northern Territory over the period to 2010. In general, work proceeded faster than initially expected in 2007–08.</p> <p>Works and progress under the program include:</p> <ul style="list-style-type: none"> <li>• providing dual carriageway on the remaining unduplicated sections of the Hume Highway south of the junction with the Sturt Highway. This does not include approximately 20 kilometres at Woomargama, Holbrook and Tarcutta, New South Wales, where planning for bypasses is required—major construction work is on schedule;</li> <li>• duplicating the Pacific Highway from Moorland to Herons Creek, south of Port Macquarie, New South Wales, and undertaking priority safety works along the highway—the safety works are nearly complete and construction work has begun on the Moorland to Herons Creek project;</li> <li>• undertaking flood immunity works on the Bruce Highway at Tully and a range of improvements on the highway between Townsville and Cairns, Queensland—construction works are on schedule;</li> <li>• upgrading the Great Northern, Great Eastern and Eyre highways in Western Australia, including completing the Lennard Street to Muchea section of the Great Northern Highway and further bridgeworks on the highway in the Kimberley—work on the Eyre Highway has been completed and construction work is progressing on the other two highways;</li> <li>• upgrading the Sturt Highway from Argent Road to Nuriootpa, South Australia (including duplication to Daveyston)—several upgrading works have been completed and duplication is on schedule;</li> <li>• upgrading the East Tamar Highway in Tasmania, including a bypass of Dilston—most works have commenced; planning processes are being completed for Dilston bypass and other projects are complete or underway; and</li> <li>• undertaking flood mitigation works across the Victoria River floodplain on the Victoria Highway in the Northern Territory—construction of Phase 1 of the project, which includes replacing the Victoria River bridge, has begun.</li> </ul>



**Table 3.10 Summary of performance—Funding for road projects other than under the AusLink (National Land Transport) Act 2005**

Performance indicators	Results
<b>Effectiveness</b>	
<i>Freight and logistics infrastructure connecting with the AusLink National Network and export facilities are maintained and enhanced to support freight flows.</i>	Funds were made available to the City of Whitehorse to undertake a detailed feasibility analysis of options for addressing congestion associated with the Whitehorse Road and Springvale Road intersection upgrade in Melbourne.
<b>Quality</b>	
<i>Land transport infrastructure projects, identified and developed in consultation with asset owners, improve land transport linkages including with the AusLink National Network.</i>	The City of Whitehorse engaged Maunsell Australia Pty Ltd to undertake a comprehensive options and feasibility analysis. The report is expected to be finalised in early 2008–09, leading to the commencement of the detailed design phase.
<i>Projects are administered in line with relevant legislation.</i>	The Whitehorse Road and Springvale Road intersection upgrade project was administered in accordance with a funding agreement.
<b>Quantity</b>	
<i>Various land transport infrastructure projects identified and developed in consultation with asset owners.</i>	<p>There has been ongoing consultation with the City of Whitehorse and the Victorian State Government on the next phase of the Whitehorse Road and Springvale Road intersection upgrade project.</p> <p>In the May 2008 Budget, the Government announced the allocation of \$33.3 million to four 'early start' projects in 2008–09 under this program. Work has commenced on administrative arrangements. These projects are:</p> <ul style="list-style-type: none"> <li>• Kingston bypass, Tasmania;</li> <li>• Alstonville bypass, New South Wales;</li> <li>• remote community access roads, Queensland; and</li> <li>• community, beef and mining roads, Northern Territory.</li> </ul>
<b>Cost</b>	
<i>\$6.0 million</i>	The actual cost of this program in 2007–08 was \$0.6 million. Approval has been provided to move \$5.4 million forward to 2008–09.
<b>Overall performance</b>	<b>Partially achieved.</b>

*Notes: The performance indicators are from the 2007–08 PAES. This program was previously named 'Whitehorse Road and Springvale Road intersection upgrade'. It has been renamed to 'Funding for road projects other than under the AusLink (National Land Transport) Act 2005' as it now incorporates other road projects.*

**Table 3.11 Summary of performance—Tackling urban congestion and planning**

Performance indicators	Results
<i>None</i>	<p>The tackling urban congestion and planning measure provides \$75.0 million in 2007–08 for funding urban congestion and planning studies in New South Wales, Victoria, Queensland, Western Australia and South Australia.</p> <p>The Department administers the projects under the AusLink Act, sections of AusLink bilateral agreements and notes on administration. Joint Commonwealth–state steering committees are being established for the projects.</p> <p>Agreements were put in place with the states in June 2008, enabling payment of the full \$75 million. Payments were made under the AusLink Act.</p>
<b>Cost</b>	
<i>\$75 million</i>	The actual cost of this program in 2007–08 was \$75.0 million.
<b>Overall performance</b>	<b>Fully achieved.</b>
<i>Note:</i>	<i>This administered program was announced in the 2007–08 PSAES and performance indicators were not published.</i>

**Table 3.12 Summary of performance—Management of residual issues of former Australian National Railways Commission (AN)**

Performance indicators	Results
<b>Effectiveness</b>	
<i>The future of the former AN plans is resolved, along with any other residual issues which may emerge.</i>	<p>The AN plan room in Adelaide houses around 180,000 plans and drawings of rail rolling stock and infrastructure. In 2007–08, the Department, working with the National Archives of Australia, moved closer to finalising a Records Disposal Authority (RDA) for the plans. The RDA is expected to be finalised in the early part of 2008–09. The archiving process and finalisation of the plan management process is expected in 2008–09.</p> <p>Representations were received from a number of railway historical societies interested in adding the diesel electric locomotive ‘GM1’ to their museums’ collections. In the early part of 2008–09, the Department is expected to commence an expression of interest process to transfer ownership of the locomotive.</p>
<b>Quality</b>	
<i>Public access to plans of heritage value is maintained.</i>	Public access to the AN plans was maintained in Adelaide throughout 2007–08. The RDA identifies plans of heritage value and proposes to maintain public access through the National Archives of Australia.



Table 3.12 continued.

Performance indicators	Results
<b>Cost</b>	
<i>\$0.4 million</i>	<p>The actual cost of this program in 2007–08 was \$0.04 million.</p> <p>The budget figure is a nominal amount based on an estimate of the required legal costs, costs of consultants and other professional services required on an as-needs basis. In 2007–08 work progressed on AN residual issues, but fewer than expected professional services were required.</p>
<b>Overall performance</b>	<b>Partially achieved.</b>

Table 3.13 Summary of performance—Murray River Bridges—Federation Fund Project

Performance indicators	Results
<b>Effectiveness</b>	
<i>New regional infrastructure improves access.</i>	<p>The objective is to provide a crossing of the Murray River at Echuca–Moama, Victoria.</p> <p>Following the appointment of an independent facilitator by the Victorian Government during 2007–08, a potential corridor was identified and agreed to in principle by the key stakeholders, including the Yorta Yorta Nation Aboriginal Corporation.</p> <p>Victorian and New South Wales government representatives, along with representatives from the Campaspe and Murray shires, met in January 2008 to discuss the next steps in the planning and community consultation phase. Planning and route selection is expected to occur in 2008–09.</p>
<b>Quality</b>	
<i>Payments are made in line with the Australian Government's obligations.</i>	No payments were made in 2007–08.
<b>Location</b>	
<i>A new bridge is constructed over the Murray River at Echuca–Moama.</i>	
<b>Cost</b>	
<i>Nil</i>	In 2007–08, no payments were made to this project.
<b>Overall performance</b>	<b>Partially achieved.</b>





**Table 3.14 Summary of performance—Upgrade of the Mainline Interstate Railway Track (removal of the interstate rail track from Wodonga CBD)**

Performance indicators	Results
<b>Effectiveness</b>	
<i>The project improves interstate rail track efficiency and amenity of the Wodonga town centre.</i>	<p>In February 2007, the Australian Government approved funding of \$45 million to the Victorian Government towards the cost of constructing a rail bypass at Wodonga. Of that funding, \$25 million was from the Upgrade of the Mainline Interstate Railway Track program and \$20 million was from the AusLink Investment program.</p> <p>The rail bypass will benefit the residents of Wodonga, who have long had to deal with the disadvantages of having the Melbourne–Sydney mainline railway track running through the centre of their city. This has affected the efficiency and productivity of interstate rail services. It has also caused fragmentation of the Wodonga CBD and loss of valuable space that could be better used to provide civic amenities.</p> <p>Construction work is expected to commence early in 2008–09 following negotiations between the Victorian Government and the track lessee over a new management lease.</p>
<b>Quality</b>	
<i>The interstate mainline rail track through the Wodonga CBD is replaced with a rail bypass.</i>	The approved bypass project will remove the rail track from the Wodonga CBD.
<i>Payments are made in line with the Australian Government's obligations.</i>	Payments were not made for this project in 2007–08.
<b>Cost</b>	
<i>\$20.0 million</i>	<p>The actual cost of this program in 2007–08 was nil.</p> <p>The underspend was due to delays in finalising the track lease and approvals for the project. Approval has been provided to move the funds to 2009–10.</p>
<b>Overall performance</b>	<b>Partially achieved.</b>

## DID YOU KNOW

### ARTC SLEEPER REPLACEMENT PROGRAM

During 2007–08 the Australian Rail Track Corporation (ARTC) laid its millionth concrete sleeper, reaching the halfway mark of its sleeper replacement program on the Melbourne – Sydney – Brisbane corridor.

The sleeper replacement program and construction of several seven-kilometre passing lanes on the corridor will allow trains to overtake and pass each other on the fly, enabling trains to travel from Sydney to Melbourne in almost ten and a half hours and from Sydney to Brisbane in almost fifteen and a half hours, making rail more competitive with road for the carriage of freight.



CHAPTER 3



*Albury-Wodonga upgrade: Improving vehicle efficiency and pedestrian safety (Photo DITRDG)*

## OUTPUT 1.1.2—INFRASTRUCTURE INVESTMENT COORDINATION

### Highlights

Infrastructure Australia was established under the *Infrastructure Australia Act 2008*, with a specific mandate to provide independent expert advice to governments on policy, regulation and investment options to improve Australia’s national transport, water, energy and communications infrastructure.

### Overview

Output 1.1.2 is a new output and is delivered by Infrastructure Australia and the Department’s Infrastructure Investment Division. This report covers work performed by the Department in setting up and supporting Infrastructure Australia and the related infrastructure policy agenda. Infrastructure Australia will prepare a separate report to the Minister concerning its operations as required by the *Infrastructure Australia Act 2008*.

- Infrastructure Australia will develop a strategic blueprint for our nation’s future infrastructure needs and facilitate its implementation in partnership with the states, territories, local government and the private sector.
- The Infrastructure Investment Division assisted in establishing Infrastructure Australia in 2007–08. The Department also provided secretariat support to the Council of Australian Governments (COAG) Infrastructure Working Group.
- Although Output 1.1.2 is a new output, it encompasses work undertaken by the Infrastructure Investment Division in 2007–08. Accordingly, the ‘Summary of performance’ section reports on that work against the applicable performance indicators published in the 2007–08 PBS (for Output 1.3.1).



## CASE STUDY - INFRASTRUCTURE AUSTRALIA

On coming to office in November 2007, the Australian Government announced that developing the nation's productive capacity and modernising key infrastructure assets was integral to its policy platform.

The government made the establishment of Infrastructure Australia one of its priorities within its first 100 days in office, reflecting its view that Australia's future economic challenges, such as climate change, population ageing and more immediate concerns around capacity constraints and inflationary pressures, require a forward-looking infrastructure sector.

### DEPARTMENTAL INPUT

The Department facilitated the drafting of legislation to establish Infrastructure Australia. It worked closely with central agencies, legislative drafters and state governments to ensure that Infrastructure Australia's functions were well defined.

In parallel, the Council of Australian Governments (COAG) set up a working group to advise on a forward work program for Infrastructure Australia. The COAG Infrastructure Working Group is chaired by the Minister for Infrastructure, Transport, Regional Development and Local Government and has representatives from Commonwealth, state and territory governments, including a representative from the Department. The Department also provides the working group with secretariat services, such as arranging meetings and coordinating the work program.

### APPOINTING MEMBERS

The *Infrastructure Australia Act 2008*, enabling Infrastructure Australia to be established, was enacted on 9 April 2008.

Infrastructure Australia is a statutory advisory council, with members appointed for a three-year period by the Minister.

The Council consists of the Chair, Sir Rod Eddington, and 11 other members, who were appointed in May 2008. The Commonwealth nominated nine members (including the Chair), with five nominees requiring experience in the private sector and one with a knowledge of local government. The three remaining members were nominated by the state and territory governments.

### FIRST MEETING

Infrastructure Australia met for the first time on 4 June 2008. The Prime Minister addressed the first meeting.

A budget allocation of \$20 million over four years has been provided to support Infrastructure Australia's work. Five more meetings are planned to the end of 2008.

Infrastructure Australia will be supported by an Infrastructure Coordinator, Mr Michael Deegan, who will lead the Office of Infrastructure Coordination located in Sydney. The Infrastructure Coordinator is appointed by the Minister and the Office of Infrastructure Coordination is staffed by the Department.

### INFRASTRUCTURE AUSTRALIA'S ROLE

Infrastructure Australia is to report regularly to COAG through the Minister for Infrastructure, Transport, Regional Development and Local Government.





*Prime Minister Rudd attending the 4 June 2008 meeting of Infrastructure Australia (Photo AAP)*

Governments, investors and infrastructure owners will receive advice from Infrastructure Australia on numerous issues, including the current and future infrastructure needs of Australia; mechanisms for financing infrastructure investments; policy, pricing and regulatory issues that may impact on the utilisation of infrastructure; and impediments to the efficient utilisation of national infrastructure networks.

In the 2008–09 Budget the Government announced the establishment of a Building Australia Fund <[http://www.minister.infrastructure.gov.au/aa/releases/2008/May/budget-infra\\_15-2008.htm](http://www.minister.infrastructure.gov.au/aa/releases/2008/May/budget-infra_15-2008.htm)>. Allocations from the fund will be guided by Infrastructure Australia’s national audit and infrastructure priority list.



## Summary of performance

**Table 3.15** Summary of performance—Output 1.1.2—Infrastructure investment coordination

Performance indicators	Results
<b>Effectiveness</b>	
<i>Infrastructure planning and investment decision making processes are improved in partnership with state and territory governments.</i>	<p>Infrastructure Australia has been established as a statutory advisory body within the portfolio. It will provide advice to Australian governments on infrastructure gaps and bottlenecks that hinder economic growth and prosperity. It will also identify investment priorities and policy and regulatory reforms to assist timely and coordinated delivery of national infrastructure investment.</p> <p>The Council of Australian Governments (COAG) Infrastructure Working Group comprises Australian Government and state and territory government officials.</p>
<b>Quality</b>	
<i>Programs are administered in line with relevant legislation.</i>	All legislative requirements were observed.
<b>Price</b>	
<i>\$3.3 million</i>	The actual price of this output in 2007–08 was \$0.9 million. Expenses were lower than expected because of the timing of the appointment of the Infrastructure Coordinator.
<b>Overall performance</b>	<b>Fully achieved.</b>

*Note:* This output was formalised in the 2008–09 PBS as Output 1.1.2, subsuming certain activities that were performed under Output 1.3.1 in 2007–08. These performance indicators are from the 2007–08 PBS for Output 1.3.1.





## Detailed report on performance

### Effectiveness—Output 1.1.2

*Infrastructure planning and investment decision making processes are improved in partnership with state and territory governments.*

#### Infrastructure Australia established

The *Infrastructure Australia Act 2008*, which established Infrastructure Australia, was enacted on 9 April 2008.

Infrastructure Australia consists of the Chair, Sir Rod Eddington, and 11 other members, who were appointed in May 2008. Nine members (one of whom is the Chair) were nominated by the Australian Government and three were nominated by the state and territory governments. Five of the nine Australian Government nominees were required to have experience in the private sector; one was required to have a knowledge of local government.

Infrastructure Australia was established as an advisory body. It is required to advise governments, investors and infrastructure owners on a wide range of issues including Australia's current and future infrastructure needs. Its role is to support better coordination of infrastructure planning and investment, across government and the private sector, and to identify blockages to productive investment in infrastructure and strategies to remove them.

#### Infrastructure Working Group managed effectively

The Department provided secretariat support to the new COAG Infrastructure Working Group (IWG). COAG established the IWG in December 2007 to help develop an initial work program for Infrastructure Australia. Three meetings of the IWG, chaired by the Minister for Infrastructure, Transport, Regional Development and Local Government, were held during 2007–08. The IWG met COAG timelines for developing Infrastructure Australia's initial work program and other requested tasks.

In March 2008, the IWG achieved its first assigned task, which was to develop an implementation plan for COAG agreement that included:

- the mechanisms for Infrastructure Australia's reporting to COAG;
- the terms of reference for the national infrastructure audit; and
- Infrastructure Australia's initial work program.

The IWG is now focusing on its ongoing functions, including:

- providing ongoing guidance, national coordination and support to Infrastructure Australia;
- providing appropriate advice and contextual material to accompany reports by Infrastructure Australia to COAG;
- developing future work items for Infrastructure Australia's program; and
- working in collaboration with other COAG working groups where relevant, including with the COAG Indigenous Working Group.





CHAPTER 3





## CHAPTER 4

Outcome 2—Transport  
Outputs and Programs

# TRANSPORT OVERVIEW

## Overview

In 2007–08, the Department advised on and led national efforts to address key transport issues, including:

- undertaking transport safety occurrence and research investigations that contribute to improved safety outcomes;
- implementing, regulating and monitoring a risk-based approach to transport security;
- reforming maritime transport and integrated vehicle standards and transport systems to achieve productivity, safety, security and sustainability outcomes that enhance Australia's international competitiveness;
- fostering a competitive, sustainable and safe aviation sector through appropriate regulation, program delivery and policy development; and
- analysing and addressing the major competition issues facing the portfolio.

## Outcome and outputs

Figure 4.1 shows the relationships between Outcome 2 and its five outputs, as published in the 2008–09 Portfolio Budget Statements (PBS), and identifies the responsible business divisions. The figure also relates each of the current outputs to the corresponding output under the previous outcome and output structure. Refer Appendix L which shows both the previous and current structures.

**Figure 4.1 Outcome 2 and outputs**

Outcome	Output Group	Output	Business division/s	Applicable 2007–08 PBS Output
<b>Outcome 2</b> Fostering an efficient, sustainable, competitive, safe and secure transport system	2.1 Transport safety investigations	2.1.1 Transport safety investigations	Australian Transport Safety Bureau	1.1.1 Investigation 1.1.2 (excluding road safety and vehicle safety standard aspects)
	2.2 Transport security	2.2.1 Transport security policy, programs and regulation	Office of Transport Security	1.2.1 Transport security
	2.3 Transport systems	2.3.1 Surface transport policy, programs and regulation	Infrastructure and Surface Transport Policy  National Transport Strategy	1.4.1 Maritime and land transport
		2.3.2 Road safety and vehicle policy, programs and regulation	Infrastructure and Surface Transport Policy	1.1.2 Safety (road safety and vehicle safety standards aspects)
		2.3.3 Aviation and airports policy, programs and regulation	Aviation and Airports	1.4.2 Aviation and airports



## What this chapter covers

### Revised outcome and output structure

When the Department was restructured during 2007–08 to reflect the new government’s priorities, the outcome and output structure was revised. The structure of the performance chapters of this report reflects the new outcome and output structure, which was published in the 2008–09 PBS.

### Performance indicators

This chapter describes the Department’s performance against the performance indicators (excluding price and cost) published in the 2007–08 PBS or modified in the 2007–08 Portfolio Additional Estimates Statements (PAES).

Financial performance indicators—price (for outputs) and cost (for administered programs)—are on an accrual expense basis as published in the 2007–08 PAES, and have been adjusted to reflect the revised outcome and output structure.

In most cases, the effectiveness, quantity, quality and location performance indicators are as originally published in the 2007–08 PBS. Exceptions occur because:

- several new programs, and their accompanying performance indicators, were first published in the 2007–08 PAES; and
- the performance indicators for any new or modified programs announced in the Portfolio Supplementary Additional Estimates Statements (PSAES) are not published until the following year’s PBS, even if the new or modified programs have implications for the current financial year. Refer Appendix K for a list of new or modified performance indicators.

### Reporting structure

The chapter begins with a table summarising the attributed budgeted and actual resources of Outcome 2 and the overall performance achieved in 2007–08.

This is followed by the reports on performance for individual outputs. Each output report includes:

- an overview of the output’s functions and how they are delivered;
- a cross-reference to the applicable 2007–08 PBS output;
- a summary of the output’s results against the performance indicators;
- a more detailed report on the output’s performance against each indicator; and
- if the output has administered programs, a report on performance against the indicators for each program.

Each output and administered summary report also includes a rating of progress towards achievement of the performance indicators, using the following ratings:

- ✓✓✓ Fully achieved
- ✓✓✓ Mostly achieved
- ✓✓✓ Partially achieved
- ✓✓✓ Not achieved

These ratings are an overall assessment of performance for 2007–08 taking into account both financial and non-financial aspects.



## Resources and performance—Outcome 2

**Table 4.1** Summary of resources and performance

	Budget 2007–08 <sup>a</sup> \$'000	Actual 2007–08 \$'000	Variance <sup>b</sup> %	Performance rating	Page
<b>Outcome 2—Transport</b>					
<b>Output 2.1.1—Transport safety investigations</b>	23,800	23,792	0.0	✓✓✓	69
<b>Output 2.2.1—Transport security policy, programs and regulation</b>	80,264	77,537	-3.4	✓✓✓	89
<i>Administered programs</i>					
Aviation Security Enhancements					
checked baggage screening	7,573	2,488	-67.1	✓✓✓	104
improving international aviation security	1,034	61	-94.1	✓✓✓	105
increased air cargo inspections	3,820	2,997	-21.5	✓✓✓	106
regional passenger screening	966	762	-21.1	✓✓✓	107
screening for liquids, aerosols and gels	4,388	931	-78.8	✓✓✓	107
<b>Output 2.3.1—Surface transport policy, programs and regulation</b>	17,411	16,695	-4.1	✓✓✓	111
<i>Administered programs</i>					
Australian Maritime College—marine research funding project	3,000	3,000	0.0	✓✓✓	119
Bass Strait Passenger Vehicle Equalisation Scheme	30,680	30,103	-1.9	✓✓✓	120
International Maritime Organization—contribution	313	273	-12.8	✓✓✓	173
Interstate Road Transport Fees	57,530	54,409	-5.4	✓✓✓	121



	Budget 2007–08 <sup>a</sup> \$'000	Actual 2007–08 \$'000	Variance <sup>b</sup> %	Performance rating	Page
National Transport Commission	2,944	2,944	0.0	✓✓✓	122
OECD Road Transport—contribution <sup>c</sup>	40	35	-12.5	✓✓✓	174
Oil Pollution Compensation Fund	500	246	-50.8	✓✓✓	123
Payments to the Maritime Industry Finance Company Limited (MIFCo)	680	683	0.4	✓✓✓	124
Tasmanian Freight Equalisation Scheme	101,000	101,252	0.2	✓✓✓	125
Tasmanian Wheat Freight Scheme	1,050	911	-13.2	✓✓✓	126
Transfer of Australian Maritime College to the University of Tasmania	61,364	66,513	8.4	✓✓✓	115
<b>Output 2.3.2—Road safety and vehicle policy, programs and regulation</b>	<b>16,623</b>	<b>14,520</b>	<b>-12.7</b>	<b>✓✓✓</b>	<b>127</b>
<i>Administered programs</i>					
keys2drive <sup>d</sup>	0	1,500	100.0	✓✓✓	138
Seatbelts on regional school buses	9,375	178	-98.1	✓✓✓	139
<b>Output 2.3.3—Aviation and airports policy, programs and regulation</b>	<b>34,666</b>	<b>33,649</b>	<b>-2.9</b>	<b>✓✓✓</b>	<b>141</b>
<i>Administered programs</i>					
Airport Lessee Companies—reimbursement of parking fines	1,500	775	-48.3	✓✓✓	166
Compensation for the sale of airport land	9,803	0	-100.0	✓✓✓	167
Implementation of noise amelioration	910	814	-11.8	✓✓✓	167
Adelaide Airport	310	447	44.2	✓✓✓	167
Sydney Airport	600	367	-38.8	✓✓✓	167

Table 4.1 continued.

	Budget 2007–08 <sup>a</sup> \$'000	Actual 2007–08 \$'000	Variance <sup>b</sup> %	Performance rating	Page
International Civil Aviation Organization contribution	1,476	1,477	0.1	✓✓✓	173
Payment Scheme for Airservices Australia's en route charges	6,000	5,843	-2.6	✓✓✓	169
Remote Aerodrome Safety Program <sup>e</sup>	1,000	709	-29.1	✓✓✓	170
Sydney West Airport—rental properties	2,759	2,229	-19.2	✓✓✓	172
<b>Outcome 2—All outputs</b>					
Total price of departmental outputs	172,764	166,193	-3.8		
Less receipts from independent sources	3,996	4,373	9.4		
Net price to government	168,768	161,820	-4.1		
<b>Administered programs summary</b>					
Total cost of administered programs	309,705	281,133	-9.2		
Plus depreciation, write-down of assets etc.	1,064	1,066	0.2		
Total administered operating expenses	310,769	282,199	-9.2		
Less administered revenues	226,036	227,724	0.7		
Net cost to government	84,733	54,475	-35.7		
<b>Average staffing level</b>	<b>853</b>	<b>823</b>	<b>-3.5</b>		

a The budget shown for departmental outputs is the attributed budget for the Department's revised outcome and output structure as first published in the 2008–09 PBS, and reflects the final budget as per the 2007–08 PAES. Appendix M shows the output budgets and actuals in accordance with the Department's previous outcome and output structure as published in the 2007–08 PAES. The budget shown for administered programs is the revised budget published in the 2007–08 PAES, updated for measures announced in the 2007–08 PSAES. Departmental outputs include the Department's source revenue.

b The variance is the change in the Department's 2007–08 actuals over its revised 2007–08 budget.

c This administered program is delivered by the Bureau of Infrastructure, Transport and Regional Economics (BITRE).

d This measure was first announced in the 2008–09 Portfolio Budget Statements.

e This administered program, previously known as the Regional and Remote Airstrips Funding Scheme, was renamed in the 2007–08 PAES.



## OUTPUT 2.1.1—TRANSPORT SAFETY INVESTIGATIONS

### Highlights

On 23 May 2008, the Australian Transport Safety Bureau (ATSB) released its final report into the grounding of the Panamanian-registered bulk carrier *Pasha Bulker* at Newcastle, New South Wales. The *Pasha Bulker* ran aground at Nobbys Beach on 8 June 2007, when a storm hit a group of ships that were moored offshore while waiting to load coal.

The investigation involved the collection and interpretation of a vast amount of data and in-depth research of specific issues. The ATSB surveyed the masters of ships anchored off Newcastle at the time, to gain an understanding of what information they had had, and how it had affected their decision making. The role and actions of Newcastle Port Corporation and its Vessel Traffic Information Centre were explored, including through evidence taken from the *Pasha Bulker*'s voyage data recorder.

Other aspects that were examined included the safety issues associated with the anchorage, local weather conditions, anchor holding power, water ballast and the queue of ships waiting to load coal, as well as the logistics and processes involved in exporting coal from Newcastle.

The investigation report included 11 recommendations and four safety advisory notices. It also acknowledged the safety actions taken by Newcastle Port Corporation and Port Waratah Coal Services in response to the incident.

### Overview

The Department, through the Australian Transport Safety Bureau (ATSB), works with the aviation, marine and rail industries; transport regulators; and governments at the state, national and international levels; to improve transport safety standards for all Australians.

The ATSB undertakes independent 'no blame' investigations of aviation, interstate rail and international and interstate marine accidents and incidents, seeking to uncover causal factors and encourage safety action to prevent future accidents. The ATSB performs its investigative functions in accordance with the provisions of the *Transport Safety Investigation Act 2003* (TSI Act). In addition, the ATSB researches aviation safety issues and produces high-quality research reports, promoting safety within the aviation industry.

ATSB publications are available on the bureau's website <[www.atsb.gov.au](http://www.atsb.gov.au)> and in hard copy upon request.

As part of a broader restructure of the Department, the ATSB Road Safety Branch moved to the Infrastructure and Surface Transport Policy business division in March 2008. The branch reports on its performance under Output 2.3.2—Road safety and vehicle policy, programs and regulation.

Output 2.1.1 corresponds to Output 1.1.1 and Output 1.1.2 (excluding road safety and vehicle safety standard aspects) in the previous outcome and output structure (see Appendix L for a comparison between the current and previous structures). Output 2.1.1 is delivered by the ATSB.

Table 4.2 summarises the output's performance in 2007–08.



## Summary of performance

**Table 4.2** Summary of performance—Output 2.1.1—Transport safety investigations

Performance indicators	Results
<b>Effectiveness</b>	
<p><i>Stakeholders undertake safety action in response to critical and significant safety issues identified through safety investigations.</i></p>	<p>In 2007–08, aviation safety stakeholders undertook 131 separately identified safety actions linked to safety issues identified in 43 ATSB aviation investigations, leading to strong gains in safety culture and practices. The ATSB issued a further 22 aviation safety recommendations, which also generated several safety actions.</p> <p>In surface transport safety, 42 rail safety recommendations and 32 marine safety recommendations were issued, drawn from the results and insights of various investigations. To draw attention to important safety issues, the ATSB issued 39 marine safety advisory notices, seven rail safety advisory notices and two aviation safety advisory notices.</p>
<p><i>Transport safety and public confidence in transport safety is maintained or improved.</i></p>	<p>In April 2008, the ATSB published the <i>Railway Level Crossing Safety Bulletin</i>. The bulletin had a positive impact on transport safety and public confidence by identifying significant issues relating to level-crossing safety. Feedback from users of the bulletin was very positive.</p> <p>In 2007–08, ATSB staff members attended or presented at 97 events, ranging from presentations to high school students to lectures at international conferences and symposia. The ATSB also provided information via its website, publishing investigation reports and additional safety material.</p> <p>ATSB aviation, marine and rail reports and recommendations were well accepted by regulators, operators and other safety stakeholders.</p> <p>The ATSB also provides citizens with the opportunity to share their concerns about transport safety through confidential reporting schemes. In 2007–08, the ATSB received 104 reports through REPCON, the aviation confidential reporting scheme; six reports, through the Confidential Marine Reporting Scheme (CMRS); and seven reports through the Aviation Self Reporting Scheme (ASRS).</p>
<b>Quality</b>	
<p><i>Australia's transport safety investigation regime meets international standards.</i></p>	<p>The principles of relevant international agreements are embodied within the provisions of the <i>Transport Safety Investigation Act 2003</i> and given force through section 17, so that Australia legally complies with international agreements.</p> <p>In February 2008, the International Civil Aviation Organization (ICAO) Universal Safety Oversight Program audited Australia's aviation safety oversight and service provision. The final report of the audit is yet to be received, although the results are expected to recognise the ATSB as a best-practice agency in a range of investigation activities.</p>





Performance indicators	Results
<b>Quality</b>	
<p><i>Investigations are completed, on average, within one year.</i></p>	<p>The median completion time for ATSB investigation reports in 2007–08 was 442 days, comprising 443 days (358 in 2006–07) for aviation, 319 days (320 in 2006–07) for marine and 456.5 days (369 in 2006–07) for rail reports.</p> <p>The completion of several aviation reports was delayed due to the diversion of staff resources to provide input to coronial inquests and other staffing constraints. The increase in rail report median completion time was due to the completion of a number of older investigations.</p>
<p><i>Staff required to appear as witnesses at coronial hearings are well prepared.</i></p>	<p>In 2007–08, ATSB aviation staff gave evidence at five coronial hearings, and assisted the Queensland State Coroner with the ongoing inquest into the disappearance of the <i>Malu Sara</i> in the Torres Strait in October 2005. The ATSB ensures that all staff who provide evidence at inquests are experts in the fields under consideration and are thoroughly conversant with the briefs. In their findings, coroners have generally noted their heavy reliance on ATSB reports and the value of evidence provided by ATSB investigators.</p> <p>Seven staff members attended the ATSB course Coronial Witness Training.</p>
<p><i>Major accident investigation response capabilities are reviewed and tested annually.</i></p>	<p>The ATSB participated in four exercises designed to assess response capabilities in the event of a major accident. This included two ‘desktop’ discussion exercises and two major accident simulations at airports.</p>
<p><i>The benefits of the new Safety Investigation Information Management System ‘SIIMS’, commissioned for aviation investigations in April 2007, are extended to rail and marine.</i></p>	<p>IT development work and staff training were completed on the ATSB’s newly commissioned Safety Investigation Information Management Systems (SIIMS), enabling extension of its benefits to marine and rail investigations. All marine and rail investigations commenced on or after 1 January 2008 use SIIMS as the primary investigation management and analysis tool.</p>
<p><i>Statistical analyses and conclusions are accurate and robust.</i></p>	<p>The ATSB validated its data sources with alternative sources wherever possible, and the statistical content of all research was critically reviewed to ensure it was accurate, methodologically sound and correctly interpreted.</p> <p>In implementing SIIMS, the ATSB reviewed safety occurrence records, helping to ensure that reliable information will be available to the public.</p>

Table 4.2 continued.

Performance indicators	Results
<i>Aviation safety research reports are timely and informative.</i>	Research findings were widely reported in Australia and overseas, and reports were commented on favourably by stakeholders in government and industry. Aviation research reports were released in time to influence or assist ATSB investigations of aviation occurrences and contribute to public understanding of aviation safety.
<b>Quantity</b>	
<i>More than 6,000 aviation, marine and rail safety accident and incident reports are assessed and entered into the safety database.</i>	The ATSB's notification staff assessed 8,423 aviation, marine and rail safety accident and incident reports, and entered these reports into ATSB's safety databases.
<i>Approximately 100 fatal accidents and other serious occurrences are investigated to improve future safety.</i>	<p>The ATSB initiated 98 investigations in 2007–08, comprising 77 aviation, 11 marine and 10 rail investigations. The ATSB released 97 final accident and incident investigation reports in 2007–08, comprising 73 aviation, 12 marine and 12 rail reports.</p> <p>Fewer aviation reports were released than planned, due to the diversion of staff resources to provide input to coronial inquests and other staffing constraints.</p>
<i>Appropriate assistance is provided with major international investigations upon request.</i>	<p>Under the Indonesia Transport Safety Assistance Package (ITSAP), the ATSB assisted the Indonesian National Transportation Safety Committee with several aviation investigations. These included investigations of the fatal accidents that occurred at Yogyakarta Airport in March 2007 and the Makassar Strait in January 2007.</p> <p>The ATSB also provided technical assistance to New Zealand for the recovery of flight recorder data after an attempted hijacking in February 2008.</p>
<i>10 aviation and 25 road safety statistical and research publications are released.</i>	<p>The ATSB released and published on its website 11 aviation safety research and analysis reports.</p> <p>The ATSB Road Safety Research and Statistics Branch moved to the Infrastructure and Surface Transport Policy Division in March 2008. For reports on its performance, see Output 2.3.2.</p>
<b>Price</b>	
<i>\$23.8 million</i>	The actual price of this output in 2007–08 was \$23.8 million.
<b>Overall performance</b>	<b>Mostly achieved.</b>





A cockpit voice recorder that was retrieved from the ocean floor is being prepared for shipment by an ATSB investigator (Photo DITRDLG)

## Detailed report on performance

### Effectiveness—Output 2.1.1

*Stakeholders undertake safety action in response to critical and significant safety issues identified through safety investigations.*

#### Safety actions

Rather than releasing formal recommendations in a transport safety investigation, the ATSB prefers to encourage the relevant stakeholders to initiate safety action. However, depending on the level of risk associated with a safety issue and the extent of corrective action undertaken by the relevant organisation, a recommendation may be made either during or at the end of an investigation.

#### Aviation

In 2007–08, the ATSB released 73 aviation safety investigation final reports. The ATSB released 22 safety recommendations and two safety advisory notices, arising from seven investigations. Aviation safety stakeholders undertook 131 separate safety actions relating to safety issues identified in 43 aviation safety investigation reports. The reports on those investigations are available on the ATSB website.

In one notable example, as a result of an ATSB investigation into an in-flight engine malfunction in a Boeing 737 on a scheduled passenger flight from Brisbane to Sydney in August 2005, the engine manufacturer undertook the following corrective actions:

- redesigned the high-pressure compressor (HPC) anti-rotation pin;
- released an alert service bulletin to all operators and maintainers of CFM56-3 engines worldwide that recommended the introduction of the new pin design into existing engines; and
- made amendments to the CFM56-3 maintenance manual for HPC stator shroud component inspections.

## DID YOU KNOW

### BEACONS

In Australia, most flight data recorders are fitted with battery-operated underwater locator beacons (ULB). The beacon is activated when immersed in water and will operate for a minimum of one month. They have been known, however, to operate for more than six months (depending on the state of the battery). A ULB can withstand depths of up to 6,000 metres and can typically be detected from a distance of around 3,000 metres. In the event that an aircraft with flight recorders crashes in water, the ATSB should be able to locate the flight data recorder and the cockpit voice recorder using a ULB detector.

*Stakeholders undertake safety action in response to critical and significant safety issues identified through safety investigations (continued).*

Significant worldwide safety actions were taken following an ATSB investigation into the onset of severe vibrations from the main rotor system of a Robinson R22 II Beta helicopter that was being operated on an instructional flight.

- The helicopter manufacturer published a series of safety alerts, service letters and safety bulletins, recommending the regular inspection of the blades for evidence of skin disbanding and the refinishing of blades showing abrasion of the leading edge.
- Airworthiness directives from the Australian Civil Aviation Safety Authority (CASA) and the United States of America Federal Aviation Administration (FAA) mandated inspections of the R22 and R44 main rotor blades.
- A third party aerospace company was issued FAA approval for the installation of protective rotor blade tape to the leading edges of R22 and R44 main rotor blades.
- The United States of America National Transportation Safety Board issued a number of safety recommendations to the FAA, including that the FAA:
  - require the Robinson Helicopter Corporation to develop non-destructive inspection techniques to detect bonding defects; and
  - review the manufacturing processes and continued airworthiness requirements for blades manufactured by companies other than the Robinson Helicopter Corporation.

In both of these cases, the implementation of the comprehensive safety actions taken by the various parties will significantly reduce the likelihood of future accidents.



## CASE STUDY – *PASHA BULKER* GROUNDING, NEWCASTLE, 8 JUNE 2007

The investigation into the grounding of the Panamanian-registered bulk carrier *Pasha Bulker* at Newcastle, New South Wales shows how the Australian Transport Safety Bureau (ATSB) is helping to enhance maritime safety. The ATSB's investigation report provides a comprehensive understanding of the events and issues associated with the incident. Importantly, the report offers answers as to why 49 of the 57 masters of ships anchored off Newcastle failed to take the safe option of heading to sea before the onset of the forecast gale. The report also explains why the consequences to *Pasha Bulker* were the most severe.

On 8 June 2007, extreme weather conditions were experienced off Newcastle. Serious difficulties were experienced by a number of ships in the Newcastle anchorage at the time, including a near grounding, a near collision and the high-profile grounding of *Pasha Bulker* on Nobbys Beach. Fortunately, there was no loss of life or pollution as a result of the incident.

The collection and interpretation of a vast amount of data was undertaken as part of the investigation, as well as in-depth research related to several specific issues. The masters of ships anchored off Newcastle at the time were surveyed in order to gain an understanding of what information they had and how this affected their decision making. The evidence obtained from *Pasha Bulker's* voyage data recorder included audio data which provided a record of local radio communications. ATSB examined other relevant aspects including the safety issues associated with the anchorage, local weather conditions, anchor holding power, water ballast and the queue of ships waiting to load. The logistics and processes involved in exporting coal from Newcastle were also examined.

The initial decisions made by *Pasha Bulker's* master not to take the ship to sea early and not to appropriately ballast it largely contributed to its grounding. These decisions were based on his inadequate knowledge of issues related to ballast, anchoring, local weather conditions and the limitations of the anchorage. After finally weighing anchor, he continued to make poor decisions as he became increasingly affected by fatigue, anxiety and overload. While a number of other masters made similar unwise initial decisions in the circumstances, their subsequent actions and decisions did not lead to the unfortunate outcome experienced by *Pasha Bulker*.

Of the 11 recommendations in the ATSB's investigation report, nine were issued to Newcastle Port Corporation (NPC). They address safety issues that had not been dealt with at the time of the report's release and relate to the operation of NPC's Vessel Traffic Information Centre. One recommendation, related to the size of the ship queue, was issued to the operator of Newcastle's coal loading terminals. A recommendation was also issued to *Pasha Bulker's* managers to address the inadequacies of the ship's safety management system. Four safety advisory notices were also issued to ship owners, operators and masters.



*Pasha Bulker* aground on Nobbys Beach, Newcastle (Photo ATSB)



*Stakeholders undertake safety action in response to critical and significant safety issues identified through safety investigations (continued).*

### Marine

In 2007–08, the ATSB released 12 marine safety investigation reports, which included 32 safety recommendations and 39 safety advisory notices to stakeholders.

The ATSB's final report into the grounding of the bulk carrier *Pasha Bulker* at Newcastle, New South Wales, in June 2007, included a total of 15 recommendations and safety advisory notices. They were aimed at reducing the risk of a similar incident and improving other aspects of maritime safety, including specific issues at the port of Newcastle.

In response to the incident and the ATSB draft report, the port authority and the coal terminal operator took a number of safety actions. Newcastle Ports Corporation is now more closely monitoring ships using the Newcastle anchorage, providing them with additional advice and information about the anchorage, and has enhanced its weather broadcasting service. Port Waratah Coal Services has also enhanced the information provided to ship's masters using Newcastle and is conducting ongoing discussions, including on safety issues, with ships' agents, owners and operators. Further actions to address the recommendations in the final report are under consideration.

In its report into the breakaway and grounding of the bulk carrier *Creciente* at Port Hedland, Western Australia, in September 2006, the ATSB issued a number of recommendations and safety advisory notices to reduce the risks posed by mooring-related incidents. These types of incidents can result in the blockage of the port's main shipping channel. The port authority took safety action in the form of a local marine notice to address mooring-related issues.

### Rail

In 2007–08, the ATSB released 42 rail safety recommendations and seven safety advisory notices in 12 final reports and one supplementary rail investigation report.

The ATSB report on the major level-crossing collision near Ban Ban Springs, Northern Territory, in December 2006, recommended that relevant authorities consider identified issues in relation to:

- the medical examination of heavy vehicle drivers;
- sighting distance requirements at level crossings used by high combined gross mass vehicles;
- driver compliance at railway level crossings; and
- accident response in the light of the remoteness of much of the Northern Territory rail corridor.

The Northern Territory Government undertook a number of actions in response to the ATSB report, including imposing increased penalties for road user noncompliance at level crossings and providing further public education regarding level-crossing safety.



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

### **Public awareness activities**

In 2007–08, ATSB staff members took part in 97 events ranging from presentations for high school students to lectures at international conferences and symposiums. These included:

- a speech at the Aviation Law Association of Australia and New Zealand Twenty-seventh Annual Conference;
- a lecture to students at the Australian Defence Force Academy;
- a presentation on accident investigation techniques to students of Bremer State High School in Ipswich, Queensland;
- presentations on aspects of marine casualty investigation at conferences, including Pacific 2008, the biannual conference of the National Marine Safety Committee and the Marine Accident Investigators' International Forum; and
- training activities and workshops related to maritime law and pilotage.

By maintaining a public profile at industry events and educating stakeholders on prominent issues, the ATSB maintained and improved public confidence in transport safety.

The ATSB also promoted transport safety by publishing safety material on its website.

### **Aviation safety**

In aviation safety, the ATSB initiated 77 investigations and released 73 final reports in 2007–08. There were 92 ongoing investigations at 30 June 2008.

The ATSB improved safety and public confidence in aviation through its Australian investigations and its work to assist Indonesian investigations. Australian aviation topics that attracted particular public interest included the final reports on:

- the in-flight break-up of a Piper PA31–350 Chieftain near Condobolin, New South Wales, in December 2005;
- the engine failure and forced landing of a Cessna Caravan aircraft onto Lake Burbury, Tasmania, in February 2006;
- the crash of a Cessna 206 near Willowbank, Queensland, in January 2006; and
- the in-flight break-up of a British Aircraft Corporation 167 Strikemaster near Bathurst, New South Wales, in October 2006.





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

### **Marine safety**

In marine safety, the ATSB initiated 11 investigations and issued 12 investigation reports in 2007–08. At 30 June 2008, there were 10 ongoing investigations.

ATSB marine investigations and their findings both inform and educate various maritime industry participants. An important example in 2007–08 was the final investigation report into the grounding of the bulk carrier *Pasha Bulker* at Newcastle, New South Wales, in June 2007. This comprehensive report identifies a number of key safety issues to reduce the risk of similar incidents occurring in the future.

Another significant example was the report on the breakaway from the wharf and subsequent grounding of the bulk carrier *Creciente* in Port Hedland, Western Australia, in September 2006. The report highlighted the risks associated with the failure of a ship's mooring system, and the potential for such incidents to result in the blocking of the port's main shipping channel.

The ATSB's marine investigation work also included the analysis of a variety of casualty investigation reports from other countries, under the auspices of the International Maritime Organisation (IMO), and cooperation with Indonesian authorities to improve maritime transport safety in their country. Other work this year included assisting the Queensland State Coroner's inquest into the disappearance of the *Malu Sara* in the Torres Strait in October 2005.

### **Rail safety**

In rail safety, the ATSB initiated 10 investigations and issued 12 final investigation reports, one supplementary report and a safety bulletin in 2007–08. Ten investigations were ongoing at 30 June 2008.

ATSB rail safety investigations and recommendations, and the resulting safety actions, improve public confidence. The bureau's role as an independent, 'no blame' safety investigator for the defined interstate rail network is recognised and accepted in Australia.

Significant reports released included the final report on the major level-crossing collision near Ban Ban Springs, Northern Territory, in December 2006, and a number of other reports on level-crossing collisions, such as a fatal accident near Wingeel, Victoria, in November 2006 and an accident that seriously injured a truck driver near Virginia, South Australia, in December 2007.

In the supplementary report on the Ban Ban Springs collision, the ATSB issued a safety advisory notice to state and territory road transport authorities and rail regulators about sighting distances at level crossings controlled by 'Stop' signs and used by high combined gross mass road vehicles.

In April 2008, the ATSB published the *Railway Level Crossing Safety Bulletin*. The bulletin identified significant issues relating to level-crossing safety. The ATSB received very positive feedback from users of the bulletin, including requests to reproduce extracts from the bulletin in other publications, particularly magazines targeting the trucking industry.





The Victorian Minister for Public Transport requested ATSB assistance in investigating a collision that occurred between a passenger train and a B-double truck at a level crossing at Kerang, Victoria, in June 2007. Although the accident did not occur within the ATSB's agreed jurisdiction, ATSB investigators assisted the Victorian Office of the Chief Investigator with aspects of the investigation, including human performance, the accident site survey, animation of the accident sequence, and assessment of the compliance of the level crossing with the relevant Australian Standard for signage and sighting.

#### Confidential reporting

The ATSB provides citizens with the opportunity to share their concerns regarding transport safety via confidential reporting schemes. In 2007–08, 104 reports were made through REPCON, the aviation confidential reporting scheme; six reports were made through the Confidential Marine Reporting Scheme; and seven reports were made through the Aviation Self Reporting Scheme.

### Quality—Output 2.1.1

*Australia's transport safety investigation regime meets international standards.*

#### Legislative framework

Australia's transport safety investigation regime is set out in the *Transport Safety Investigation Act 2003* (TSI Act) and accompanying regulations.

The legislation empowers the ATSB, through its Executive Director, to:

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

The principles of relevant international agreements are embodied within the provisions of the TSI Act and given force through section 17 so that Australia complies with the international agreements.

#### Audit of safety oversight and service provision

A comprehensive audit pursuant to the ICAO Universal Safety Oversight Program was conducted in February 2008. The audit focused on all Australian agencies with a responsibility for aviation safety oversight and service provision—the Department (including the ATSB), Airservices Australia, the Bureau of Meteorology, CASA and the Australian Maritime Safety Authority's search and rescue function, AUSSAR. The final report of the audit is yet to be received, although the results are expected to recognise the ATSB as a best-practice agency in a range of investigation activities.



*Australia's transport safety investigation regime meets international standards (continued).*

### **Benchmarking of safety investigation programs**

The ATSB is participating in a benchmarking exercise, which commenced in March 2008 and is expected to be finalised in 2008–09, with the Transportation Safety Board of Canada and the United States National Transportation Safety Board. The exercise aims to identify best practices in the delivery of safety investigation programs and services by comparing organisations in terms of:

- safety investigations for all modes;
- technical facilities, including engineering laboratories;
- safety research;
- report production;
- communications;
- statistics and macro analysis; and
- support of and involvement with international working groups.

### **Introduction of new code for marine safety investigations**

The Code of the International Standards and Recommended Practices for a Marine Safety Investigation into a Marine Casualty or Marine Incident was adopted by the IMO on 16 May 2008, and is expected to come into effect on 1 January 2010. The ATSB played a major role in initiating the development of the code and in drafting its provisions.

When the code comes into effect as a part of the International Convention for the Safety of Life at Sea (SOLAS), it will represent a major advance in international maritime safety investigation. Australia, as a signatory to the SOLAS Convention, will be required to conduct safety investigations into very serious marine casualties (deaths, loss of ship or severe damage to the environment) involving any Australian ships. The code also provides for the investigation of marine casualties in Australian waters.

### **Meetings with safety investigation organisations**

Representation at meetings of safety investigation organisations from around the world provided opportunities for the ATSB to share insights on best practice and seek solutions to emerging challenges in the field of no-blame safety investigation during 2007–08.

The International Society of Air Safety Investigators meeting was held in Singapore in August 2007. ATSB investigators were particularly interested in presentations on challenges that arise when conducting joint investigations with foreign agencies, such as the difficulties experienced in collating information in a foreign language or cultural differences in the approach to accident investigation. A presentation by the FAA focused on relatively low-cost, very light jets that are entering service in private operations in the United States.



The Marine Accident Investigators' International Forum meeting was held in China in October 2007. The ATSB's representative gave a presentation on the investigation into the grounding of the *Pasha Bulker*. The presentation included details of the data collection techniques employed to identify the safety risks present and the survey of the practices by the crews of other ships that were in the area at the time of the grounding. Separately, a correspondence group was established, led by Vanuatu, to collect further data on issues surrounding 'enclosed spaces' incidents with a view to providing a paper on the findings to the IMO. The ATSB participated in this correspondence group.

The annual International Transportation Safety Association meeting was held in Russia in May 2008. Of particular note was a presentation on the investigation conducted by the United Kingdom Marine Accident Investigation Board into the break-up of the MSC *Napoli* in rough weather. The techniques used to establish the break-up mechanism and sequence, based on advanced simulation software, set a benchmark for other investigation authorities to follow.

*Investigations are completed, on average, within one year.*

In 2007–08, the ATSB's median time to complete reports for aviation investigations was 443 days, up from 358 days in 2006–07. This increase was the result of various factors, including the diversion of resources to provide input to coronial inquests; provision of investigator and technical support to Indonesia; staff turnover and associated recruitment/training; ongoing training and familiarisation in the use of SIIMS; and the completion of a number of older investigations.

The median report completion time for marine investigations was 319 days, down slightly from 320 days in 2006–07. At 30 June 2008, two of the 10 ongoing marine investigations were more than 12 months old.

For rail reports under the TSI Act, the median completion time of 456.5 days was up from 369 days in 2006–07. This reflects the completion of a number of older investigations. At 30 June 2008, all but one of the 10 ongoing rail investigations were less than a year old.

*Staff required to appear as witnesses at coronial hearings are well prepared.*

Preparing for and attending coronial inquests involved considerable ATSB resources in 2007–08.

In 2007–08, ATSB aviation staff gave evidence at five coronial inquests, including the inquest into the aviation accident at Lockhart River, Queensland, that was discussed in detail in the 2006–07 annual report. The findings of the five inquests were, in the main, consistent with the ATSB investigation findings.

ATSB marine investigators continued to assist the Queensland State Coroner with the inquest into the disappearance of the *Malu Sara* in the Torres Strait in October 2005. Hearings were conducted on Thursday Island over five weeks during 2007–08. The coroner was expected to hand down his findings towards the end of 2008.

In order to equip its staff for the responsibility of appearing as expert witnesses at coronial hearings, every year the ATSB conducts a course, Coronial Witness Training, which combines theory and several hours of scenario-based exercises. In 2007–08, seven staff members attended the course.



*Major accident investigation response capabilities are reviewed and tested annually.*

The 2007–08 review and testing of the response capabilities of ATSB staff complemented previous testing of ATSB operational readiness.

The ATSB's 2007–08 major accident response program included a desktop discussion exercise that considered recovery aspects of a major accident, conducted in association with primary response agencies at Sydney Airport in May 2008.

In December 2007, ATSB staff travelled to Port Macquarie, New South Wales, to participate in Exercise: Rock My Baby—a large desktop exercise that contemplated interagency responses to an aviation accident at Lord Howe Island, which has fewer resources than ports in mainland Australia.

The ATSB also participated in on-site and central office response and recovery exercises for a major aviation accident simulation, held at Lord Howe Island in May 2008 and at Gold Coast Airport in June 2008. This program is ongoing, with simulations to be conducted at the Perth and Sydney airports in 2008–09.

These collaborative exercises have led to an internal review of the ATSB's Major Accident Response Guidelines, aimed at simplifying and streamlining the ATSB's response to a major accident. The review is expected to be completed in early 2009.

*The benefits of the new Safety Investigation Information Management System 'SIIMS', commissioned for aviation investigations in April 2007, are extended to rail and marine.*

Development work and staff training were completed on the ATSB's newly commissioned Safety Investigation Information Management Systems (SIIMS), enabling extension of its benefits to marine and rail investigations. All marine and rail investigations commenced on or after 1 January 2008 use SIIMS as the primary investigation management and analysis tool.

Additional work continued on a range of other SIIMS enhancements intended to improve the rigour of the investigation process, provide more transparent management oversight and facilitate ease of reporting. This enhancement work included:

- migration of recoded legacy data into the new modal occurrence databases to allow for easier and more accurate reporting;
- introduction of the investigation report workflow management tool to improve the efficiency and visibility of the report review and release process; and
- integration between SIIMS and the ATSB's public website to facilitate a more efficient and timely process for posting investigation-related information on the website, including a self-service facility to permit public access to basic aviation occurrence statistics.

*Statistical analyses and conclusions are accurate and robust.*

#### **Review of occurrence records**

Since the implementation of SIIMS in 2007, the ATSB has commenced a review of all occurrence records. The review will continue for the next 12 to 18 months, checking data quality and integrity. This process will ensure that future publicly released information is of a higher and more reliable standard.



### Aviation safety

The ATSB's aviation safety research and analysis section undertook statistical analyses using a variety of data sources, such as the ATSB's aviation safety accident and incident database. As part of the ATSB's internal review process, data sources were validated and the analysis was reviewed to ensure that the results were accurate, methodologically sound and correctly interpreted.

In December 2007, the ATSB published an aviation research and analysis report that examined trends in immediately reportable matters (as defined in the TSI Act) involving regular public transport operations. This report informed the aviation community of important safety trends, and provided the travelling public with a better appreciation of the types of occurrences that are reported to the ATSB.

### Rail safety

To assist in maintaining and continuously improving rail safety, each state and territory government has implemented rail safety legislation and established a rail safety regulator. As part of a process of sharing responsibility for rail safety, industry reports rail safety occurrences to the regulator. The regulators and operators use the resulting data to assist with their safety analyses and programs.

In May 2008, the ATSB published Australian rail safety occurrence data covering the period from 1 January 2001 to 31 December 2007. This type of data is collected from state and territory rail regulators and published on a jurisdictional basis. It covers eight categories: fatal and serious injuries; running line derailments; running line collisions; level-crossing occurrences; signals passed at danger; loading irregularities; track and civil infrastructure irregularities; and rail industry activity. The published data is available on the ATSB website.

In 2007–08, the ATSB continued to analyse information held in its aviation safety accident and incident database to determine whether preventive safety measures are needed as part of Australia's obligations to ICAO. The ATSB engaged industry experts and stakeholders to ensure that the research was focused, timely and relevant.

The 11 aviation safety research and analysis reports released in 2007–08 looked at a diverse range of subjects covering incident and accident trends, investigation methodology, passenger health, and engineering. They included:

- an analysis of Australian birdstrike occurrences between 2002 and 2006;
- a review of the literature on the risk of disease transmission within an aircraft cabin;
- an overview of the use of fibre composite in aircraft;
- a discussion paper on the ATSB investigation analysis framework; and
- a study on the reliability of reciprocating engines.

The ATSB published a study that provided an overview of 'controlled flight into terrain' (CFIT) occurrences, from an international perspective; explored the initiatives introduced in an effort to reduce CFIT; and specifically identified the characteristics associated with CFIT in Australia. A summation of the report findings was presented at the Flight Safety Foundation's Approach and Landing Accident Reduction Tool Kit Workshop Series in May 2008.

Aviation safety research publications were made available on the ATSB website.

*Aviation safety research reports are timely and informative.*



**Quantity–Output 2.1.1**

*More than 6,000 aviation, marine and rail safety accident and incident reports assessed.*

In 2007–08, the ATSB assessed more than 15,400 occurrence notifications (up from approximately 13,400 in 2006–07), of which 8,423 met the definition of a ‘transport safety matter’ and were consequently entered into modal safety databases. These comprised 8,299 aviation occurrences, 67 maritime occurrences and 57 rail occurrences. The 8,423 occurrences comprised 208 accidents and 8,215 incidents. (For the definitions of accidents and incidents, consult the glossary on page 426).

The overall increase was almost exclusively attributable to an increase in aviation reporting, considered to be the result of an increase in aviation activity and greater familiarity with the reporting requirements contained in the Transport Safety Investigation Regulations 2003.

Due to jurisdictional differences in marine and rail reporting, the number of accidents and incidents reported to the ATSB is a subset of all accidents and incidents. The remainder are reported to, and fall within the jurisdiction of, agencies of the relevant states and the Northern Territory.

*Approximately 100 fatal accidents and other serious occurrences are investigated to improve future safety.*

The ATSB investigates selectively, as do many equivalent international organisations. The aim is to concentrate resources on in-depth investigations considered most likely to enhance transport safety. As many accidents are repetitive, investigating all accidents in detail may not be justified, given the ATSB’s limited resources. In such cases, the ATSB will not necessarily attend the scene, conduct an in-depth investigation or produce an extensive report.

In 2007–08 the ATSB initiated 98 investigations:

- 77 aviation safety (89 in 2006–07);
- 11 marine safety (15 in 2006–07); and
- 10 rail safety (13 in 2006–07).

In 2007–08 the ATSB released 97 final investigation reports (down slightly from 103 in 2006–07), comprising:

- 73 aviation safety (80 in 2006–07);
- 12 marine safety (14 in 2006–07); and
- 12 rail safety (9 in 2006–07).

Fewer aviation reports were released than planned, due to the diversion of resources to provide input to coronial inquests; provision of investigator and technical support to Indonesia; staff turnover and associated recruitment/training; and ongoing training and familiarisation in the use of SIIMS.



*Appropriate assistance is provided with major international investigations upon request.*

#### **Assistance to Indonesia**

The Indonesia Transport Safety Assistance Package (ITSAP) is intended to develop local capacity and underpin the development of a genuine safety culture in the Indonesian transport sector. It is administered as a single whole-of-government program with the Department leading the program and other portfolio agencies delivering the assistance through technical transfer of skills from aviation and maritime safety specialists.

In May 2008 an Indonesian investigator completed the ATSB's 12-month diploma-level training as an aviation safety investigator. The project was jointly funded by the ATSB and an AusAID Fellowship.

The ATSB also conducted training courses in Indonesia—for example, courses on human factors and basic investigation. These courses are designed to provide the knowledge base for conducting and reporting investigations according to ICAO standards.

The ATSB expanded its program of capacity-building assistance to Indonesia during 2007–08, providing new opportunities for international aviation and marine investigators. The ATSB will offer an expanded diploma program for Indonesian marine and aviation investigators in 2008–09.

The ATSB cooperated with its Indonesian counterpart, the National Transportation Safety Committee (NTSC), in the investigation of two fatal accidents involving Boeing 737s, at Yogyakarta Airport in March 2007 and at the Makassar Strait in January 2007. This involvement was undertaken at the invitation of the Government of Indonesia and conducted in accordance with international standards. It included on-site investigation, flight data and cockpit voice recorder replay and analysis and report writing.

The ATSB also provided assistance for other high-profile aviation investigations and for marine investigation analysis.

#### **Assistance to New Zealand**

The ATSB assisted the New Zealand Civil Aviation Authority with its investigation of the attempted hijacking of a passenger flight from Blenheim to Christchurch, New Zealand, in February 2008. The ATSB is the only government organisation in the South East Asian region with the necessary facilities to download flight data recorders and cockpit voice recorders. The ATSB recovered the audio record of the incident and provided it to the New Zealand Civil Aviation Authority.

The ATSB released and published on its website 11 aviation safety research and analysis reports. They comprised nine in-house research reports and two external research reports commissioned by the ATSB.

*10 aviation safety statistical and research publications are released.*



**Table 4.3 Trends in transport safety investigation**

	2004-05	2005-06	2006-07	2007-08
<b>Civil aviation</b>				
<b>Accident and incident notification</b>				
Incidents notified	5,810	7,435	7,720	8,125
Accidents notified	157	124	112	174
Total accidents and incidents notified	5,967	7,559	7,832	8,299
<b>Volume of investigations</b>				
Investigations started during year	109	84	89	77
Investigations completed <sup>a</sup>	98	93	80	73
Investigations continuing at 30 June	86	81	87	91
<b>Timeliness of investigations</b>				
Median time to completion (days)	247	379	358	443
Number of ongoing investigations more than one year old at 30 June	14	18	9	22
<b>Outcome of investigations</b>				
Recommendations issued	21	22	19	22
Safety reports received under the REPCON Aviation Confidential Reporting System	n/a	n/a	62	104
Safety notices issued under the REPCON Aviation Confidential Reporting System	n/a	n/a	25	86
<b>Maritime investigations</b>				
<b>Accident and incident notification</b>				
Total accidents and incidents notified	92	79	117	68
<b>Volume of investigations</b>				
Investigations started during year	13	12	15	11
Investigations completed	11	13	14	12
Investigations continuing at 30 June	12	10	11	10





	2004-05	2005-06	2006-07	2007-08
<b>Timeliness of investigations</b>				
Median time to completion (days)	372	234	320	319
Number of ongoing investigations more than one year old at 30 June	3	2	1	2
<b>Outcome of investigations</b>				
Recommendations issued	42	40	38	32
Safety notices issued under the Marine Confidential Reporting System	13	13	8	5
<b>Rail investigations</b>				
<b>Accident and incident notification</b>				
Total accidents and incidents notified	61	39	46	57
<b>Volume of investigations</b>				
Investigations started during year	7	9	13	10
Investigations completed	3	13 <sup>b</sup>	9	12
Investigations continuing at 30 June	11	8	12	10
<b>Timeliness of investigations</b>				
Median time to completion (days)	519	479	369	456.5
Number of ongoing investigations more than one year old at 30 June	3	-	2	1
<b>Outcome of investigations</b>				
Recommendations issued	22	83	39	42
<b>Total price of output<sup>c</sup></b>	<b>\$17.5m</b>	<b>\$19.0m</b>	<b>\$19.3m</b>	<b>\$23.8m</b>

- a While the government has provided extra funding for more investigations from 2004–05, the time required to recruit and train investigators delayed the average number of investigations completed and the median completion time for investigations.
- b This includes the Benalla steam train rail investigation report submitted to the Victorian Government in September 2004 and released to the public in February 2006.
- c This includes the direct cost of investigations as well as indirect costs such as Infrastructure-attributed corporate overheads.



## OUTPUT 2.2.1—TRANSPORT SECURITY POLICY, PROGRAMS AND REGULATION

### Highlights

The Regulated Air Cargo Agent Security Training Framework became operational from 1 January 2008, introducing a range of improved security competency standards for the air cargo sector.

The introduction of explosive trace detection (ETD) equipment by the major international and domestic air cargo terminal operators was completed in June 2008. In addition, the Office of Transport Security (OTS) conducted comprehensive air cargo X-ray trials designed to analyse the capability of current X-ray technology in Australia and internationally.

The Maritime Security Risk Context Statement was developed and released to the industry. This document provides a new assessment of threat and risk in the maritime sector based on current intelligence.

Enhanced airside inspection measures were implemented at the 11 major Australian airports. These measures included: reducing the number of airside access points; undertaking checks of people, goods and vehicles at airside access points; and limiting access to airside areas through tenant facilities.

A comprehensive review of aviation security screening, to examine and improve the screening regime, commenced. The OTS expects to present the final report to the Minister in December 2008.

A risk-based, intelligence-led, national audit and compliance program was developed for 2008–09. The program identifies vulnerabilities in the aviation and maritime security environment, targeting areas of high risk.

The OTS Regulatory Philosophy and the OTS Strategic Plan 2007–2010 were developed to state clearly to industry, other stakeholders and staff how the OTS will regulate preventive security in the aviation, maritime and air cargo sectors of the transport industry.

The Oil and Gas Security Forum was established and met for the first time on 17 June 2008. The forum involves oil and gas industry participants as well as representatives from relevant Australian Government and state and territory government agencies who will work collaboratively on strategic security issues affecting this sector.

Phase 1 of the regional domestic checked baggage screening (CBS) initiative was completed, with random and continuous CBS through explosive trace detection equipment commencing at 29 regional airports across Australia from 1 December 2007.

The conduct of Australian Security Intelligence Organisation Protective Security Section (T4) vulnerability assessments commenced at the 11 major airports. The vulnerability assessments focused on three key areas of security at airports—front of house, perimeter security and access control to secure areas—in response to a recommendation made by Sir John Wheeler in his Independent Review of Aviation Security and Policing in Australia.

### Overview

The Office of Transport Security (OTS) plays a key role in improving the security of aviation (including air cargo), maritime and offshore oil and gas industries and surface transport.

Based on a nationally consistent approach that complies with international standards, the OTS works with state and territory governments and the transport industry to improve security and to prevent transport security incidents through:

- transport security intelligence and operations;
- transport security policy, planning and regulation; and
- audit and compliance activities.



The OTS also works with Australian intelligence and law enforcement agencies to provide advice to the Australian Government on achieving aviation and maritime security outcomes.

Output 2.2.1 is delivered by the OTS and the Office of the Inspector of Transport Security (OITS). In 2007–08, the output administered five programs:

- Aviation security enhancements: checked baggage screening;
- Aviation security enhancements: improving international aviation security;
- Aviation security enhancements: increased air cargo inspections;
- Aviation security enhancements: regional passenger screening; and
- Aviation security enhancements: screening for liquids, aerosols and gels.

Output 2.2.1 corresponds to Output 1.2.1 in the previous outcome and output structure (see Appendix L for a comparison between the current and previous structures).

Table 4.4 summarises the output's performance in 2007–08.

## Summary of performance

**Table 4.4 Summary of performance—Output 2.2.1—Transport security policy, programs and regulation**

Performance indicators	Results
<b>Effectiveness</b>	
<i>Transport security is maintained and enhanced.</i>	The Office of Transport Security (OTS) continued to enhance Australia's policies for aviation security, regional aviation and air freight security, maritime security, offshore oil and gas security, critical infrastructure and surface transport security to create a transport system that is more secure against the threat of terrorism and unlawful acts.
<b>Quality</b>	
<i>Inquiries into major transport security incidents are undertaken as directed by the Minister.</i>	The <i>Inspector of Transport Security Act 2006</i> came into effect on 8 June 2007.  The inspector is currently undertaking an inquiry into the security arrangements for intrastate, privately operated, large commercial passenger ferries.
<i>Advice to the Australian Government and industry reflects threat and risk assessment.</i>	The OTS produced summary reports of maritime and aviation security events and incidents to assist in developing and implementing appropriate preventive security measures and priorities. The OTS also provided briefings and presentations in various forums as part of an ongoing stakeholder engagement process to keep industry, other government agencies and foreign partners informed of strategic transport security threats, risks and vulnerabilities.



Performance indicators	Results
<p><i>Aviation and maritime security is regulated in line with relevant legislation and is enforced appropriately.</i></p>	<p>The <i>Aviation Transport Security Amendment Act 2006</i>, and the associated amendments to the <i>Aviation Transport Security Regulations 2005</i> were introduced to ensure the legislation remains effective in an evolving security environment.</p> <p>Regulations that took effect in October 2007 provide for the Accredited Air Cargo Agents (AACA) Scheme and for the introduction of explosive trace detection (ETD) equipment for the examination of air cargo.</p> <p>No amendments were made to the maritime regulatory framework in 2007–08.</p> <p>During 2007–08, the OTS developed the OTS Regulatory Philosophy and the OTS Strategic Plan 2007–2010. These documents were developed following consultation with key stakeholders, such as heads of federal agencies, regulatory academics, transport industry representatives, unions and staff.</p> <p>A transport security inspector training needs analysis was completed and accepted during 2007–08. One recommendation of the analysis was that courses should be developed in conjunction with a registered training organisation.</p>
<p><i>The aviation and maritime industries are engaged in developing and implementing transport security priorities.</i></p>	<p>The OTS engaged in a number of industry forums during 2007–08. These included:</p> <ul style="list-style-type: none"> <li>• Aviation Security Advisory Forum;</li> <li>• Regional Industry Consultative Meeting;</li> <li>• Maritime Industry Security Consultative Forum;</li> <li>• Oil and Gas Security Forum;</li> <li>• Over the Horizon Roundtable; and</li> <li>• Transport Infrastructure Assurance Advisory Group</li> </ul> <p>In consultation with industry, the OTS continued to enhance the security incident reporting system.</p>
<p><i>State and territory governments and industry are assisted to further enhance surface transport security.</i></p>	<p>The Transport Security Working Group helped state and territory governments to mitigate the risk of surface transport security incidents by developing nationally consistent surface transport security strategies and guideline materials.</p>
<p><i>Targeted countries in our region are assisted to improve their transport security capabilities.</i></p>	<p>The OTS participated in the International Counter Terrorism Coordination Group (ICTCG) led by the Department of Foreign Affairs and Trade, which coordinates capacity building across agencies through the terrorism trilateral process that includes participation by Australia, Japan and the United States of America.</p> <p>In 2007–08, trilateral meetings were held in Sydney and Tokyo.</p> <p>The OTS continued to assist regional countries to improve their transport security capacity by providing policy advice, training and program development assistance.</p>

Table 4.4 continued.

Performance indicators	Results
<b>Quality</b>	
<i>Other governments and international organisations are engaged, so as to further Australian interests in the transport security sector.</i>	International governments were engaged to promote awareness of, and compliance of security measures with, Australian requirements concerning the restrictions of liquids, aerosols and gels for inbound flights to Australia.
<i>Transport security support to special events and counter-terrorism exercises are coordinated.</i>	The OTS provided advice on transport security arrangements and supported the Australian Government's security preparations, counter-terrorism exercises, planning for and conduct of Asia–Pacific Economic Cooperation Leaders Week and the July 2008 World Youth Day program. The OTS coordinated departmental support for and participation in a National Counter-Terrorism Committee exercise program.
<i>Government policy decisions on transport security are implemented on time and within budget.</i>	At June 2008, there were 913 regulated air cargo agents (RACAs); 40 new RACA transport security plans were approved in 2007–08.  Implementation of enhanced airside inspection measures, such as: reducing the number of airside access points; undertaking checks of people, goods and vehicles at airside access points; and limiting access to airside areas through tenant facilities at designated airports, have been put in place at Australia's 11 major airports.
<b>Quantity</b>	
<i>Transport security, audit and compliance activity is conducted at/for approximately:</i>	The OTS conducted audit and compliance activities based on risk assessments of regulated participants. Current audit and compliance activities are undertaken in accordance with the International Civil Aviation Organization (ICAO) standards.
<i>412 aviation industry participants covering 188 airports across Australia and 224 domestic and international airlines</i>	In 2007–08, the OTS conducted 1,618 compliance activities in the aviation industry. These activities were focused on the compliance of Australia's major international airports, screened airports, international airlines, RACAs and major domestic airlines. Collectively these comprised over 80% of compliance activity.
<i>10,000 general aviation aircraft on a risk assessed basis</i>	In 2007–08, the OTS conducted 1,740 compliance activities in the maritime industry.
<i>approximately 850 regulated air cargo agents</i>	
<i>264 maritime security plan holders covering 73 ports, 364 related facilities and 59 Australian flagged vessels, and</i>	
<i>22 offshore oil and gas security plans covering 76 offshore service providers and offshore facilities.</i>	



Performance indicators	Results
<i>More than 11,000 foreign ships are risk-assessed and security inspections targeted as appropriate.</i>	The OTS monitors all visits by foreign vessels. The OTS conducted 1,149 targeted inspections of foreign-flagged ships based on security compliance checks conducted on 12,084 foreign-regulated ships seeking entry to Australian ports
<i>Aviation Security Identification Card—management of background checking of up to 93,000 aviation participants.</i>	For the period from 1 July to 3 September 2007, the OTS assessed approximately 13,700 Aviation Security Identification Card (ASIC) applications. From this date, the responsibility for the background checking of ASIC and Maritime Security Identification Card (MSIC) applicants transferred to a centralised government vetting agency, AusCheck, a division of the Attorney-General's Department.
<i>Maritime Security Identification Card—management of background checking of up to 82,000 people in the maritime industry.</i>	For the period from 1 July to 3 September 2007, the OTS assessed approximately 4,500 MSIC applications.
Price	
\$80.3 million	The actual price of this output in 2007–08 was \$77.5 million.
Overall performance	Mostly achieved.

## Detailed report on performance

### Effectiveness—Output 2.2.1

*Transport security is maintained and enhanced.*

The OTS contributes to the wellbeing of all Australians by making Australia's transport system more secure against the threat of terrorism and other unlawful acts.

Significant enhancements to transport security were made in 2007–08.

- Explosive trace detection for air cargo examination at international cargo terminal operations was introduced.
- The OTS began a review of aviation security screening in response to industry and public concerns about the aviation security screening regime. A high-level external advisory group was established to provide strategic input and advice to assist in guiding the project to effective and practical outcomes for the OTS and the aviation industry.
- On 1 July 2007, the Regulated Air Cargo Agent (RACA) Security Training Quality Assurance Service commenced delivering a high-quality, competency-based security training system to the air cargo sector. The RACA Security Training Framework operated in parallel with the outgoing training system until 1 January 2008, when the outgoing system ceased.



**Quality—Output 2.2.1**

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

The *Inspector of Transport Security Act 2006* (ITS Act), which came into effect on 8 June 2007, provides a statutory framework allowing the inspector to conduct independent ‘no-blame’ inquiries and make recommendations in relation to transport security and offshore security matters.

Under the ITS Act, the Minister for Infrastructure, Transport, Regional Development and Local Government directs the Inspector of Transport Security to inquire into major transport security incidents, circumstances that suggest a systemic failure or weakness in transport security arrangements, or matters that may have implications for transport security arrangements in Australia.

In 2007–08, the inspector commenced an inquiry into the security arrangements for intrastate, privately operated, large commercial passenger ferries.

The assessment will not provide a prescriptive report card on the state of preparedness of individual ferry services, but will draw on the experience of domestic stakeholders and relevant international stakeholders to provide constructive advice on current levels of security effectiveness, practical operational difficulties, implications and challenges, examples of best practice, and possible options for improvement.

*Advice to the Australian Government and industry reflects threat and risk assessment.*

The OTS continued to receive, manage and analyse a wide range of transport security information and intelligence relevant to transport security. This information, once analysed and adapted for industry use, forms the foundation of the Department’s risk-based transport security regulatory framework.

During 2007–08 the OTS produced four aviation security quarterly reports, 11 transport security advisories and four quarterly summaries of maritime and aviation security events and incidents, to assist in developing and implementing appropriate preventive security measures and priorities. The 2008 Maritime Security Risk Context Statement was released at the end of June 2008 providing a new assessment of threat and risk in the maritime sector based on current intelligence.

The OTS also provided briefings and presentations in various forums as part of an ongoing stakeholder engagement process to keep industry, other government agencies and foreign partners informed of strategic transport security threats, risks and vulnerabilities.

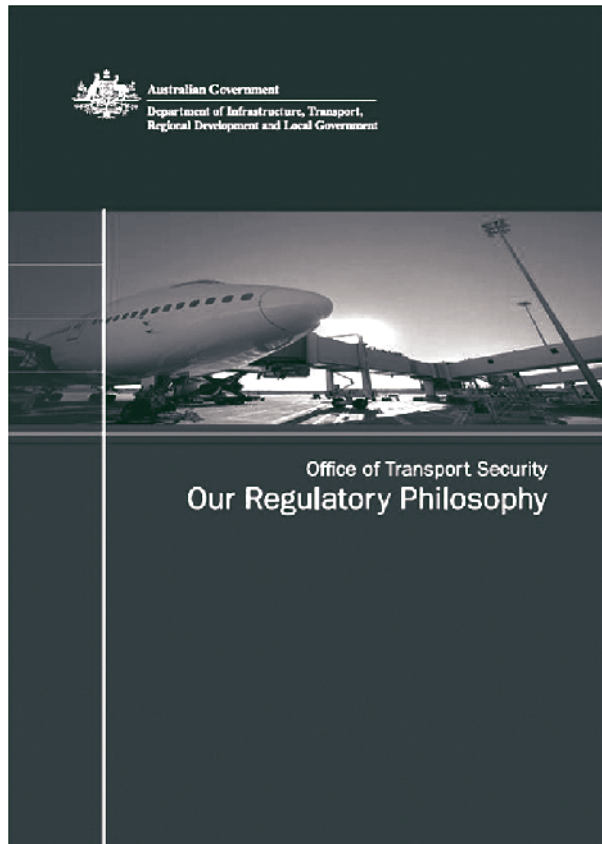




The OTS participation in threat-related information sharing and policy development forums included supporting the:

- Airports Intelligence Joint Working Group;
- Australian Government Counter-Terrorism Committee;
- Australian Government Counter-Terrorism Policy Committee;
- Australian Government Transport Security Policy Committee;
- National Counter-Terrorism Committee;
- National Security Committee;
- Secretaries Committee on National Security; and
- Threat and Risk Assessment Working Group.

The Security Analysis Section within the OTS provides the secretariat for the Australian Government Transport Security Policy Committee.



*Our Regulatory Philosophy articulates the Office of Transport Security's approach to regulating preventive security in the transport sector (Photo DITRDG)*

*Aviation and maritime security is regulated in line with relevant legislation and is enforced appropriately.*

### Aviation security

Aviation security is regulated by the *Aviation Transport Security Act 2004* (ATSA) and the Aviation Transport Security Regulations 2005.

Amendments made to the ATSA in 2007–08 related to:

- transport security program requirements;
- screening of dignitaries;
- aviation security powers for Australian customs officers; and
- the definition of ‘unlawful interference with aviation’.

Further amendments to ATSA in 2007–08 included the ability to make regulations prescribing offences in relation to the disruption to, or interference with, the activities of the operator of a security controlled airport or the activities of an aircraft operator at a security controlled airport. This could, for example, allow regulations to be made regarding the use of lasers to interfere with an aircraft’s operations.

The OTS worked with the Civil Aviation Safety Authority (CASA) and the Aviation and Airports Division of the Department to coordinate amendments to the *Civil Aviation Act 1988* expanding the range of persons capable of being charged with interference with a crew member.

### Air cargo security

The *Aviation Transport Security Amendment Act 2006* received Royal Assent on 14 September 2006. The amendments created a new division of ATSA for the examination, certification and clearing of air cargo. The amendments better reflect the actual operational needs and practices of the air cargo industry while continuing to meet the security outcomes. The new division provides for the creation of an Accredited Air Cargo Agents (AACA) Scheme and for the mandatory introduction of explosive trace detection (ETD) equipment for the examination of air cargo.

The RACA Quality Assurance Service (QAS) commenced on 1 July 2007, to maintain the quality of the RACA Security Training Framework Accredited Training and Assessment Organisations and monitor the appropriateness of the security training competency standards. The RACA QAS began receiving and assessing applications for accreditation: at 30 June 2008, eight organisations had been granted Regulated Air Cargo Agents Training and Assessment Organisation (RACATO) status.

### Maritime security

Maritime security is regulated by the *Maritime Transport and Offshore Facilities Security Act 2003* and the Maritime Transport and Offshore Facilities Security Regulations 2003.

No amendments were made to the maritime regulatory framework in 2007–08.



### Cross-modal regulatory project

During 2007–08 the OTS developed the OTS Regulatory Philosophy and the OTS Strategic Plan 2007–2010. These documents were developed following consultation with key stakeholders, including heads of federal agencies; regulatory academics; transport industry representatives; unions; and staff. In support of this process a draft OTS regulatory manual was developed which will be finalised in early 2008–09.

The OTS National Compliance Work Program provides assurance that a single, consistent, prioritised security risk-based focus is applied to all OTS compliance activity.

### Transport Security Inspector training needs analysis

A transport security inspector training needs analysis was completed and accepted during 2007–08. One recommendation of the analysis was that courses should be developed in conjunction with a registered training organisation. Work has commenced on identifying a suitable organisation.

This will lead to a more consistent regulatory engagement with industry for transport security inspectors and will ensure that audit and compliance activities are undertaken in a nationally consistent manner.

*The aviation and maritime industries are engaged in developing and implementing transport security priorities.*

### Aviation Security Advisory Forum

The Aviation Security Advisory Forum (ASAF) provides a forum for representatives of the commercial aviation sector to meet with government and explore, through discussion and consultation, a broad range of operational, legal, policy and regulatory issues relating to aviation security. The ASAF is a high-level forum, with most members representing major industry participants such as designated airports and large airlines.

The ASAF has several working groups which include government and industry representatives. The groups undertake informed and detailed work on a number of strategic issues on behalf of the ASAF.

During 2007–08 ASAF meetings were held in Adelaide, Albury (New South Wales), Melbourne and Sydney.

### Regional Industry Consultative Meeting

The Regional Industry Consultative Meeting (RICM) complements the ASAF by providing an opportunity for smaller aviation industry participants (such as regional airports and smaller airlines) to consult on aviation security matters.

Two proposed RICM meetings were cancelled during 2007–08, one due to insufficient numbers and one due to the timing of the federal election. RICM meetings were held in Brisbane and Perth.



*The aviation and maritime industries are engaged in developing and implementing transport security priorities (continued).*

#### **Maritime Industry Security Consultative Forum**

The Maritime Industry Security Consultative Forum (MISCF) provides a forum for the OTS to outline security initiatives to industry, and for industry to provide feedback on these and other maritime security matters. MISCF membership includes industry leaders, industry and employee representative organisations and decision makers who are best placed to provide input to government and communicate with the maritime industry. MISCF has a number of working groups which report back on issues such as passenger ship screening, security guards and port-wide risk assessments.

During 2007–08, MISCF meetings were held in Adelaide and Melbourne.

#### **Oil and Gas Security Forum**

The Oil and Gas Security Forum (OGSF) provides a focal point for dialogue where government and industry can collaborate to improve the resilience of the Australian oil and gas sector through the sharing of ‘all hazard’ information and insights and the consideration of strategic issues for security planning.

The OGSF was established in May 2008 as a sub-group of the Energy Infrastructure Assurance Advisory Group under the Trusted Information Sharing Network for Critical Infrastructure Protection. It is co-chaired by representatives from both industry and government.

The first meeting of the forum, held on 17 June 2008, was attended by senior representatives from the Australian Government and state and territory governments and by officers from 12 of Australia’s largest oil, gas and related companies.

The OGSF will develop a strategic directions paper encompassing issues related to sectoral growth, interdependencies and cross-jurisdictional issues, as well as whole-of-supply-chain security planning. Research will also be conducted into international benchmarking—from the perspective of both industry and government—for security in the offshore/upstream environments.



### Over the Horizon Roundtable

The Over the Horizon Roundtable is a strategic forum where government and aviation industry leaders discuss emerging aviation security issues and consider implications for longer term aviation security policy development.

The forum met in September 2007 and April 2008. Its discussions broadly focused on the changing aviation security environment, including future challenges and the Australian Government's development of a national aviation policy statement.

### Transport Infrastructure Assurance Advisory Group

The OTS leads the Transport Infrastructure Assurance Advisory Group (TIAAG), including subgroups for the aviation, maritime and surface transport sectors.

The Infrastructure Assurance Advisory Groups (IAAGs) are consultative groups within the Trusted Information Sharing Network that enables industry and government to exchange information on issues relating to identifying interdependencies, security risk and business continuity planning and preparedness.

During 2007–08, the OTS delivered a series of scenario-based exercises for the aviation, maritime and surface subgroups of the TIAAG. These scenarios were based on an 'all hazards' response and recovery philosophy that was directed towards a major transport disruptive incident. Exercises were conducted during February 2008 in Melbourne and during June 2008 in Brisbane.

### Aviation transport security incident reporting

The OTS continues to enhance the security incident reporting system in consultation with industry. A major initiative involved integrating a daily summary of aviation security-related reporting from the Australian Federal Police to provide a more complete picture of the security environment at major airports. The OTS refined internal processes for reviewing security incident reporting, to enhance consistency in addressing compliance issues with industry and identify and address short-term trends and vulnerabilities.



*State and territory governments and industry are assisted to further enhance surface transport security.*

*Targeted countries in our region are assisted to improve their transport security capabilities.*

### **Transport Security Working Group**

While surface transport security is not a Commonwealth responsibility, the Australian Government works closely with state and territory governments to develop a consistent and coordinated approach. This role is set out in the 2005 Intergovernmental Agreement on Surface Transport Security.

Comprising representatives from all jurisdictions, the Transport Security Working Group (TSWG) is a lead forum for the coordination of a national transport policy response to the threat of terrorism and unlawful acts.

In 2007–08, the TSWG continued to work on mitigating the risk of transport security incidents, to complement the National Counter-Terrorism Arrangements and other national planning arrangements for security and emergency management. These include the ongoing implementation of initiatives arising from the 2006 Inspector of Transport Security's Surface Transport Security Assessment, such as the development of nationally consistent surface transport security planning guidelines, surface transport precinct security guidelines and a security training framework for surface transport operators.

### **Regional transport security capacity building**

During 2007–08 the OTS assisted a range of countries in the Asia–Pacific region to develop their compliance with international transport security standards.

- In East Timor, the OTS delivered an aviation security capacity-building project at Dili Airport in collaboration with the Timorese Government.
- In Indonesia, the OTS commenced a 13-month aviation security capacity-building project at Kupang Airport, which will strengthen the airport's compliance with international aviation security standards.
- In the Philippines, the OTS delivered a range of port security training courses and assisted the Philippines Office for Transportation Security to develop port security policies and regulations.

In the Pacific, the OTS worked cooperatively with regional bodies to enhance port security and aviation security, provided technical training assistance for a range of port security courses, and sponsored the inaugural Pacific Maritime Security Conference, held in Fiji in May 2008.

The OTS assisted several countries in the Pacific to enhance their aviation security capacity. This included a successful staff exchange program with the governments of Samoa and Vanuatu; and the delivery of refresher training to aviation security screening staff at Samoa's Faleolo International Airport and Vanuatu's Bauerfield and Pekoa international airports, in conjunction with New Zealand Aviation Security Service.

The OTS continued to support transport security in Papua New Guinea under the Strongim Gavman Program, through the ongoing implementation of maritime security regulations, enhanced aviation security measures and aviation and maritime security capacity building.



*Other governments and international organisations are engaged, so as to further Australian interests in the transport security sector.*

### **International Civil Aviation Organization**

Australia gives effect to its international obligations under the Convention on International Aviation (the Chicago Convention) through the *Crimes (Aviation) Act 1991*, the *Aviation Transport Security Act 2004* and the *Aviation Transport Security Regulations 2005*. The body responsible for administering the Chicago Convention is the International Civil Aviation Organization (ICAO).

Australia, through the OTS, is represented on the Aviation Security Panel of ICAO and participated in the nineteenth meeting of the panel, held at ICAO headquarters in Canada in May 2008. Australia's interests on the panel include the development of aviation security standards and measures. The OTS was also included in the Australian delegation to ICAO's Thirty-sixth General Assembly held in Canada in September 2007.

### **International Working Group on Land Transport Security**

The OTS continued to contribute to the sharing of experience and best practice in the international arena through participation in the International Working Group on Land Transport Security.

The group draws members from countries that operate large mass transit networks or have suffered terrorist attacks on transport systems, including Australia, Canada, France, Germany, Indonesia, India, Israel, Italy, Japan, Korea, Malaysia, Russia, Spain, the United Kingdom and the United States of America.

Japan chaired and hosted the 2007–08 meetings of the group. Australian representatives gave a well-received presentation on transport precinct security and developed a draft international reference paper on the use of closed-circuit television for counter-terrorism in the mass passenger transport sector.

### **APEC Mass Passenger Surface Transport Security Conference**

In April 2008, Australia (represented by the OTS) and the Philippines jointly hosted an Asia–Pacific Economic Cooperation (APEC) Mass Passenger Surface Transport Security Conference in Manila. The conference provided a forum for the sharing of best practice in mass passenger transport security, exposure to leading world transport security experts and a platform for nations to build effective working relationships in this transport sector.



*Other governments and international organisations are engaged, so as to further Australian interests in the transport security sector (continued).*

*Transport security support to special events and counter-terrorism exercises are coordinated.*

#### **International forums on maritime security**

The OTS engaged with foreign governments and international organisations through a number of forums dealing with maritime security issues, including the International Maritime Organization (IMO) and APEC, during 2007–08.

The OTS takes a lead role in the consideration of international maritime security as the Chair of the IMO Maritime Security Working Group. In 2007–08, the OTS chaired one meeting of the group, held in Denmark in October 2007.

The OTS also plays an active role in the security subgroup of the Maritime Experts Group of the APEC Transportation Working Group. The OTS attended meetings of the subgroup, held in Taiwan and the Philippines.

The OTS also led or participated in APEC maritime security workshops and exercises held in Papua New Guinea and Fiji, and participated in a Transport Security Workshop held in Cambodia, led by the Australian Department of Defence.

#### **International engagement on aviation security**

The OTS played a leading role in the establishment of an aviation security-related discussion forum known as the QUAD. The QUAD is an informal group of like-minded aviation security regulators from Australia, Canada, the European Commission and the United States of America, which explores harmonising solutions to emerging and challenging high-priority aviation security issues.

The creation of the QUAD has enabled constructive discussion on a wide range of aviation policy issues and has facilitated development of new international aviation security settings and standards.

#### **Special events and counter-terrorism exercises**

The OTS successfully supported transport security arrangements for the APEC Leaders Week meeting held in Sydney in September 2007. Transport Security Inspectors (TSI) from all OTS state security offices were deployed to New South Wales regional airports to provide an enhanced security presence, integrated with the Department of Defence and New South Wales Police on the APEC airspace security arrangements. The OTS New South Wales State Security Office provided an enhanced TSI presence at Sydney (Kingsford Smith) Airport for the duration of the APEC Leaders Week.

In support of World Youth Day 2008, to be held in Sydney in July 2008, the OTS participated in security planning, assisted in developing the airspace risk assessment, and facilitated the establishment of special airspace around World Youth Day venues and oversight of security preparations at Sydney (Kingsford Smith) Airport.

The OTS participated fully in national exercises coordinated by the Attorney-General's Department and conducted under the auspices of the National Counter-Terrorism Committee.





*Government policy decisions on transport security are implemented on time and within budget.*

### Checked baggage screening

The first phase of the checked baggage screening (CBS) initiative for regional domestic airports announced in the 2007–08 budget commenced on 1 December 2007. This involved the screening of checked baggage using ETD equipment and was delivered as required and within budget.

#### Quantity—Output 2.2.1

*Transport security, audit and compliance activity is conducted at/for approximately:*

- 412 aviation industry participants covering 188 airports across Australia and 224 domestic and international airlines
- 10,000 general aviation aircraft on a risk assessed basis
- approximately 850 Regulated Air Cargo Agents
- 264 maritime security plan holders covering 73 ports, 364 related facilities and 59 Australian flagged vessels,
- 22 offshore oil and gas security plans covering 76 offshore service providers and offshore facilities.

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

*Aviation Security Identification Card (ASIC)—management of background checking of up to 93,000 aviation participants.*

The OTS is responsible for delivering a transport security audit and compliance regime based on risk assessments of the regulated participants, incorporating elements of threat, vulnerability and industry information. Through the OTS, Australia conducts audit and compliance activities in line with international benchmarking of comparable countries such as Canada, New Zealand, the United Kingdom and the United States of America.

Significant effort is also made to maintain the currency of industry participants' transport security programs.

The OTS employed 128 transport security inspectors in 2007–08.

In 2007–08, the OTS conducted 1,618 compliance activities in the aviation industry. These activities were focused on the compliance of Australia's major international airports, screened airports, international airlines, regulated air cargo agents and major domestic airlines. Collectively these comprised over 80 per cent of compliance activity.

The OTS conducted 1,740 compliance activities in the maritime industry in 2007–08.

The OTS monitors all visits by foreign vessels. The OTS conducted 1,149 targeted inspections of foreign-flagged ships based on security compliance checks conducted on 12,084 foreign-regulated ships seeking entry to Australian ports.

The OTS assessed approximately 13,700 ASIC applications between 1 July and 3 September 2007. From this date, the responsibility for the background checking of ASIC applicants transferred to the centralised government vetting agency, AusCheck, a division of the Attorney-General's Department. The OTS continues to be responsible for establishing the policy, regulatory standards and administrative processes attached to the ASIC scheme.



*Maritime Security Identification Card (MSIC)—management of background checking of up to 82,000 people in the maritime industry.*

The OTS assessed approximately 4,500 MSIC applications between 1 July and 3 September 2007. From this date, the responsibility for the background checking of MSIC applicants was transferred to the centralised government vetting agency, AusCheck, a division of the Attorney-General’s Department. The OTS continues to be responsible for establishing the policy, regulatory standards and administrative processes attached to the MSIC scheme.

## Administered programs for Output 2.2.1—Transport security policy, programs and regulation

**Table 4.5** Summary of performance—Aviation security enhancements: checked baggage screening

Performance indicators	Results
<b>Effectiveness</b>	
<i>Checked baggage on screened air services at non-designated screened airports is subject to security screening.</i>	<p>Checked baggage screening occurred on screened air services at non-designated screening airports from 1 December 2007.</p> <p>In the lead-up to the use of explosive trace detection to screen checked baggage, the OTS, in consultation with industry, developed a regional engagement and communications package that focused on the mining sector and aimed to educate members of the travelling public on new procedures at airports.</p>
<b>Quantity/Location</b>	
<i>Explosive trace detection equipment is being used to screen 100% of checked bags at 26 non-designated airports.</i>	<p>Funding was provided to 29 airports for the purchase of explosive trace detection equipment. Equipment was deployed at all regional domestic jet airports to introduce random and continuous checked baggage screening to commence on or before 1 December 2007.</p> <p>A total of \$2 million was provided across states and territories—New South Wales, the Northern Territory, Queensland, Tasmania, Victoria and Western Australia.</p>
<b>Cost</b>	
<i>\$7.6 million</i>	<p>The actual cost of this program in 2007–08 was \$2.5 million. The underspend of \$5.1 million was due to approved airport funding applications and executed Funding Agreements not requiring payment during 2007–08. Approval has been provided to move \$5.1 million to 2008–09.</p>
<b>Overall performance</b>	<b>Mostly achieved.</b>



## DID YOU KNOW

### ASIC & MSIC

Persons seeking access to the secure areas of our air and sea ports must apply for an Aviation Security Identification Card or a Maritime Security Identification Card, as relevant. Establishing a person's eligibility for the issue of an identification card involves undertaking a number of checks relating to operational need, proof of identity, security risk, criminal history and, where appropriate, immigration status.

**Table 4.6 Summary of performance—Aviation security enhancements: improving international aviation security**

Performance indicators	Results
<b>Effectiveness</b>	
<i>Improved aviation security at Last Port of Call airports, consistent with international standards.</i>	In 2007–08, Australia and the Philippines progressed an aviation security training initiative with in-principle agreement reached for an aviation security management plan. The OTS sponsored a number of Filipino aviation security officials to attend ICAO standard aviation security training courses. The Philippines Government progressed property arrangements for the establishment of the Philippines' Aviation Security Training Facility.
<b>Location</b>	
<i>Asia–Pacific Region.</i>	The initiative will improve the standard of aviation security in the Philippines through the establishment of an aviation security training centre in Manila.
<b>Cost</b>	
<i>\$1.0 million</i>	The actual cost of this program in 2007–08 was \$0.1 million. The underspend of \$0.9 million was due to extended delays in the Philippines Office for Transportation Security securing a 25 year lease on a building to house the aviation security training facility.  Approval has been provided to move \$0.9 million to 2008–09.
<b>Overall performance</b>	<b>Mostly achieved.</b>



**Table 4.7 Summary of performance—Aviation security enhancements: increased air cargo inspections**

Performance indicators	Results
<b>Effectiveness</b>	
<i>Strengthened security measures for international and domestic passenger aircraft through increased inspection of air cargo.</i>	The purchase of explosive trace detection (ETD) equipment to be used by industry for the examination of air cargo loaded at specified Australian airports was completed during 2007–08.  During 2007–08 a further 27 ETD units were purchased at a cost of \$1.4 million, bringing the total deployed to 123 units.
<i>Enhanced air cargo inspection regime of international export air cargo carried on passenger services.</i>	X-ray equipment capability and industry impact trials were conducted to evaluate the capacity for X-ray technology to detect explosives and improvised explosive devices within units of air cargo. The trials assessed the impact on industry’s operational costs and performance.
<b>Location</b>	
<i>Major Australian airports and cargo facilities.</i>	ETD equipment is now located and operated at major Australian airports and cargo terminal facilities where cargo is prepared for loading onto aircraft.
<b>Cost</b>	
<i>\$3.8 million</i>	The actual cost of this program in 2007–08 was \$3.0 million. The underspend of \$0.8 million was due to the ETD equipment costing less than originally budgeted and costs associated with the hire and installation of X-ray equipment being lower than forecast.
<b>Overall performance</b>	<b>Mostly achieved.</b>



Usage of hand-held ETD equipment that searches for traces of explosive residue on checked-in baggage (Photo DITRDLG)

**Table 4.8 Summary of performance—Aviation security enhancements: regional passenger screening**

Performance indicators	Results
<b>Effectiveness</b>	
<i>Security is enhanced at regional airports handling regular public transport services.</i>	<p>The OTS continued to deliver a regional passenger screening capability as part of the Securing Our Regional Skies package to improve security for Australia's regional airports and airlines.</p> <p>Regional passenger screening has been implemented by providing hand-held metal-detecting kits and associated training at up to 145 regional airports that are regulated under the Aviation Transport Security Regulations 2005. These measures may enable regional airports to continue to operate in the event of a heightened security alert.</p> <p>In addition to achieving an important security outcome, this program has provided training to Australians living in remote regional areas.</p>
<b>Quantity/Location</b>	
<i>Metal detection equipment and training is provided to 145 regional airports.</i>	<p>The provision of metal detection equipment was completed in 2006–07. Since then the program has concentrated on providing training to eligible airports in New South Wales, the Northern Territory, Queensland, South Australia, Tasmania, Victoria and Western Australia.</p> <p>All but six of the eligible security controlled airports participated in the round of training in 2007–08.</p>
<b>Cost</b>	
\$1.0 million	The actual cost of this program in 2007–08 was \$0.8 million. The underspend of \$0.2 million was due to the lack of airports/councils requesting reimbursement of expenses incurred for participants undertaking hand wand metal detection/security training in regional Australia.
<b>Overall performance</b>	<b>Mostly achieved.</b>

**Table 4.9 Summary of performance—Aviation security enhancements: screening for liquids, aerosols and gels**

Performance indicators	Results
<b>Effectiveness</b>	
<i>Integration of technology in enhanced passenger screening processes with minimal impact on passenger clearance rates.</i>	<p>The OTS commenced laboratory trials to assess the effectiveness of commercially available technologies that claim to be able to detect explosives in liquids, aerosols and gels.</p> <p>Three types of passenger screening equipment are being trialled—materials analysis equipment, such as bottle scanners; advanced technology X-ray for carry-on luggage; and body scanners.</p>



Table 4.9 continued.

Performance indicators	Results
<b>Quality</b>	
<i>Improved aviation security consistent with international requirements.</i>	The OTS liaised with independent scientific bodies, Australian and international industry bodies, overseas governments and other Australian Government agencies to ensure aviation security enhancements are consistent with international requirements. Scientific standards and methodologies will be developed to ensure replicable and comparable results can be obtained.
<b>Location</b>	
<i>11 Counter-Terrorism First Response airports and identified domestic airports.</i>	Following laboratory trials, operational trials will be conducted at three selected Australian airports, encompassing both international and domestic passengers, to assess the capacity for integration of the technologies into enhanced passenger screening processes with minimum impact on passenger clearance rates. The project is due to conclude by December 2008.
<b>Cost</b>	
<i>\$4.4 million</i>	The actual cost of this program in 2007–08 was \$0.9 million.  The underspend of \$3.5 million was due to delays in procuring suitable screening technology and laboratory test sites. Approval has been provided to move \$3.5 million to 2008–09.
<b>Overall performance</b>	<b>Mostly achieved.</b>



## CASE STUDY – APEC AIR CARGO SECURITY WORKSHOP BANGKOK, THAILAND, 24–26 JUNE 2008

Australia, together with China and the United States, co-sponsored an APEC Air Cargo Security workshop in Bangkok, Thailand from 24–26 June 2008. The purpose of the workshop was to provide an opportunity for APEC economies to exchange information on challenges and opportunities in developing and implementing air cargo security arrangements.

The workshop focused on the following topics:

- Regulation Modelling – discussion on how an economy can build a regulatory framework and the challenges faced;
- Examination – discussion on current and future approaches for air cargo security examination, effective use of technology and the challenges faced;
- Training – discussion on the strategies for strengthening the skill base of the air cargo security workforce; and
- Capability Building – how APEC economies can assist fellow member economies.

The Department's role included:

- Development of a workshop agenda which would prove beneficial to all attending economies;
- Securing subject matter experts present varying perspectives;
- Chairing the workshop;
- Events management; and
- Funding the workshop.

Information exchanges focused on best practice solutions to security issues common among the air cargo supply chain, with a particular focus on practical solutions that are low in cost and make effective use of technology.

The workshop proved to be highly successful in terms of attendance and participation. Over 2.5 days, 150 delegates from 13 APEC Economies (including a special guest from the European Commission) attended the workshop, with representation coming from both government and industry. Feedback from attending delegates indicated their appreciation and acknowledgment of a well organised and structured workshop. This allowed delegates to gain a greater understanding of the common issues faced and the varying approaches to address these issues.

A number of recommendations for further collaboration were agreed upon, and will be submitted for their consideration.



*The Department played a key role in facilitating the APEC Air Cargo Security Workshop, which hosted 150 delegates from 13 APEC economies (Photo DITRDLG)*





## OUTPUT 2.3.1—SURFACE TRANSPORT POLICY, PROGRAMS AND REGULATION

### Highlights

The Department managed the extension of the Tasmanian Freight Equalisation Scheme to King Island and Flinders Island, as well as implementing Australian Government decisions to increase the rebates available under the Bass Strait Passenger Vehicle Equalisation Scheme.

The Department worked with the Australian Maritime College and the University of Tasmania to facilitate the integration of these two high-calibre educational facilities from 1 January 2008.

### Overview

Output 2.3.1 is delivered by the Infrastructure and Surface Transport Policy (ISTP) and the National Transport Strategy (NTS) business divisions. ISTP focuses on the development of maritime transport policy and regulation and integrated vehicle and road transport reforms to achieve efficient, productive, safe and sustainable outcomes that are environmentally friendly and enhance Australia's international competitiveness. NTS works with state and territory governments and other stakeholders to help develop and deliver an agreed national transport policy. Unless otherwise stated the narrative in the Output 2.3.1 section of the report refers to the work of ISTP.

In 2007–08, the output administered 10 programs:

- Australian Maritime College—marine research funding project;
- Bass Strait Passenger Vehicle Equalisation Scheme;
- International Maritime Organization—contribution (refer page 174);
- Interstate Road Transport Fees;
- National Transport Commission;
- Organisation for Economic Cooperation and Development Road Transport contribution (delivered by the Bureau of Infrastructure, Transport and Regional Economics - refer page 174);
- Oil Pollution Compensation Fund;
- Payments to the Maritime Industry Finance Company Limited;
- Tasmanian Freight Equalisation Scheme; and
- Tasmanian Wheat Freight Scheme.

Output 2.3.1 corresponds to Output 1.4.1 in the previous outcome and output structure, excluding the vehicle safety standards aspects of that output, which are now reported under Output 2.3.2 (see Appendix L for a comparison between the current and previous structures).

Table 4.10 summarises the output's performance in 2007–08.



## Summary of performance

**Table 4.10** Summary of performance—Output 2.3.1—Surface transport policy, programs and regulation

Performance indicators	Results
<b>Effectiveness</b>	
<i>The maritime and land transport industries operate in a robust and stable regulatory environment.</i>	<p>The Department addressed competition issues in coastal and international liner shipping trades through participation in review activity and further regulatory reform. It also undertook action in the area of shipping environment protection.</p> <p>The Department also pursued land transport regulatory reform to facilitate continued heavy vehicle productivity and safety improvements. Work streams in this area include:</p> <ul style="list-style-type: none"> <li>• work to promote national uniformity of heavy vehicle regulation across the states and territories through supporting the work of the Australian Transport Council, National Transport Commission and Austroads;</li> <li>• review of existing legislation to promote safety and productivity outcomes such as the development of new fatigue regulation, new enforcement models and further work on performance based standards;</li> <li>• extensions to high-productivity vehicle networks; and</li> <li>• government agreement to a new safety and productivity program to support the introduction of new fatigue regulations and extensions to high-productivity vehicle networks.</li> </ul>
<i>The COAG national reform agenda for transport is actively progressed in conjunction with all Australian governments.</i>	<p>With representatives of the state and territory governments, the Department commenced work on a single national approach for maritime safety regulation, with a view to reporting to the Council of Australian Governments (COAG) by the end of 2008.</p>
<b>Price</b>	
\$17.4 million	The actual price of this output in 2007–08 was \$16.7 million.
<b>Overall performance</b>	<b>Fully achieved.</b>



## Detailed report on performance

### Effectiveness—Output 2.3.1

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

#### Parliamentary review of coastal shipping policy and regulation

The Minister announced on 13 March 2008 that the House of Representatives Standing Committee on Infrastructure, Transport, Regional Development and Local Government would conduct a review of Australia's coastal shipping policy and regulation. The committee is tasked with making recommendations on ways to enhance the competitiveness and sustainability of the Australian coastal shipping sector. The committee's terms of reference include examining skills issues as well as issues of safety, security, defence and environment protection. The committee is due to report in October 2008.

The Department provided evidence to the committee through a submission and a public hearing, and will contribute to the Australian Government's consideration of the committee's findings when determining the future of Australia's coastal shipping policy.

#### Regulation of ocean-going cargo carriers

International liner shipping used for the carriage of exports or imports can apply for specific exemptions from the *Trade Practices Act 1974*. This enables shipping lines to work cooperatively to provide higher levels of services for the benefit of Australian exporters and importers. They are required to register such cooperative agreements, termed 'conference agreements', under Part 4 of the *Trade Practices Act*, including any variations. Peak shippers' bodies are given the opportunity to negotiate with the members of the conference agreement within the statutory process.

Registration of an Australian agent is also required for all ocean-going cargo carriers who provide international liner cargo shipping services. The Minister also has powers in relation to non-conference ocean carriers with substantial market power.

The registers and conference agreement files kept by the Registrar and the Australian Competition and Consumer Commission under Part 4 are available for public inspection.

As noted in the annual report for 2006–07, following a review of Part 4 by the Productivity Commission, the government proposed to make amendments to the *Trade Practices Act*. In 2007–08 the Department consulted industry stakeholders to inform the drafting of potential amendments.



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

#### **Regulation of coastal cargo carriers**

The *Navigation Act 1912* requires all vessels carrying cargo or passengers interstate to be licensed or to have a coastal permit. The volume of applications for licences or permits fluctuates from year to year, reflecting the demand for coastal shipping services.

For many years, the *Navigation Act* has had an inbuilt preference for licensed vessels to carry coastal cargo and passengers. However, the legislative framework also allows coastal trade permits to be issued to unlicensed vessels when there is no Australian licensed ship available or where the service provided by licensed ships is not adequate to meet the needs of shippers and it is in the public interest to issue a permit. The Department administers the system under ministerial guidelines on the administration of the *Navigation Act* and associated Regulations.

On 26 June 2008, the Minister announced amendments to the ministerial guidelines to take effect 1 August 2008. Changes in the administration of Part VI of the *Navigation Act* include:

- a new consultation process for applications for single-voyage and continuing-voyage permits with all licensed ship operators, the Australian Shipowners Association and maritime unions to assist the Department to establish whether an Australian ship is available;
- the publication of details of permits issued, including the name of the ship, cargo, dates and ports of loading and discharge; and
- a requirement for permit holders who load cargoes that breach the terms of a permit to provide a satisfactory explanation if they wish to be considered for further permits.

#### **Implementation of international shipping conventions to protect the environment**

The Department was the lead agency for developing legislation to give effect to two international shipping conventions:

- the International Convention on Civil Liability for Bunker Oil Pollution Damage (Bunkers Convention), which makes ship owners liable for oil spill damage when oil is carried as fuel in a ship's bunker; and
- 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), which creates a third tier of compensation for damage resulting from spills of oil from an oil tanker, so that the maximum amount increases from approximately \$400 million to \$1,470 million.

The Bills to give legislative effect to these conventions were introduced into Parliament in the second half of 2007–08 and the Bunkers Convention legislation was passed by both houses during 2007–08. It is expected that the new legislation will come into effect in the second half of 2008–09.



### Australian Maritime College

Working with the Australian Maritime College and the University of Tasmania, the Department developed legislation that saw the two institutions become integrated from 1 January 2008. The integration will deliver benefits to both institutions. Under the legislation, the Minister will have a role for the next five years to ensure the objectives of the integration are achieved.

### Review of the Disability Standards for Accessible Public Transport

The review of the Disability Standards for Accessible Public Transport, which commenced with the engagement of Allen Consulting Group in April 2007, progressed in 2007–08. Major activities during the year included the operation of an accessible website, receipt of written submissions, conduct of public hearings, release of a draft report for stakeholder comment and collation of responses.

Throughout the review process, valuable insights and experiences were provided by stakeholders, including people with disabilities, disability organisations, industry representatives, transport operators and providers, and state and territory governments.

### Review of freight councils

Freight councils operate in each state and collectively form the Australian Freight Councils Network. The councils are jointly funded by the Australian Government and state governments, with support from the logistics industry, to identify and address constraints to the efficient operation of freight supply chains in Australia.

During 2007–08, the Department commissioned an independent review of the activities and funding of Australian freight councils over the three-year funding period to 2007–08. The review found that the councils had been effective in contributing to the development of the logistics industry at the regional and state and territory levels but had been less effective in contributing to national policy development.

On the basis of the report's findings the Australian Government decided to extend freight council funding for one year, pending consultations with state and territory governments on the role of councils beyond 2008–09.

### Release of a new national strategy for the logistics industry

The Department supports the Australian Logistics Council (ALC), a partnership between the Australian Government and senior industry leaders, created to lead the development of the freight logistics industry in Australia.

Following the conclusion of the Australian Logistics Industry Strategy in 2006–07, the ALC was funded to develop and implement a new industry strategy. In February 2008, the ALC released the National Strategy for the Transport and Logistics Freight Industry 2008–15—Enhancing Australia's Supply Chains.



*The COAG national reform agenda for transport is actively progressed in conjunction with all Australian governments.*

#### National maritime regulation

The Department engaged closely with the Australian Maritime Safety Authority to progress COAG and Australian Transport Council (ATC) reforms of national maritime regulation, and collaborated with state and Northern Territory officials in preliminary work on options for a single national approach to maritime safety regulation.

**Table 4.11 Trends in maritime and land transport**

	2004-05	2005-06	2006-07	2007-08
Price of output	\$10.7m	\$12.9m	\$13.3m	\$16.7m
<b>Maritime regulations and programs administered under this output</b>				
<b>Activity regulated under Part 4 of the <i>Trade Practices Act 1974</i></b>				
Shipping conference agreements granted final registration	9	26	9	22
Variations of existing agreements granted final registration	15	26	24	24
Agreements granted final registration within 14 days	100%	100%	97% <sup>a</sup>	100%
<b>Activity regulated under the <i>Navigation Act 1912</i></b>				
Coastal shipping licences issued	63	62	43	57
Single voyage permits issued	687	742	956	794
Continuing voyage permits issued	166	149	116	158
Permits issued within target time frames <sup>b</sup>	100%	100%	100%	100%
<b>Oil Pollution Compensation Fund</b>				
Entities levied	6	–	5	7
Payments made in respect of fund	\$2.3m	–	\$0.3m	\$0.2m
<b>Tasmanian Freight Equalisation Scheme<sup>c</sup></b>				
Shippers assisted	1,300	1,341	1,420	1,430
Claims paid	6,377	6,831	7,046	7,991
Cost of program <sup>d</sup>	\$89.3m	\$92.3m	\$89.6m	\$101.3m



	2004-05	2005-06	2006-07	2007-08
<b>Tasmanian Wheat Freight Scheme<sup>c</sup></b>				
Tonnes of wheat shipped	27,433	–	27,714	38,749
Shipments	4	–	4	7
Cost of program	\$0.6m	\$0.0m	\$0.6m	\$0.9m
<b>Bass Strait Passenger Vehicle Equalisation Scheme</b>				
Vehicles shipped	216,986	209,187	190,413	190,261
Cost of program	\$32.4m	\$31.1m	\$28.4m	\$30.1m
Total cost of Tasmanian schemes	\$122.3m	\$123.4m	\$119.6m	\$132.3m
<b>Road, rail and intermodal programs administered under this output</b>				
<b>National Transport Commission</b>				
Payments made	\$2.5m	\$2.5m	\$2.9m	\$2.9m
<b>Federal Interstate Registration Scheme</b>				
Cost of program	\$46.2m	\$48.0m	\$50.7m	\$54.4m

*Note: Targets are not set in areas where activity is driven by demand.*

- a Applicants occasionally request an extension of the 14-day deadline in order to meet the criteria for registration.*
- b Includes 47 amended permits. The target timeframe for issuing continuing voyage permits is 10 working days and for single voyage permits four working days, unless an urgent application fee is paid (in which case the target is the next working day).*
- c Rebates on shipments of containerised wheat were paid under the Tasmanian Wheat Freight Scheme until July 2004, when they became eligible for rebates under the main Tasmanian Freight Equalisation Scheme program.*
- d The 2007–08 cost includes 2,198 containers (approximately 52,300 tonnes) of wheat at a cost of \$1.7 million.*

## National Transport Strategy Division

A National Transport Policy Framework produced by the National Transport Commission served as a catalyst for the Australian Transport Council (ATC) comprising all Australian transport ministers to agree on 29 February 2008 to develop major aspects of national transport policy. Different work streams are proceeding under the guidance of individual ministers.

Calls for a seamless national transport system have come from both industry and the community and were reflected strongly in outcomes from the 2020 Summit held in Canberra in April 2008.

In May 2008, ministers agreed that the new approach would involve better planning and investment in infrastructure to serve freight supply chains and the movement of people, particularly in major cities, and greater uniformity in national regulatory structures. The ATC has acknowledged the need to achieve environmental outcomes consistent with the climate change agenda and to improve road and rail safety, while supporting transport policy and operations with better research and workforce planning.

To accelerate national reforms that will result in a more consistent approach to the regulation of transport, ministers met again in July 2008 to consider proposals for a single national system for the regulation,





registration and licensing of heavy vehicles and drivers; a national road safety council; and a national rail safety regime, including a regulator and a separate investigator. Ministers also agreed to consider further work on implementing a single national approach to maritime regulation.

Key priorities as identified in the 2008–09 PBS include working with other jurisdictions and stakeholders to progress the development of a national transport policy to support the operation of a single national transport market.

For 2008–09, the key challenges will include:

- developing policy and legislative options to support the development of national transport markets; and
- facilitating effective consultation with stakeholders.



*Minister Albanese at the 29 February 2008 post meeting press conference at Parliament House where the Australian Transport Council had agreed to a national approach to transport policy (Photo DITRDLG)*



### Purchaser—provider arrangements—Output 2.3.1

The Department has a purchaser-provider arrangement with Tasmania Assistance Services—Centrelink. A memorandum of understanding (MOU) between Centrelink and the Department was signed on 30 August 2002, and will conclude on 30 June 2009. Centrelink administers, on behalf of the Department, the Bass Strait Passenger Vehicle Equalisation Scheme, the Tasmanian Freight Equalisation Scheme and the Tasmanian Wheat Freight Scheme. Each scheme operates under Ministerial Directions approved by the Minister.

Under the current arrangements, Centrelink reports to the Department against an agreed set of key performance indicators on a monthly basis. Centrelink lies within the Human Services portfolio and, therefore, also reports on its outcomes and output structure, providing a full set financial statements within the Portfolio Budget Statements (PBS) for the Human Services Portfolio. In 2007–08 Centrelink received \$0.91 million to administer the Tasmanian schemes, and agreed performance indicators were met.

### Administered programs for Output 2.3.1—Surface transport policy, programs and regulation

**Table 4.12 Summary of performance—Australian Maritime College—marine research funding project**

Performance indicators	Results
<b>Effectiveness</b>	
<i>Enhanced maritime research capability through capital investment to upgrade the Australian Maritime College's Cavitation Tunnel and Ship Simulator.</i>	The Australian Maritime College (AMC) is the premier centre for maritime training, education and research in Australia and the Asia–Pacific region. The AMC undertakes world-class training and research on ship system design, utilising its ship simulator and cavitation tunnel. The upgrades ensure that the AMC has the necessary infrastructure to maintain its position as the global leader in maritime research and in the provision of assistance to Australian industry.
<b>Quality</b>	
<i>Payments are made against expenditure in line with funding agreement.</i>	Project funding was completed in May 2008, within the timeline stipulated in the funding agreement signed in August 2007.
<b>Location</b>	
Launceston, Tasmania.	The upgraded facilities are located at Launceston, Tasmania.
<b>Cost</b>	
\$3.0 million	The actual cost of this program in 2007–08 was \$3.0 million.
<b>Overall performance</b>	<b>Fully achieved.</b>

*Note:* This program was first announced in the 2007–08 PAES.



**Table 4.13 Summary of performance—Bass Strait Passenger Vehicle Equalisation Scheme**

Performance indicators	Results
<b>Effectiveness</b>	
<i>The cost of sea travel across Bass Strait is alleviated for passengers accompanying a vehicle.</i>	<p>This scheme lessens the cost of seagoing travel for eligible passengers by reducing the cost disadvantage associated with transporting eligible passenger vehicles across Bass Strait.</p> <p>The rebate payable for each crossing depends on the vehicle type. In 2007–08 rebates ranged from \$21 for a bicycle to \$300 for a motor home or a vehicle towing a caravan. Up to \$168 was payable for cars.</p>
<b>Quality</b>	
<i>Eligible passengers receive a rebate on their fare within 30 working days of submitting a claim.</i>	<p>The rebate was 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 be eligible for a rebate if they:</p> <ul style="list-style-type: none"> <li>• are unable to travel by sea because of a disability; or</li> <li>• are travelling between Melbourne and King Island, as the service provider on this route carries vehicles only.</li> </ul> <p>The service provider is reimbursed for the total rebate provided to eligible passengers. In 2007–08 the major recipient continued to be TT-Line, which operates the passenger ferries between Devonport and Melbourne.</p> <p>Claims are processed by Centrelink’s Hobart office under a purchaser–provider arrangement. All claims were paid within six days of receipt from the service operators. On average it took three days to process claims.</p>
<b>Cost</b>	
<i>\$30.7 million</i>	<p>The scheme is demand-driven. Costs vary with the number and mix of vehicles shipped across Bass Strait. The actual cost of the scheme rose from \$28.4 million in 2006–07 to \$30.1 million in 2007–08. This was due to an increase in the subsidy for the shipment of standard passenger vehicles, which comprise 85% of all vehicles shipped across Bass Strait. The subsidy increased from \$150 to \$168 from 30 October 2007.</p>
<b>Overall performance</b>	<b>Fully achieved.</b>



## DID YOU KNOW

### GREEN VEHICLE GUIDE

The Department manages the Green Vehicle Guide website which rates new light vehicles based on their environmental performance. One way to measure and reduce the impact on the environment is by using the Guide when purchasing a vehicle. Common misconceptions are that all large cars are poor performers and all small cars are good performers.

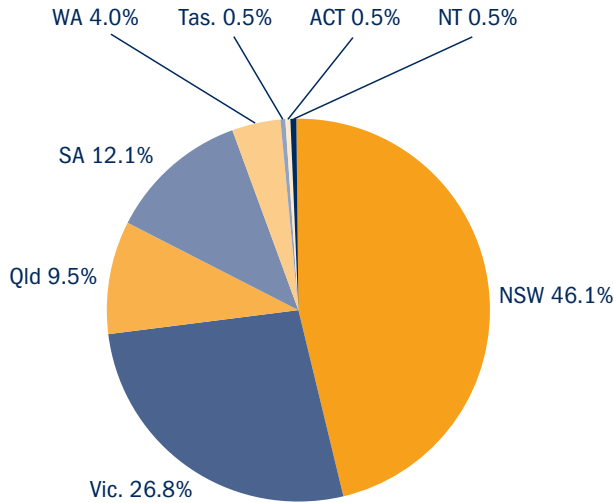
The Guide can be found at <[www.greenvehicleguide.gov.au](http://www.greenvehicleguide.gov.au)>

**Table 4.14 Summary of performance—Interstate Road Transport Fees**

Performance indicators	Results
<b>Effectiveness</b>	
<i>The Interstate Road Transport Fees program establishes a registration scheme that provides a viable alternative to state and territory based registration schemes for heavy vehicles.</i>	<p>The Australian Government established the Federal Interstate Registration Scheme (FIRS) in 1987 to promote uniform charges and operating conditions for heavy vehicles operating interstate.</p> <p>In 2007–08, FIRS registrations totalling 21,800 vehicles represented around 4% of Australia’s heavy vehicle fleet.</p> <p>During the year, the Department worked on proposed amendments to the FIRS legislation aimed at improving its operation as well as implementing nationally endorsed road transport reforms.</p>
<b>Quality</b>	
<i>Fees are collected and dispersed to states and territories in an efficient manner that meets audit requirements in line with an agreed formula based on meeting the cost of damage to roads caused by heavy vehicles.</i>	<p>Revenue from FIRS heavy vehicle registration charges collected by the states and territories was submitted to the Australian Government at the end of each month. By jurisdiction, the revenue that was submitted in 2007–08 was:</p> <ul style="list-style-type: none"> <li>• New South Wales—\$13.6 million;</li> <li>• Victoria—\$27.9 million;</li> <li>• Queensland—\$4.7 million;</li> <li>• South Australia—\$6.0 million;</li> <li>• Western Australia—\$1.4 million;</li> <li>• Tasmania—\$0.04 million;</li> <li>• Australian Capital Territory—\$0.5 million; and</li> <li>• Northern Territory—\$0.04 million.</li> </ul> <p>Figure 4.2 shows the proportion of revenue returned to each jurisdiction. Revenue was redistributed to the states and territories quarterly in line with an agreed formula, which targets payments to maintain roads damaged by FIRS heavy vehicles operations.</p>
<b>Cost</b>	
<i>\$57.5 million</i>	<p>The actual cost of this program in 2007–08 was \$54.4 million.</p> <p>This is an activity-driven program. Expenses are based on the redistribution of actual fees collected from heavy vehicles and trailers registered under FIRS by state and territory registration authorities.</p>
<b>Overall performance</b>	<b>Fully achieved.</b>



**Figure 4.2** Distribution of interstate road transport fees in 2007–08



**Table 4.15** Summary of performance—National Transport Commission

Performance indicators	Results
<b>Effectiveness</b>	
<i>The NTC is able to assist governments to increase transport productivity and sustainability through consistent and effective road and rail regulation.</i>	An independent statutory body, the National Transport Commission (NTC) advises Australian transport ministers on regulatory and operational reforms for road, rail and intermodal transport, with a particular focus on productivity, safety, efficiency and sustainability. The NTC is established under the <i>National Transport Commission Act 2003</i> . The Australian Government contributes 35 per cent of the NTC’s annual operating budget.
<i>The NTC is able to assist governments to increase transport productivity and sustainability through consistent and effective road and rail regulation.</i>	The NTC collaborated with all governments, industry bodies, regulators and police forces during the year, to develop practical national solutions and to monitor and maintain their implementation. Among other outputs, it delivered: <ul style="list-style-type: none"> <li>• the COAG-endorsed new heavy vehicle charges determination, for proposed implementation from 1 July 2008, to ensure that heavy vehicles’ allocated infrastructure costs are recovered and that cross-subsidisation across heavy vehicle classes is removed;</li> <li>• national child restraint laws to provide a safe progression from capsules to seat belts;</li> <li>• national rail safety reform, including joint audits of level-crossing safety risks by road and rail-track owners and operators;</li> <li>• increased accountability through ‘chain of responsibility’ laws to target the causes of heavy vehicle speeding; and</li> </ul>



Performance indicators	Results
<b>Effectiveness</b>	<ul style="list-style-type: none"> <li>a draft national transport plan and policy framework; the National Code of Practice for Retrofitting Passenger Restraints to Buses; a draft policy proposal on accreditation to encourage greater participation in audit-based compliance assurance schemes; a training package to support heavy vehicle driver fatigue accreditation; and an in-service standard to manage engine brake noise.</li> </ul> <p>More information about the NTC and its outputs is available on the commission's website &lt;<a href="http://www.ntc.gov.au">www.ntc.gov.au</a>&gt;.</p>
<b>Quality</b>	
<i>Payments are made in line with the Australian Government's obligations under the National Transport Commission Act 2003.</i>	In 2007–08, the NTC received the full amount payable, in quarterly instalments.
<b>Cost</b>	
<i>\$2.9 million</i>	The actual cost of this program in 2007–08 was \$2.9 million to meet the Australian Government's obligations under the Act. This included a payment of \$0.3 million to the NTC in 2007–08 in accordance with the Australian Government's commitment under the MOU between the ATC and the Code Management Company.
<b>Overall performance</b>	<b>Fully achieved.</b>

Table 4.16 Summary of performance—Oil Pollution Compensation Fund

Performance indicators	Results
<b>Effectiveness</b>	
<i>Compensation is available for the costs of an oil spill in the event that these costs exceed the tanker owner's ability to pay.</i>	<p>The owners of oil tankers must take out insurance to cover the cost of any oil spilled from their tankers. However, owners do not have unlimited liability. Their liability depends on the size of their tanker—the bigger the tanker, the larger the liability. The maximum liability for the biggest tanker is approximately \$175 million.</p> <p>Where the costs of compensation resulting from an oil spill exceed the tanker owner's liability or the owner is unable to pay the costs for some other reason, compensation is payable from International Oil Pollution Compensation (IOPC) Funds.</p> <p>Total compensation of up to approximately \$400 million would be payable by the tanker owner and IOPC funds in the event of a major spill. No payment has ever been made by the IOPC funds for an incident in Australian waters, as no spill has ever exceeded the tanker owner's liability/ability to pay.</p>



Performance indicators	Results
<b>Quality</b>	
<p><i>All persons (including oil companies) that receive more than 150,000 tonnes of crude or heavy oil by sea make contributions to the International Oil Pollution Compensation Fund.</i></p> <p><i>Payments are passed on to the Fund in line with Australia's obligations under the International Convention for the Establishment of an International Fund for Compensation for Oil Pollution Damage.</i></p>	<p>Levies are collected from all entities that receive more than 150,000 tonnes of crude or heavy fuel oil in a calendar year by sea, based on the expected costs of compensation and overheads of the funds in the coming year.</p> <p>Seven companies—Alcan Gove Pty Ltd, BHP Billiton Ltd, BP Australia Ltd, Caltex Australia Pty Ltd, Mobil Oil Australia Ltd, Queensland Nickel Pty Ltd and the Shell Company of Australia Ltd—are contributors to the Fund.</p> <p>Payments to the IOPC Funds, which relate to the quantities of oil received by the oil companies, were delivered in line with Australia's obligations as a party to the IOPC Fund Convention.</p>
<b>Cost</b>	
<p><i>\$0.5 million</i></p>	<p>In 2007–08, the Department reported payments totalling \$0.2 million in relation to the Funds. This comprised:</p> <ul style="list-style-type: none"> <li>• transfers to the IOPC Funds of levies received from oil companies (\$107,000); and</li> <li>• transfers from the IOPC Funds to oil companies, refunding excess levies paid in previous years (\$139,000).</li> </ul> <p>The underspend was due to a low level of major oil pollution incidents.</p>
<b>Overall performance</b>	<b>Fully achieved.</b>

**Table 4.17 Summary of performance—Payments to the Maritime Industry Finance Company Limited (MIFCo)**

Performance indicators	Results
<b>Effectiveness</b>	
<p><i>Successful windup of MIFCo and return of excess stevedoring levy to industry.</i></p>	<p>The Maritime Industry Finance Company Limited (MIFCo), a wholly Australian Government-owned company, was established in 1998 to make redundancy-related payments in support of waterfront reforms. The company:</p> <ul style="list-style-type: none"> <li>• provided funding for 1,487 redundancies, finalising all redundancy claims in 2000–01; and</li> <li>• funded its obligations through a government-guaranteed loan of \$220 million.</li> </ul> <p>The government approved the early repayment of the MIFCo borrowings, with MIFCo finalising the loan agreement on 17 July 2006. The company was placed into voluntary liquidation in November 2006 and was successfully wound up in January 2008. The company was deregistered in April 2008.</p>



Quality	
<i>Payments are made in line with the Australian Government's obligations.</i>	The collection of a levy from industry to cover the cost of MIFCo loan repayments, under the <i>Stevedoring Levy (Collection) Act 1998</i> , ceased in 2005–06. Levy revenue totalling \$250.7 million was passed on to MIFCo.  In 2007–08 regulations commenced specifying the process for the return of excess levy, which was completed in April 2008.
Cost	
<i>\$0.7 million</i>	The actual cost of the program in 2007–08 was \$0.7 million, the amount which was returned to industry.
Overall performance	
	Fully achieved.

Table 4.18 Summary of performance—Tasmanian Freight Equalisation Scheme

Performance indicators	Results
Effectiveness	
<i>Costs are alleviated for businesses shipping containers of goods from Tasmania to the mainland for use or sale, or to Tasmania as an input to a production process.</i>	<p>The Tasmanian Freight Equalisation Scheme provides rebates to shippers based on the cost of shipping a standard 20-foot container between northern Tasmania and Victoria, less the cost of sending it the same distance (420 kilometres) by road.</p> <p>The rebate of up to \$855 per container cannot exceed the actual freight bill paid by the shipper.</p> <p>In total, 7,991 claims were paid and 1,430 shippers were assisted in 2007–08.</p> <p>The scheme was reviewed by the Productivity Commission during 2006–07. In its response to the inquiry's findings, in June 2007 the Australian Government announced that significant reforms to both the Tasmanian Freight Equalisation Scheme and the Tasmanian Wheat Freight Scheme would be implemented. The government is considering the timing and details of the reforms.</p> <p>A new intrastate component of the scheme, for eligible shipments between King Island and the main island of Tasmania and between Flinders Island and the main island of Tasmania, will be implemented from 1 July 2008.</p>
Quality	
<i>95% of claims from eligible shippers are processed within 30 days.</i>	Claims from shippers are processed by Centrelink's Hobart office under a purchaser–provider arrangement; 100% of claims were processed within 30 days (with over 91% of claims processed in less than 15 days).



Performance indicators	Results
<b>Cost</b>	
\$101.0 million	The scheme is demand driven. An increase in the number of claims saw the cost of the scheme increase from \$89.6 million in 2006–07 to \$101.3 million in 2007–08. The scheme is expected to cost in the order of \$101.7 million in 2008–09.
<b>Overall performance</b>	<b>Fully achieved.</b>

**Table 4.19 Summary of performance—Tasmanian Wheat Freight Scheme**

Performance indicators	Results
<b>Effectiveness</b>	
<i>Costs are alleviated for businesses shipping bulk wheat to Tasmania.</i>	<p>In 2007–08, the Tasmanian Wheat Freight Scheme provided assistance for eligible shippers collectively moving more than approximately 52,300 tonnes of bulk wheat shipments across Bass Strait. The value of the rebate was capped at \$20.65 per tonne in 2007–08.</p> <p>The scheme was reviewed by the Productivity Commission during 2006–07. In its response to the inquiry's findings, in June 2007 the Australian Government announced that significant reforms to both the Tasmanian Freight Equalisation Scheme and the Tasmanian Wheat Freight Scheme would be implemented. The government is considering the timing and details of the reforms.</p>
<b>Quality</b>	
<i>95% of claims from eligible shippers are processed within 30 days.</i>	Claims from shippers are processed by Centrelink's Hobart office under a purchaser-provider arrangement; 100% of claims were processed within 30 days.
<b>Cost</b>	
\$1.1 million	<p>Demand for the program increased in 2007–08, with bulk wheat shipments continuing into mid-2008. The actual cost of the program in 2007–08 was \$0.9 million.</p> <p>The scheme is demand driven. Expenses are determined by eligible claims being lodged by shippers.</p>
<b>Overall performance</b>	<b>Fully achieved.</b>



## OUTPUT 2.3.2—ROAD SAFETY AND VEHICLE POLICY, PROGRAMS AND REGULATION

### Highlights

In 2007–08, the Department arranged for Australia's accession to the United Nations Economic Commission for Europe's 1998 Global Agreement. This will allow Australia to play a greater role in the development of internationally harmonised vehicle design standards. Adoption of these standards in Australia will assist the automotive industry by reducing the number of tests required to market vehicles around the world.

The Department also convened the national Motorcycle and Scooter Safety Summit in April 2008. This two-day event brought together over 100 delegates from community, industry, research and government organisations to discuss a wide range of strategic motorcycle safety issues.

Three major statistical reports on serious injury due to transport accidents were produced by the Department, in cooperation with the Australian Institute of Health and Welfare.

An updated edition of *A Simple Guide to Child Restraints*, a comprehensive consumer information booklet on the selection and use of child restraints in passenger vehicles, was published.

### Overview

Output 2.3.2 is delivered by the Infrastructure and Surface Transport Policy (ISTP) business division.

Under this output, ISTP:

- provides the technical and administrative framework to enable assurance that all road vehicles meet appropriate safety, emissions, anti-theft and environmental standards when first supplied to the Australian market;
- participates in international vehicle standards forums and research programs;
- coordinates the National Road Safety Strategy 2001–10 and associated two-year action plans; and
- undertakes research, collects and analyses statistics and provides a range of safety publications and reports.

In 2007–08, the output administered two programs:

- keys2drive; and
- Seatbelts on regional school buses.

Output 2.3.2 corresponds to the vehicle safety standard and road safety aspects of Output 1.1.2 of the previous outcome and output structure (see Appendix L for a comparison between the current and previous structures).

Table 4.20 summarises the output's performance in 2007–08.



## Summary of performance

**Table 4.20** Summary of performance—Output 2.3.2—Road safety and vehicle policy, programs and regulation

Performance indicators	Results
<b>Effectiveness</b>	
<i>Stakeholders are assisted to evaluate and improve transport safety interventions and outcomes.</i>	<p>The Department began a comprehensive review of national road safety progress and priorities, and commenced work on the development of the National Road Safety Action Plan 2009 and 2010. It also coordinated scoping work for the development of the next national road safety strategy. The current strategy will finish in 2010.</p> <p>Stakeholders were also provided with a broad range of road safety research findings and road crash statistics.</p> <p>The Department ensured that all road vehicles complied with appropriate safety, emission, anti-theft and environmental standards when first entering the Australian market.</p>
<b>Quality</b>	
<i>A best practice novice driver program trial is implemented in New South Wales and Victoria.</i>	Work continued on the development of an innovative, best-practice curriculum and arrangements for the research trial and evaluation of a program for new drivers.
<i>National road death statistics and online database are updated within two weeks of the end of each month.</i>	National statistics and the online database were updated monthly and 12 issues of <i>Road Deaths Australia</i> were published.
<i>Statistical analyses and conclusions are accurate and robust.</i>	The Department validated its data sources with alternative sources wherever possible, and the statistical content of all research was critically reviewed to ensure it was accurate, methodologically sound and correctly interpreted.
<i>Australia's motor vehicle safety standards are aligned with international standards.</i>	The Department is progressively reviewing the Australian Design Rules to harmonise them, where possible, with international standards developed under the United Nations Economic Commission for Europe (UNECE) framework.
<i>85% of vehicle and workshop processes are completed within target timeframes.</i>	A continued increase in demand for additional models to be added to workshops' schedules of approved vehicles affected the Department's ability to meet target timeframes; 67% of vehicle and workshop processes were completed within target timeframes.
<b>Quantity</b>	
<i>25 road safety statistical and research publications are released.</i>	The Department released and published on its website 23 road safety statistical and research safety publications, comprising seven road safety research reports and 16 road safety statistics publications.



## CASE STUDY – MOTORCYCLE AND SCOOTER SAFETY SUMMIT: THE ROAD AHEAD

On 10–11 April 2008 the Department convened a Motorcycle and Scooter Safety Summit to encourage stakeholders to contribute ideas to improve road safety. The Summit was opened by Mr Jason Clare MP, Member for Blaxland, on behalf of the Hon Anthony Albanese MP, Minister for Infrastructure, Transport, Regional Development and Local Government.

The Summit was organised in cooperation with the Motorcycle Safety Consultative Committee (MSCC), a national forum for consultation between the Australian Government and other stakeholders in motorcycle rider safety.

The Summit was jointly funded by the Department and the Federal Chamber of Automotive Industries, with the ACT Department of Territory and Municipal Services also contributing. Participation was by invitation, and over one hundred delegates nominated by the MSCC attended. Delegates represented a broad range of government, industry, research and rider organisations.

The Summit included a series of presentations from international and Australian speakers on key issues, and a series of workshop discussions. It aimed to address concerns about the rising levels of death and injury among motorcycle riders, and to develop recommended actions that could be considered by transport ministers for inclusion in a new 10-year national road safety strategy.

The popularity of motorcycling is increasing. Motorcycle and scooter sales have increased dramatically in recent years, and are expected to continue to grow. Despite this growth in popularity, motorcycles make up less than 1 per cent of traffic on Australia's roads, yet they account for 15 per cent of road deaths and an even higher proportion of road-related serious injuries.

International speakers at the Summit presented updates on international efforts to improve motorcycle safety through education, vehicle safety and traffic engineering measures, and motorcycle safety strategies. Australian speakers presented on issues that included protective clothing, training and licensing, public education, risk taking, road infrastructure and enforcement.



*Departmental staff attending the Motorcycle and Scooter Safety Summit (Photo DITRD/LG)*

Table 4.20 continued.

Performance indicators	Results
<i>50 vehicle production and/or test facilities are audited.</i>	Audits of 61 vehicle production and/or test facilities were conducted.
<i>3,400 vehicle types are approved for identification plates and supply to the Australian market.</i>	A total of 4,096 vehicle types were approved for identification plates and supply to the Australian market.
<i>50 Registered Automotive Workshops applications are assessed and 155 RAWs inspections are conducted.</i>	A total of 66 Registered Automotive Workshop Scheme (RAWs) workshop applications were assessed, and 243 inspections were conducted.
<i>16,000 applications to import vehicles are assessed.</i>	In total, 23,340 import approvals were issued.
Price	
<i>\$16.6 million</i>	The actual price of this output in 2007–08 was \$14.5 million.
Overall performance	<b>Mostly achieved.</b>

## Detailed report on performance

### Effectiveness—Output 2.3.2

*Stakeholders are assisted to evaluate and improve transport safety interventions and outcomes.*

#### Strategy

In 2007–08, the Department began a comprehensive review of national road safety progress and priorities, and commenced work on the development of the National Road Safety Action Plan for 2009 and 2010. This plan is being developed jointly with state and territory governments, with input from a broad range of organisations and stakeholders through the National Road Safety Strategy Panel. It will be submitted to the Australian Transport Council in late 2008, with a view to implementation from 1 January 2009.

The Department also coordinated scoping work for the development of a new national road safety strategy to follow the current strategy which will conclude in 2010. Analytical work to underpin the next strategy is to be commissioned early in 2008–09. The strategy will be developed jointly with state and territory governments, with input from a broad range of stakeholders.



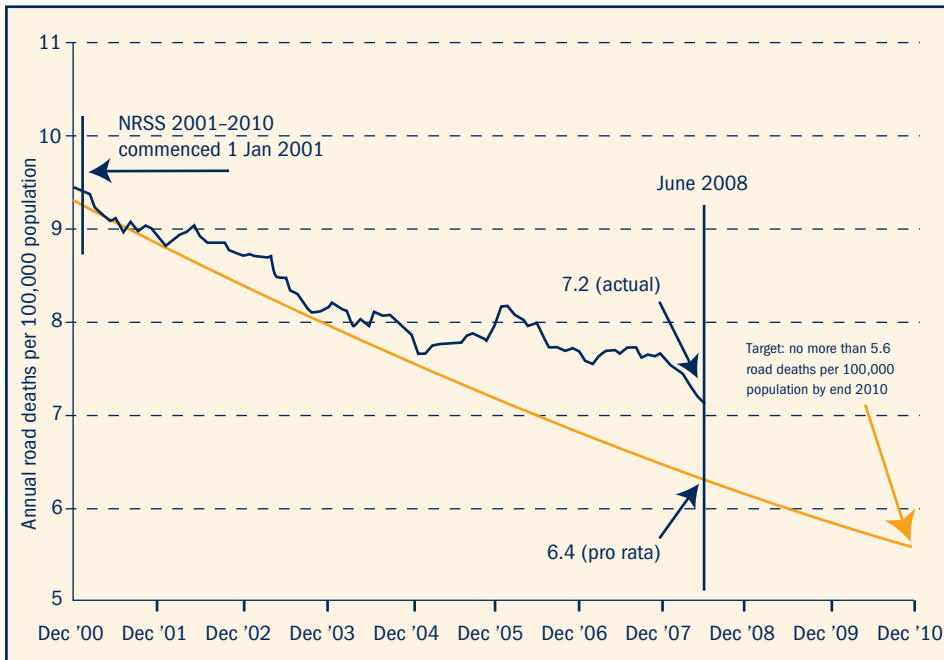
**Outcomes**

Australia recorded 1,509 road deaths during the 12 months ending 30 June 2008. This was almost 6 per cent below the number of people killed on the roads in the 12 months to June 2007 (1,598).

The June 2008 result translates to 7.2 deaths per 100,000 people, a 23 per cent reduction from the benchmark rate of 9.3 deaths per 100,000 people (which is based on 1999 figures).

With a challenging target of no more than 5.6 deaths per 100,000 people by the end of 2010 (see Figure 4.3) the Australian Government is working with the states and territories and other stakeholders to accelerate the rate of decline of road deaths, particularly by developing, implementing and monitoring National Road Safety Strategy action plans, and by providing research, data analysis and educational information.

**Figure 4.3 Trends in road safety outcomes—fatal crashes**



NRSS = National Road Safety Strategy 2001-10

*Stakeholders are assisted to evaluate and improve transport safety interventions and outcomes (continued).*

#### **Standards**

In 2007–08 the Department continued to ensure that all road vehicles complied with appropriate safety, emissions, anti-theft and environmental standards when first entering the Australian market.

This was achieved through the development and administration of the national standards by the Department together with federal, state and territory government agencies, vehicle manufacturers and importers, industry associations, vehicle user groups and the general public.

The Department performed documentation and vehicle assessments, monitoring inspections and audits covering importation and standards compliance, to provide assurance that when vehicles are first supplied to the Australian market they meet the requirements of the *Motor Vehicle Standards Act 1989*.

In 2008, Australia acceded to the UNECE 1998 Agreement Concerning the Establishing of Global Technical Regulations for Wheeled Vehicles, Equipment and Parts which can be fitted and/or be used on Wheeled Vehicles (1998 Global Agreement). The Department arranged this accession, which came into effect on 7 June 2008 and will enable a greater role for Australia in developing international vehicle standards and a reduction in the costs of conformance testing.



### Quality—Output 2.3.2

*A best practice novice driver program trial is implemented in New South Wales and Victoria.*

In 2007–08, work continued on a major cooperative effort—involving the Australian Government, the New South Wales and Victorian governments, the Federal Chamber of Automotive Industries, the Insurance Australia Group and the Royal Automobile Club of Victoria—to develop and trial an innovative driver education program. The project is focused on reducing the casualty crash involvement of newly licensed (P-plate) drivers.

During the year, a detailed curriculum comprising four learning modules was developed for the program. The third module, an on-road coaching session, was successfully tested in a preliminary trial during December 2007. The results of that trial were subsequently used to refine the curriculum.

The project partners will finalise the curriculum by the end of 2008 and expect to commence the full trial during 2009. This will require the delivery of the program to about 7,000 P-platers participating in the trial in each state, with a similar number participating in control groups. All participants will be monitored for at least a year after the completion of the trial and independent experts will be commissioned to undertake a comprehensive evaluation of the effectiveness of the program.

*National road death statistics and online database are updated within two weeks of the end of each month.*

Twelve issues of the monthly statistical bulletin *Road Deaths Australia* were published and 12 monthly updates to the online database were made.

*Statistical analyses and conclusions are accurate and robust.*

The Department undertook statistical analyses based on data from a variety of sources. The statistics unit routinely checked its main data sources, validating them using alternative sources where possible. Staff critically reviewed the statistical content of both in-house and externally commissioned research to ensure it was accurate, methodologically sound and correctly interpreted.

The integrity of the Department's statistical information was endorsed by positive feedback from external stakeholders and the general public.

## DID YOU KNOW

### INTERNATIONAL ROAD TRAFFIC AND ACCIDENT DATABASE

As a member of the International Road Traffic and Accident Database (IRTAD) group, Australia has convenient access to road safety data from many other OECD members. The database, which is managed by the Joint Transport Research Centre of the OECD and the International Transport Forum, enables comparisons of road safety outcomes across member countries over time.



*Australia's motor vehicle safety standards are aligned with international standards.*

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

The Department is progressively reviewing the ADRs to harmonise them, where possible, with international standards developed under the UNECE framework.

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.

The harmonisation review has reached a stage where all the major ADRs relating to specific components and systems are complete. The remaining ADRs cover a combination of general safety issues and vehicle dimensional requirements which will be dealt with as part of the ongoing development of the ADRs.

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

As part of this process, in 2007–08 the Department completed:

- major amendments to 10 ADRs;
- minor adjustments to 10 ADRs;
- a majority of the consultation process for ADR 58—Requirements for Omnibuses Designed for Hire and Reward and ADR 66—Seat Strength, Seat Anchorage Strength and Padding in Omnibuses; and
- a majority of the identified technical development of the ADR for front under-run barriers in heavy vehicles.

The Department prepared materials for the legislative changes to the *Motor Vehicle Standards Act 1989* necessary to facilitate the implementation of the UNECE 1958 Agreement, which provides for mutual recognition of vehicle certification approvals. Policy approval was obtained, and the Department began discussions with the Office of Parliamentary Counsel drafter.

The Department also arranged for Australia's accession to the UNECE 1998 Global Agreement, which facilitates global harmonisation of technical regulations for motor vehicles. Accession occurred on 7 June 2008. Under this agreement, Australia is able to vote on the introduction or amendment of global technical regulations.





*85% of vehicle and workshop processes are completed within target timeframes.*

Vehicle manufacturers and importers must meet all appropriate provisions of the *Motor Vehicle Standards Act 1989* and must demonstrate that their vehicle types meet all applicable ADRs before they can supply vehicles to the Australian market.

During 2007–08, 80 per cent of vehicle import application processes were completed through to final approval or refusal within the target timeframe of 17 days from receipt of the final piece of necessary supporting documentation. The processes for compliance certification for all new vehicles have a completion time of 32 working days from the receipt of the last piece of necessary compliance evidence. Overall, in 2007–08 approximately 84 per cent of new vehicle certification processes were completed within the target timeframe: approximately 87 per cent of full volume vehicle certifications, 91 per cent of low-volume certifications and 88 per cent of trailer certifications.

Special compliance arrangements apply for manufacturers and importers who supply limited numbers of new and used vehicles to the specialist and enthusiast market. The Department assesses whether a vehicle is a specialist or enthusiast model under criteria administered as part of the Specialist and Enthusiast Vehicles Scheme (SEVS). In 2007–08, the Department assessed 132 SEVS eligibility applications; 123 were successful.

New vehicles may be supplied to the market under the low-volume arrangements, with the majority of vehicles supplied to the market in limited numbers being used imported vehicles, 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.

Under RAWS, the approval of new workshops requires a physical inspection of the first vehicle for each workshop and examination of the associated compliance documentation by departmental officers. The first vehicle of a model to be added to a workshop's 'schedule' is generally inspected in a similar manner. The Department aims to complete inspections within six weeks of a workshop submitting a Vehicle Inspection Certificate. The demand for additional vehicle models to be added to workshops' schedules of approved vehicles continued and the total number of vehicles continued to increase in 2007–08.

The inspection and evidence examination processes are resource intensive and closely scrutinise the compliance of vehicles and workshops with the RAWS requirements. Approximately 67 per cent of inspections during 2007–08 were conducted within the target timeframe of 42 days—the average inspection waiting time was 35 days. Approximately 80 per cent of revised evidence documents for RAWS were examined within the target timeframe of 20 working days.



### Quantity–Output 2.3.2

*25 road safety statistical and research publications are released.*

In 2007–08, the Department released and published on its website 23 road safety statistical and research publications:

- seven road safety research reports, including reports on motorcycle rider behaviour and psychosocial factors influencing mobile phone use while driving; and
- 16 road safety statistics publications, including three bulletins on fatal heavy vehicle crashes.

*50 vehicle production and/or test facilities are audited.*

In 2007–08, 70 vehicle production and/or test facilities were audited, an 105 per cent increase compared to 34 in 2006–07. The number of audits was increased to take into account the risks associated with vehicles coming from developing markets such as China and India.

The Department plans to conduct 70 production, design and/or test facility audits in 2008–09. A new audit methodology based on risk management has been introduced to assist in increasing the number of facilities audited.

*3,400 vehicle types are approved for identification plates and supply to the Australian market.*

There was approximately a 13 per cent increase in the number of vehicle types approved for identification plates and supply to the Australian market, from 3,619 in 2006–07 to 4,096 in 2007–08, due to manufacturers expanding their range of models.

*50 Registered Automotive Workshops applications are assessed and 155 RAWs inspections are conducted.*

In 2007–08, the Department assessed 219 RAWs workshop applications, 21 new RAWs workshops were approved, and 66 RAWs workshops were renewed. The Department conducted 252 RAWs inspections. The 6 per cent increase in the number of inspections (from 230 in 2006–07) was due to workshops expanding their range of vehicles.

*16,000 applications to import vehicles are assessed.*

There was an increase of almost 9 per cent in the number of approvals to import vehicles, from 21,513 in 2006–07 to 23,340 in 2007–08. Imports from the United States of America and China increased, due to the strengthening of the Australian dollar and the expansion of the range of vehicles manufactured in China.



## DID YOU KNOW

### HealthInfoNet ROAD SAFETY INFORMATION

The Department supports, along with a number of states and territories, an Internet-based information-sharing resource dedicated to Indigenous road safety which can be found at <[www.healthinonet.ecu.edu.au](http://www.healthinonet.ecu.edu.au)>

Road trauma among Indigenous people results from a variety of factors that need to be considered in the development of specific road safety policies, strategies and programs. In recognition of this and an identified need to improve information-sharing, the Internet resource was established in December 2005 as a initiative under the National Road Safety Strategy.

**Table 4.21 Trends in transport safety research and regulation**

	2004–05	2005–06	2006–07	2007–08
<b>Research</b>				
Total research publications	41	32	35	0
Aviation research publications	9	10	10	11
Road research publications	30	22	25	23
Other research publications	2	8	5	0
<b>Activity regulated under the <i>Motor Vehicle Standards Act 1989</i></b>				
ADRs (re)issued	1	41	60	16
<b>Compliance of motor vehicles</b>				
Audits of production and/or test facilities	58	59	34	70
Approvals to fit identification plates to vehicle type	3,462	4,090	3,619	4,096
<b>Registered Automotive Workshop Scheme<sup>a</sup></b>				
New workshop applications	34	13	12	21
Amending and renewal workshop applications <sup>b</sup>	n/a	n/a	76	194
Workshops approved <sup>c</sup>	64	56	88	66
Inspections conducted	163	268	230	252
Used import plate approvals	6,319	7,465	9,095	10,148
Inspections completed within six weeks <sup>d</sup>	80%	54%	43%	67%
Examination of evidence submitted completed within 20 working days <sup>d</sup>	80%	50%	90%	80%
<b>Motor vehicle imports</b>				
Approvals to import vehicle type	23,246	20,210	21,513	23,340
Vehicles covered by import approvals	328,584	237,256	402,118	293,015
Import approvals issued within 17 working days	93%	97%	98%	80%

Table 4.21 continued.

	2004–05	2005–06	2006–07	2007–08
<b>Activity regulated under the Trade Practices Act 1974</b>				
Safety investigations	96	107	106	91
Safety recalls notified	165	158	176	152
<b>Road safety and vehicle policy programs administered under Output 2.3.2</b>				
keys2drive <sup>e</sup>	n/a	n/a	n/a	\$1.5m
Seatbelts on regional school buses	n/a	n/a	n/a	\$0.2m

*a This scheme began on 1 April 2002 and became mandatory on 8 May 2003 for used imported vehicles.*

*b Included to indicate all workshop applications assessed during reporting period.*

*c Includes two-year renewals.*

*d A new system for measuring this value was introduced in 2004–05.*

*e This measure was first announced in the 2008–09 Portfolio Budget Statements.*

## Administered programs for Output 2.3.2—Road safety and vehicle policy, programs and regulation

Table 4.22 Summary of performance—keys2drive

Performance indicators	Results
<i>Facilitate development and delivery of the keys2drive education program for learner drivers<sup>a</sup>.</i>	The Australian Government is funding the development and implementation of the Australian Automobile Association's 'keys2drive' program, which recognises the critical role that parents can play in the development of new drivers. The program will include a free professional driving lesson for learner drivers accompanied by their supervisors, and a comprehensive internet-based resource to support the delivery of effective driver supervision.
<b>Cost</b>	
<i>Nil.</i>	The actual cost of this program in 2007–08 was \$1.5 million.
<b>Overall performance</b>	<b>Fully achieved.</b>

*a This measure (and associated performance indicator) was first announced in the 2008–09 PBS.*



**Table 4.23 Summary of performance—Seatbelts on regional school buses**

Performance indicators	Results
<b>Effectiveness</b>	
<i>The provision of seatbelts on regional school buses is increased.</i>	The first round of the program approved the fitting of seatbelts on 53 school buses, 10 of which had been fitted by the end of 2007–08. The second round of funding approved the fitting out of 24 buses. As school buses are in use during the school term, it is expected that most buses will be retrofitted during school holidays.
<b>Quality</b>	
<i>Eligible bus operators are able to apply for funding for buses used on eligible routes.</i>	Applications have been received from eligible bus operators in all states and territories.
<b>Quantity</b>	
<i>Up to \$25,000 is available per bus to a maximum of \$9.4 million (applications are prioritised if the program is oversubscribed).</i>	Applications covering a total of 77 buses were received in 2007–08.
<b>Location</b>	
<i>Open to applicants in rural and regional areas.</i>	All applications complied with this requirement.
<b>Cost</b>	
<i>\$9.4 million</i>	The actual cost of this program in 2007–08 was \$0.2 million. As an optional based rebate scheme, the contributing factors towards this result included the limited ability for operators to take buses off line for retrofitting, the introduction of similar jurisdictional schemes, and some successful applicants declining to take up funding offers.
<b>Overall performance</b>	<b>Partially achieved.</b>

*Note:* This measure (and associated performance indicators) was first announced in the 2007–08 PAES.





## OUTPUT 2.3.3—AVIATION AND AIRPORTS POLICY, PROGRAMS AND REGULATION

### Highlights

On 10 April 2008, the Minister announced the need for a national aviation policy and released an issues paper, *Towards a National Aviation Policy Statement*, for discussion. The Department received over 280 stakeholder submissions on the issues paper.

An aviation discussion paper (green paper) will be released later in 2008, followed by a second round of consultation. The policy development process will culminate in the release of an aviation policy statement (white paper) in mid-2009.

The policy statement will provide greater planning and investment certainty for the industry and address community and environmental impacts associated with aviation.

In March 2008 a landmark 'open skies' air services agreement was signed between Australia and the United States of America. This was followed in June 2008 by the signing of a 'horizontal' air services agreement with the European Commission, the precursor to a comprehensive 'open skies' agreement.

### Overview

Output 2.3.3 is delivered by the Aviation and Airports business division.

The Department's responsibilities under Output 2.3.3 include:

- fostering a competitive, sustainable and safe aviation sector through appropriate policy development, regulation and program delivery;
- advising the Minister on a range of aviation and airports issues;
- working closely with portfolio agencies—the Civil Aviation Safety Authority (CASA), Airservices Australia and the International Air Services Commission (IASC)—and other government agencies;
- representing Australia's interests in international regulatory forums, such as the International Civil Aviation Organization (ICAO);
- administering the government's interests in privatised airports under the *Airports Act 1996*; and
- advising the Minister and other key stakeholders on the efficient management of aircraft noise and emissions domestically and internationally.

In 2007–08, the output administered seven programs:

- Airport Lessee Companies—reimbursement of parking fines;
- Compensation for the sale of airport land;
- Implementation of noise amelioration;
- International Civil Aviation Organization—contribution;
- Payment scheme for Airservices Australia's en route charges;
- Remote Aerodrome Safety Program (previously known as the Regional and Remote Airstrips Funding Scheme); and
- Sydney West Airport—rental properties.

Output 2.3.3 corresponds to Output 1.4.2 in the previous outcome and output structure (see Appendix L for a comparison between the current and previous structures).

Table 4.24 summarises the output's performance in 2007–08.



## Summary of performance

**Table 4.24** Summary of performance—Output 2.3.3—Aviation and airports policy, programs and regulation

Performance indicators	Results
Effectiveness	
<p><i>Industry operates in a robust and stable regulatory environment.</i></p>	<p>This year saw the commencement of a major review of the policy settings for Australian aviation and its regulation. The Department assisted in the development of a wide-ranging issues paper, published in April 2008, seeking comments from the industry and general public by the end of June. The Australian Government intends to release a green paper (discussion paper) later in 2008, as a basis for further consultation, and to release a final policy statement in 2009.</p> <p>The broad policy review will build upon two reviews of specific aspects of the regulatory framework that were conducted in 2007–08 with support from the Department.</p> <ul style="list-style-type: none"> <li>• A joint industry–government review of reform to the civil aviation regulations examined ways to expedite progress towards an updated and outcome-based set of regulations which are effective in protecting safety standards without imposing unwarranted requirements on operators.</li> <li>• An expert review of the working arrangements between the Civil Aviation Safety Authority, as regulator, and the Australian Transport Safety Bureau, as independent investigator of accidents and incidents, examined options for legislative or operational changes to improve interaction between the agencies in the interests of the best overall outcomes for aviation safety.</li> </ul> <p>Reports of both reviews were published in the first half of 2008. Some of the practical measures identified have been implemented; others will be addressed in conjunction with the broader range of issues raised in the current review process.</p> <p>The Department also coordinated the response by agencies to a comprehensive audit of Australia’s regulatory arrangements by the International Civil Aviation Organization as part of the Universal Safety Oversight Audit Program (USOAP). The final report of the audit is yet to be received. While the results are expected to recognise that the arrangements in Australia are among the most advanced, the cyclical audit process provides an opportunity to identify areas for further improvement.</p> <p>In support of the objective of ensuring stable and effective regulatory arrangements for air transport in the Asia–Pacific region, the Department took part in a number of projects to assist Australia’s near neighbours. This included setting up a safety assistance package to support Indonesia in addressing its transport safety challenges for the period 2007–10.</p>





Performance indicators	Results
<p><i>Businesses and consumers have access to competitive international and domestic air services.</i></p>	<p>Specific developments in regulatory legislation included:</p> <ul style="list-style-type: none"> <li>• finalisation of the <i>Civil Aviation Legislation Amendment (1999 Montreal Convention and other Measures) Act 2008</i>, which implements the 1999 Montreal Convention to update the potential legal liability of international airlines; and</li> <li>• preparation of the <i>Aviation Legislation Amendment (International Airline Licences and Carriers' Liability Insurance) Bill 2008</i>, to update two aviation regulatory programs, the system of airlines' mandatory liability insurance and the system of international airline licences.</li> </ul> <p>Air services agreements/arrangements, including a landmark 'open skies' agreement with the United States of America, were negotiated with nine countries.</p> <p>Aviation relations with the European Union, Australia's largest aviation market, were strengthened by signing the Horizontal Agreement and commencing negotiations for an Australia–European Union comprehensive air services agreement. The Horizontal Agreement recognises the existence of a single European market for air transport links to and from Australia and forms the basis of future discussions on a single Europe-wide air services agreement.</p> <p>The Department continued to support access to air services in regional Australia through targeted and transitional subsidies for en route air traffic control charges and funding support for safety upgrades at remote aerodromes.</p> <p>While aviation services continue to grow overall, notwithstanding increases in fuel costs, the growth has not been uniform. In particular, concerns have been expressed about the future of some sectors of the general aviation industry. During 2007–08, the Department supported the work of an industry group which conducted consultations with industry participants and examined options for improving the outlook in the sector. The findings of the group, originally expected to form part of a general aviation industry action agenda, will now be considered as an input to the broad policy review process.</p>
<p><i>Airspace is managed efficiently within international standards.</i></p>	<p>The Office of Airspace Regulation, a new arm of the Civil Aviation Safety Authority, commenced operations in 2007–08 under the <i>Airspace Act 2007</i>. With these changes, CASA became responsible for Australian airspace regulation. This completed the separation of the regulatory powers over airspace, previously held by Airservices Australia, from the role of air navigation service provider, in accordance with international standards.</p> <p>An initial Australian Airspace Policy Statement came into effect in July 2007 to set broad directions for the management of airspace under the new legislation. An early review of the statement has been commenced to refine the statement in the light of initial experience under the new arrangements.</p>



Table 4.24 continued.

Performance indicators	Results
<p><i>Australian Government investments in transport infrastructure are managed responsibly.</i></p>	<p>In 2007–08, decisions concerning major development plans and master plans were made under a modified system introduced as a result of May 2007 amendments to the <i>Airports Act 1996</i>. Where necessary, external companies were retained to provide expert advice on technical matters.</p> <p>The <i>Sydney Airport Demand Management Amendment Act 2008</i> was passed by Parliament in June 2008, amending the <i>Sydney Airport Demand Management Act 1997</i> to reflect international aviation industry practice by amending the definition of a 'slot'.</p> <p>Airport price regulation was expanded to include monitoring of long and short-term car-parking costs, prices and revenues.</p>
<p><i>Community exposure to aircraft noise is minimised with attention to the needs of specific communities.</i></p>	<p>The noise amelioration programs for Adelaide and Sydney are being wound down. All scheduled building and construction work was completed in 2006–07.</p> <p>The Department continued to provide secretariat support to the Sydney Airport Community Forum to facilitate communication between the airport, industry, government and the community. The forum was reconstituted by the Minister in January 2008 to restore the community's ability to have direct input into decisions about the operation of the airport and, in particular, the impacts of the airport's proposal to build runway end safety works at the western end of the east–west runway that would have implications for traffic and noise sharing.</p> <p>The Department continued its participation in international forums on the subjects of aircraft noise and emissions, and its work on the development of aircraft noise and emissions software to assist airports and communities to work together on these issues.</p>
<b>Price</b>	
\$34.7 million	The actual price of this output in 2007–08 was \$33.6 million.
<b>Overall performance</b>	<b>Fully achieved.</b>

## Detailed report on performance

### Effectiveness—Output 2.3.3

*Industry operates in a robust and stable regulatory environment.*

#### **Australian aviation safety regulation**

The Department worked closely with CASA to improve the safety of the aviation sector, and provided advice to the Minister on the strategic oversight of CASA and Airservices Australia.

Two reviews of aspects of the regulatory framework for aviation were completed in 2007–08.

In April 2007, the Aviation Regulation Review Taskforce was established to review and recommend improvements to Australia's aviation safety regulatory model and regulatory reform program. The taskforce was chaired by Dr Allan Hawke and included industry and government representatives, with the Department providing secretariat services.



The taskforce held monthly meetings between May and December 2007 and submitted its report to the Minister in December 2007. The report was publicly released on the CASA's website <[www.casa.gov.au](http://www.casa.gov.au)> in June 2008.

In October 2007, Mr Russell Miller was appointed to conduct a review of the working relationship between the Australian Transport Safety Bureau (ATSB) and CASA. The review was informed by submissions from 29 industry participants, providing a broad spectrum of opinion from across the aviation industry as well as the maritime and rail industries. Mr Miller presented his report to the Minister in December 2007. The review was publicly released on the Department's website in March 2008.

The outcomes of these two reviews will be considered as part of the broader review of national aviation policy that commenced with the release of an issues paper in April 2008. The Department is handling submissions made in response to the issues paper, and developing a discussion paper to trigger the next stage of the policy review process towards the end of 2008.

### **International aviation environment**

The Department contributed to the international regulatory environment for aviation by participating in international forums and working with aviation regulators in other countries, particularly in the Asia-Pacific region. Through this international collaboration, the Department also worked to maintain and improve Australia's position in international aviation markets.

### **ICAO audit**

As part of its responsibilities as a member of the International Civil Aviation Organization (ICAO), Australia is required to undergo periodic ICAO audits of the effectiveness of its aviation safety regulatory oversight. An ICAO audit was conducted in February 2008 by an international team of nine technical experts.

The audit included scrutiny of all the Australian agencies with a responsibility for aviation safety oversight and service provision, namely the Department, Airservices Australia, the Australian Maritime Safety Authority (in respect of search and rescue), the Australian Transport Safety Authority, the Bureau of Meteorology and CASA. The audit team also visited industry organisations to establish the extent to which safety oversight requirements are implemented in practice.

The Department was responsible for coordinating Australia's role in the audit. This included creating a working group, with membership drawn from each of the agencies, to make preparations for the audit and to provide a response to the audit in the form of a corrective action plan.

The results of an ICAO audit are documented in a confidential report which is circulated to all 191 contracting states. The final report of the Australian audit, including Australia's corrective action plan, is expected to be released in November 2008. Early indications are that the results for Australia were good.



*Industry operates in a robust and stable regulatory environment (continued).*

### Montreal Convention

On 26 June 2008, the Parliament passed legislation to implement the Convention for the Unification of Certain Rules for International Carriage by Air (the Montreal Convention), which was ratified by ICAO on 28 May 1999. The Montreal Convention provides a modern and consolidated framework for determining the liability of air carriers if the following events occur in the course of international air travel:

- injury or death of a passenger;
- loss or damage to cargo and baggage; or
- damage caused by delay in the scheduled arrival of a passenger, baggage and freight.

The convention also allows simplified electronic records to be used for both freight and passenger transport and allows claims for damages in the case of death or injury to a passenger to be heard in Australia, rather than in a foreign court.

It is expected that the Montreal Convention will enter into force for Australia in the second half of 2008.

### Cooperation

In 2007–08, the Department continued to ensure that Australia participated effectively in the development of international air transport regulation, including by:

- coordinating the whole-of-government response to international regulatory issues in aviation;
- maintaining an office in Montreal, Canada, to provide a permanent headquarters for Australian participation on the ICAO Council and the ICAO Air Navigation Commission; and
- representing Australia on the Council of the Pacific Aviation Safety Office, and providing practical assistance to the office.

The Department was also active in efforts to advance consideration of the issues surrounding aviation emissions and their contribution to global warming. The Department led the conduct of two Asia–Pacific Economic Cooperation (APEC) seminars which brought together industry and economy representatives to share information and options for collective work (refer Case Study: ‘APEC Aviation Emissions Taskforce’ page 147). The Department was also an active member of the special high-level group established by ICAO, which is to report in late 2009.



## CASE STUDY – APEC AVIATION EMISSIONS TASKFORCE

The Department brought together economies of the Asia–Pacific region to focus attention on the issue of managing aviation greenhouse gas emissions through the Transportation Working Group of the Asia–Pacific Economic Cooperation (APEC) forum.

The Department organised two aviation emission seminars during the year, bringing together the region’s aviation industry. The seminars were held in Singapore in September 2007 and Kuala Lumpur in April 2008.

Interest generated through the seminars has led to the APEC Transportation Working Group (TPT-WG) establishing an Aviation Emissions Task force.

Through the new Aviation Emissions Task force, TPT-WG members will be able to:

- share information on environmental best practice;
- develop practical approaches to address aviation emissions that will support the work being undertaken by the International Civil Aviation Organization (ICAO); and
- collaborate more effectively with industry on short and long-term strategies.

The Task force is open to 21 APEC economies and aims to bring together both industry and governments in the region.



*Industry operates in a robust and stable regulatory environment (continued).*

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

**Assistance**

The Department took part in Australian Government projects to assist Australia’s near neighbours to improve the effectiveness of their air transport regulation. This included providing administrative assistance to Papua New Guinea’s Civil Aviation Authority, through the Australian Government’s Strongim Gavman Program (formerly known as the Enhanced Cooperation Program).

The Australian Government’s Indonesia Transport Safety Assistance Package (ITSAP) was announced in May 2007. The assistance commenced in July 2007 and was formalised in a memorandum of understanding signed by Australia and Indonesia on 31 January 2008.

The ITSAP program involves Airservices Australia, the Australian Maritime Safety Authority and the Australian Transport Safety Bureau, and provides technical and training assistance to support Indonesia in addressing aviation and maritime transport safety challenges. Significant outcomes during 2007–08 include two ICAO standard crash investigation reports, four rounds of airworthiness inspector training, extensive search and rescue cooperation, and Air Traffic Management Systems/Safety Management Systems development in eastern Indonesia.

**General Aviation Industry Action Agenda**

Following 12 months of consultation and analysis, supported by a departmental secretariat, the Strategic Industry Leaders Group of the General Aviation Industry Action Agenda presented its final report in May 2008. The group’s findings will be considered by the government in the context of the comprehensive review of aviation policy that commenced in April 2008.

**Introduction of the Aviation Legislation Amendment (International Airline Licences and Carriers’ Liability Insurance) Bill**

The Department finalised the preparation of the Aviation Legislation Amendment (International Airline Licences and Carriers’ Liability Insurance) Bill, which was introduced into parliament on 26 June 2008. The Bill updates two aviation regulatory programs: the system of airlines’ mandatory liability insurance and the system of international airline licences.

If enacted, the Bill will strengthen CASA’s administration of the airlines’ mandatory liability scheme. This update will assist airlines by cutting red tape and removing unnecessary paperwork when dealing with insurance matters.

The Bill also improves the government’s ability to audit international airline licences. These licences allow the government to ensure that international flights are conducted in accordance with Australia’s air services agreements and arrangements. They also provide a final checking mechanism to make sure that safety, security and insurance approvals are in place before an airline commences international services.



### International air services

Statistics from the Australian Bureau of Statistics indicate:

- There were 23.4 million passenger movements into and out of Australia in the year ending May 2008, representing a 5.8 per cent increase in traffic when compared to the previous 12 months.
- New Zealand was the largest origin/destination (O/D) market, with a total of 4.1 million passenger movements, an increase of 3.9 per cent compared to the previous year. The other markets in the top five were the United Kingdom, the United States of America, China and Japan.
- Of the top 20 O/D markets, growth in passenger movements was highest for Indonesia (32.8 per cent), followed by France (20.5 per cent), Thailand (19.8 per cent), India (18.9 per cent) and Vietnam (17.3 per cent).
- There were 5.6 million short-term visitor arrivals into Australia during the year ending May 2008, an increase of 0.4 per cent over the number of visitors in the previous 12 months.
- There were 5.7 million short-term resident departures during the year ending May 2008, an increase of 11.3 per cent over the number of resident departures in the previous 12 months.

### International agreements

The Department conducted air services consultations with 10 of Australia's bilateral aviation partners—Brunei Darussalam, France (French Polynesia), Kenya, Malaysia, Mauritius, Pakistan, the Republic of Korea, Solomon Islands, South Africa and the United States of America—resulting in new air services agreements and/or arrangements with nine. Consultations with French Polynesia did not alter existing capacity or other entitlements; however, the delegations will meet again to discuss outstanding issues. Any new treaties settled will be referred to the respective governments for consideration before they are brought into legal force.

New or additional entitlements to operate air services between and/or beyond Australia and the other nine bilateral partners were settled by way of these consultations. These entitlements become available for use by the relevant airlines immediately.

The inaugural aviation arrangements with Kenya will provide a framework for the development of air services between Australia and Kenya, although services provided by way of cooperative marketing are likely in the first instance.

Increases in capacity entitlements settled with South Africa will provide opportunities for carriers of both countries to expand existing services and for additional airlines to enter the Australia–South Africa market, providing competition for the incumbent carriers on the route.

Consultations with the United States of America in February 2008 resulted in a landmark 'open skies' agreement, signed on 31 March 2008.







Prime Minister Rudd with the United States Secretary of Transportation, Ms Mary Peters, signing the 'Open Skies' Air Transport Agreement in Washington DC on 31 March 2008 (Photo: David Foote – AUSPIC)

*Businesses and consumers have access to competitive international and domestic air services (continued).*

Australian and United States of America airlines will now be able to determine the frequency of their air services and the routes they wish to serve, whether direct or via other countries, without restriction on the number of passengers carried, or other restrictions on rights to carry passengers or cargo. Airlines will be able to establish fares based on commercial considerations in the marketplace.

An immediate outcome was the removal of an effective limitation of four services a week for new entrants, enabling Australian carrier V Australia to proceed with its plans to introduce air services between Australia and the United States of America.

Australia also made a significant breakthrough in strengthening aviation relations with the European Union, Australia's largest aviation market, in 2007–08. In April 2008, the Australian Government signed the Agreement between the Government of Australia and the European Community on certain aspects of Air Services—also known as the Horizontal Agreement. The Horizontal Agreement recognises the existence of a single European market for air transport links to and from Australia.

Building on this agreement, in June 2008 Australia and the European Union commenced negotiations for a comprehensive air services agreement. This Europe-wide agreement will seek to remove many—if not all—of the limitations on air services between Australia and the European Union. It is anticipated that it will also address issues around competition, protection of the environment, safety and security.

#### **International airline timetable and licence approvals**

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 approved 238 timetable approvals, 243 timetable variations, 17 non-scheduled flight approvals and four applications for international airline licences in 2007–08.





*Airspace is managed efficiently within international standards.*

### **Domestic air services**

The Bureau of Infrastructure, Transport and Regional Economics reported more than 47 million domestic air passengers in 2007, an increase of 6.5 per cent compared to 2006.

The deregulated market, in which the Australian Government regulates safety and security but allows airlines to make commercial decisions about the routes they operate, delivers options and affordable air fares for both Australian residents and visiting overseas tourists, while maintaining safety and security. The Department continued to provide policy advice to government on the deregulated domestic market throughout 2007–08.

The Australian Government's policy of allowing 100 per cent foreign ownership of domestic airlines permitted Tiger Airways Australia's entry to the Australian domestic market in November 2007, contributing to competition in domestic air services.

### **Review of the Australian Airspace Policy Statement**

The Department provided policy advice to the government on the Australian Airspace Policy Statement (AAPS), which came into effect in July 2007. The statement provides guidance to CASA, as the airspace regulator, on the administration of airspace as a national resource. CASA developed a work program for the Office of Airspace Regulation for 2007–08, which included the priorities outlined in the policy statement. The statement is available on the Department's website.

The Department has initiated a review of the statement, which will be completed by the end of 2008, in consultation with CASA, Airservices Australia, the Department of Defence and the aviation industry.

### **Review of the National Airspace System Stage 2C**

In May 2008, the Department and CASA jointly responded to the recommendations of the post-implementation review of the new operating procedures at non-towered aerodromes.

The independent review was undertaken by consultants engaged by the Department, following discussions with a wide cross-section of the industry and Australian Government agencies. Based on assessment of a full year of operations under the new procedures, the consultants concluded that the procedures had a good safety record, but recommended a series of changes to maintain and improve on that record.

## **DID YOU KNOW**

### **CONVENTION ON INTERNATIONAL CIVIL AVIATION**

The number of times airlines can fly between Australia, and currently 68 other countries, is governed by a complex set of bilateral arrangements in place between Australia and these other countries. The majority of these bilateral air services arrangements are treaties and associated commercial arrangements negotiated on a regular basis under the umbrella of the Convention on International Civil Aviation, opened for signature at Chicago on December 7 1944.



*Airspace is managed efficiently within international standards.*

The joint Department–CASA response to the recommendations includes proposed changes to radio call requirements at non-towered aerodromes.

#### **Ongoing coordination of aviation policy**

Four Australian Government agencies are involved in aviation policy, regulation and service provision—the Department, Airservices Australia, CASA and the Royal Australian Air Force.

The Aviation Policy Group (APG) continued to provide a senior-level forum to build better working relationships, develop strategic directions for aviation, and coordinate action across the four agencies in 2007–08.

The Secretary of the Department chairs APG, which has as its membership the Chief Executive Officers of CASA and Airservices Australia and the Chief of Air Force. APG collectively addresses broad aviation policy issues, while each agency retains individual authority and accountability for its own functions.

The Aviation Implementation Group was responsible for carrying forward a work program identified by APG, and identifying cross agency issues for APG's consideration. The group's members are senior officers from the Department (which chairs the group) and the other three Australian Government aviation agencies.

#### **Strategic investment in new technologies**

The Department, Airservices Australia, CASA and the Department of Defence released a joint consultation paper for industry comment in August 2007. The consultation paper proposed the wider application of Global Navigation Satellite Systems (GNSS) and Automatic Dependent Surveillance Broadcast (ADS-B) for navigation and surveillance in Australian airspace.



*Australian Government investments in transport infrastructure are managed responsibly.*

Close to 250 submissions were made by industry in response to the consultation paper. The agencies are jointly working through issues raised in submissions, as a basis for informing future Australian Government consideration of this matter. The strategic objective is investment in air navigation and surveillance infrastructure which:

- underpins improvements in aviation safety;
- delivers efficiency, environmental and operational benefits; and
- ensures continued international harmonisation of aviation operations.

### **Airports Act amendments**

The Department is responsible for administering the *Airports Act 1996* (Airports Act) and associated Regulations which regulate the 22 leased federal airports.

The Airports Act was amended in May 2007 to provide a package of measures to fine-tune the regulatory scheme in the light of experience during its first 10 years of operation.

The amendments included introducing a stop-the-clock mechanism; aligning the planning requirements for Canberra Airport with those of the other airports; changing consultation obligations; giving greater clarity to the conditions that the Minister may attach to major development plans; and including land clearing as a building activity that requires approval.

### **Stop-the-clock provisions**

The new 'stop-the clock' provisions in the Airports Act enable the Minister to suspend the assessment period for development proposals to allow adequate time for the Minister to obtain additional information, facilitating better informed decisions. During 2007–08 the mechanism was applied in the consideration of three airport planning proposals:

- Essendon Airport—a late public submission concerning the draft master plan was received and the assessment period was suspended under section 80A of the Airports Act to allow the airport to respond;
- Hobart Airport—the Minister applied the mechanism under section 93A of the Airports Act to request additional information to assist in the assessment of a draft major development plan for a direct factory outlet; and
- Canberra Airport—the Minister applied the mechanism under section 93A of the Airports Act to request additional information to assist in the assessment of a draft major development plan for an office building at 15 Lancaster Place.

### **Changes to planning control at Canberra Airport**

As a consequence of the May 2007 amendments to the Airports Act, developments at Canberra Airport are no longer subject to the National Capital Plan; this is consistent with planning controls in place at the other leased federal airports.



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

### Conditions on major development plan

The May 2007 amendments to the Airports Act give greater clarity as to the types of conditions that may be attached to the approval of major development plans, by specifically allowing the inclusion of conditions that relate to the ongoing operation of the development that the plan relates to.

### Changes to consultation

New provisions in the Airports Act impose an obligation upon the airports to give written notice of key planning proposals (master plans, major development plans and minor variations thereof) to the Minister, state and territory governments, and local government authorities with responsibility for town planning and land use outside the airports, before embarking on the formal public consultation process. The new provisions ensure off-airport planning authorities have sufficient notice and opportunity to provide informed input.

### Land clearing permits

As a consequence of the May 2007 amendments to the Airports Act, land clearing on the leased federal airports requires approval. Permits for land clearing are granted under section 99 of the Airports Act. This process is being managed by the Airport Building Controllers in consultation with Airport Environment Officers. Guidelines have been prepared by the Department and distributed to all leased federal airports.

### Management of federal airport leases

Between 1997 and 2003, 22 federal airports were privatised, via long-term leases: 50 years with an option to renew for a further 49 years (with the exception of Hoxton Park).

The lease granted over Hoxton Park Airport expires on 27 October 2008 (with an option to extend to 2010), after which it converts to freehold title. The airport-lessee company has confirmed the airport will cease operation as an airport effective on 28 October 2008.

The Department is responsible for monitoring compliance with the airport leases and Airports Act. Details of the Department's airport regulation program are in Appendix I.

### Planning approvals

Under the Airports Act, a master plan must be prepared for every airport except for Mt Isa and Tennant Creek airports. The master plan represents the airport-lessee company's planning and development vision for the airport over a 20-year period. The master plan is submitted to the Minister for approval and reviewed every five years.

In addition to master plans, a major development plan is required for each major development. Section 89 of the Airports Act defines major developments and includes generally any significant building work or any development with a significant environmental impact on the airport site.



Master plans and major development plans are prepared by the airport-lessee company and the public must be consulted prior to submission to the Minister for consideration. The Minister may approve or refuse to approve any proposal.

The Department retains external specialist advice to assist in the assessment of complicated development proposals. For example, the Department has engaged the services of a specialist company with expertise in industrial emissions monitoring to advise the Department on compliance with conditions imposed on the approval for the construction and operation of a brickworks on the Perth Airport site. The conditions impose strict limitations on the emission of pollutants.

The Department also works closely with other Australian Government agencies in assessing large development proposals. Brisbane Airport's proposal to build a second runway required both a major development plan under the Airports Act and an environment impact statement under the *Environment Protection and Biodiversity Conservation Act 1999*, because it had significant environmental impact. The Department worked with Brisbane Airport and the Department of the Environment, Water, Heritage and the Arts, to develop documentation to facilitate the submission of a joint environment impact statement and major development plan for the project. The major development plan was approved by the Minister, with 26 conditions, in September 2007. These conditions aligned where possible with the conditions attached to the approved environment impact assessment.

In 2007–08, the Department provided assessments to the Minister on:

- one airport master plan;
- two minor variations to a master plan;
- nine major development plans; and
- one minor variation to a major development plan.

#### Lease compliance reviews

The Department conducts annual lease reviews of the 22 leased federal airports to ensure compliance with the terms of their leases.

Separately, the airport leases and original sale documents require that the airports insure against a number of events. The Department assesses the adequacy of airport insurance cover each year with the assistance of a contracted insurance advisor.

Details of the airport lease review meetings and the insurance review meetings in 2007–08 are in Appendix I.

#### Environmental management and building control

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



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

Airport Environmental Officers (AEOs) and Airport Building Controllers (ABCs) at the leased airports help the Department to monitor and ensure compliance with environmental and building standards. The AEO is a statutory officer appointed by the Secretary to administer the Airports (Environment Protection) Regulations 1997. The ABC has responsibility for approving all building activities on an airport site. The ABC works closely with the AEO to ensure that any environmental and heritage issues are reflected in conditions attached to a building permit.

All airports other than Mt Isa and Tennant Creek must complete an Airport Environment Strategy (AES) which advocates continuous environmental improvement. An AES is normally in force for five years from the date of its approval by the Minister. The draft AES is prepared by an airport-lessee company after taking into account public comments.

#### **Authorisations issued under the Airports (Environment Protection) Regulations 1997**

The Department may authorise an airport to undertake an action that may result in environmental emission limits being exceeded where the emissions will be no more damaging to the environment than if the limits were met.

The authorisation allows for transitional arrangements while methods of achieving compliance with the limits are investigated and implemented.

No authorisations were issued during 2007–08.

#### **Monitoring of compliance with aeronautical infrastructure obligations**

The sale agreements for 10 of the 22 leased federal airports (Adelaide, Alice Springs, Brisbane, Canberra, Gold Coast, Darwin, Hobart, Launceston, Melbourne and Perth airports) included binding aeronautical infrastructure development obligations to be completed during the first 10 years of their leases.

The Department has monitored the progress of the obligations since their inception (Table 4.25 outlines this expenditure).



### Airport price regulation

A new price monitoring regime at the five major airports (Adelaide, Brisbane, Melbourne (Tullamarine), Perth and Sydney (Kingsford Smith) airports) commenced on 1 July 2007, in response to the Productivity Commission's report *Review of Price Regulation of Airport Services*. Implementation of this regime included the exclusion of Canberra and Darwin airports from the price monitoring regime and amendment of the Airports Regulations 1997 to expand the definition of aeronautical services and facilities.

The range of airport services monitored by the Australian Competition and Consumer Commission (ACCC) was broadened in 2007–08, to include short-term and long-term car-parking services at the major airports. Changes to quality of service monitoring are also being developed.

**Table 4.25 Airport development expenditure at major airports (\$m)**

Airport	Sale phase <sup>a</sup>	Spending to 30 June 2006	Spending to 30 June 2007	Spending to 30 June 2008	Period 1 obligation <sup>b</sup>	Period 2 obligation <sup>c</sup>	Commitment met?
Adelaide	2	72.3	72.3	72.3	41.4	22.6	Yes
Alice Springs	2	2.7	6.2	6.2	1.2	1.9	Yes
Brisbane	1	223.9	363.8	363.8	44.4	292.9	Yes
Canberra	2	51.3	65.5	73.7	11.0	46.9	Yes
Gold Coast	2	28.4	55.4	55.4	19.2	8.5	Yes
Darwin	2	21.6	21.6	21.6	3.3	2.7	Yes
Hobart	2	7.8	7.8	7.8	3.8	1.7	Yes
Launceston	2	3.5	3.5	3.5	2.2	0.9	Yes
Melbourne	1	107.8	107.8	107.8	78.3	29.0	Yes
Perth	1	111.3	111.3	111.3	54.6	33.3	Yes
<b>Total</b>		<b>630.6</b>	<b>815.2</b>	<b>823.4</b>	<b>259.4</b>	<b>440.4</b>	

*a* Phase 1 was completed in 1997 and Phase 2 in 1998. The date of sale affects the deadline for completion of Period One obligations.

*b* Period 1 commitment is in line with Schedule 11 of each sale agreement.

*c* Period 2 commitment is in line with Schedule 11 of each sale agreement. No extensions to Period 2 have been granted to date.

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

### **Slot management at Sydney Airport**

The *Sydney Airport Demand Management Act 1997* (Demand Management Act) is the statutory framework for demand management at the airport. The Demand Management Act specifies a limit of 80 aircraft movements per hour at Sydney Airport through a slot management regime.

In its report *Implementation of the Sydney Airport Demand Management Act 1997* (No. 29 of 2006–07), the Australian National Audit Office noted a disparity between the definition of a ‘slot’ under the Demand Management Act and the practical interpretation of a slot. This defect was addressed through the *Sydney Airport Demand Management Amendment Act 2008*, which was enacted in July 2008.

The amendment Act changes the definition of a ‘slot’ from an aircraft or runway movement to a gate movement, in line with international practice. Other amendments include:

- providing the Minister with an ability to vary the compliance scheme in exceptional circumstances;
- clarifying that a ‘movement in an emergency’ included the aircraft returning to its base of operations in Sydney;
- applying provisions of the Demand Management Act to some movements during the curfew;
- expanding the Minister’s power to delegate to include the power to appoint members of the Compliance Committee; and
- increasing the upper limit for penalties that can be prescribed by regulations to 50 penalty units.

The Department is developing consequential amendments to the Sydney Airport Demand Management Regulations 1998 and the slot management and compliance schemes.

The objectives of the slot management regime at Sydney Airport 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.





### Effective administration

Airservices Australia is responsible for monitoring compliance with the aircraft movement limit and reporting to Parliament. There were no reported breaches of the movement limit in 2007–08.

Responsibility for the day-to-day administration and management of the slot management scheme rests with the slot manager, currently an independent non-profit company, Airport Coordination Australia (ACA). The amendment Act includes a measure formalising the requirement that the slot manager consider the movement cap in the allocation of slots.

Slots are allocated for periods based on seasons in the northern hemisphere, for consistency with international practice: ‘summer’ is April to October, and ‘winter’ is November to March. The Department examined slot allocation reports for the Winter 07 (28 October 2007 to 29 March 2008) and Summer 07 (30 March to 25 October 2008) scheduling seasons. The reports indicate that, for the last two scheduling seasons, pressure points in the morning and evening peaks arose from runway and apron availability rather than slot availability.

Primary responsibility for monitoring compliance with allocated slots rests with the Sydney Airport Compliance Committee, pursuant to the Sydney Airport Compliance Scheme. In six meetings held during 2007–08, the committee, chaired by the Department, considered actual movements against allocated slots and the reasons given for any early or delayed movements. The committee has the power to declare a movement taken not to be off-slot if it considers the circumstances that caused the delay (or early arrival) were beyond the operator’s control. This is a routine function of the committee under the Compliance Scheme to determine whether a movement should be subject to a penalty.

### Reduced delays

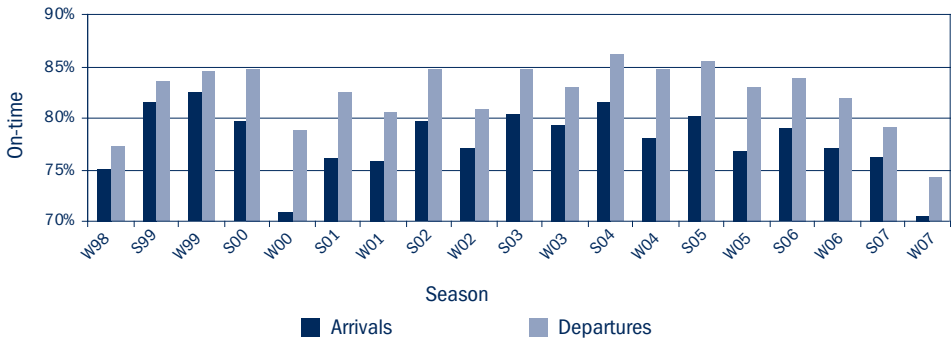
The committee found that, even though there were aircraft movements that operated early or were delayed beyond the permitted tolerance limits (15 minutes for flights shorter than three hours and 30 minutes for flights longer than three hours), less than 20 per cent of these movements were for reasons within the operator’s control. All flights that operated into and out of Sydney Airport were allocated slots beforehand.

No infringement notices or penalties were issued in 2007–08.

Figure 4.4 shows on-time performance statistics for Sydney Airport for each scheduling period, from the commencement of the demand management arrangements in 1998 to 2007.



**Figure 4.4 On-time performance of all services, Sydney Airport, 1998 to 2007**



S = summer period (April–October), W = winter period (November–March)

Note: The graph shows on-time performance as arrivals and departures within 15 minutes of the scheduled time; however, the graph does not account for delay factors that are outside of the operator’s control (e.g. weather, air traffic control and increased security measures) which are assessed by the committee.

Source: Airport Coordination Australia.

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

**Equitable access**

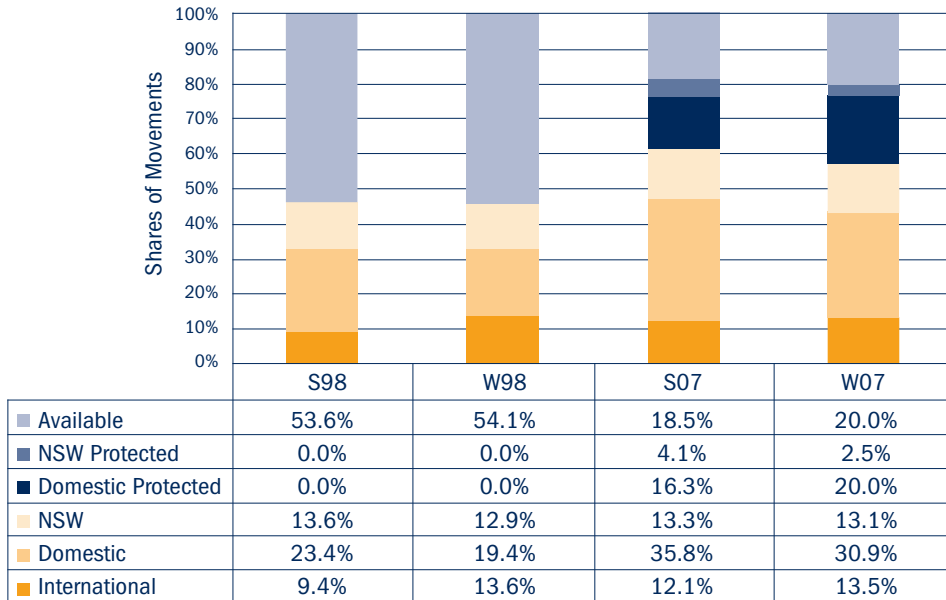
Figure 4.5 shows the effect of the management scheme on slot access, by contrasting slot allocation in 1998 to allocation in 2007–08. The graph shows the seasonal distribution of international, domestic (interstate) and regional (intrastate New South Wales) and protected slots.

The slot management scheme includes specific conditions relating to the allocation of slots to regional service operators and new entrants to the Sydney route. These measures guarantee equitable access to Sydney Airport for operators of regional services and new entrants to the Sydney route.

Following the collapse of Ansett Airlines and its subsidiaries in September 2001, the then Minister issued a direction to the slot manager to ensure that the slot regime continued to maximise the efficient use of the Sydney Airport infrastructure while avoiding the possibility of creating an anticompetitive outcome. Under the direction, all airlines can have access to the Ansett slots in accordance with the slot allocation process but only new entrant airlines can gain historical precedence (or permanent access) to them.



**Figure 4.5** Average weekly runway movements, allocated and available, by type of service, Sydney Airport



S = summer period (April–October), W = winter period (November–March)

Source: Airport Coordination Australia.

### Even distribution of aircraft movements

The spread of aircraft movements across the busiest operational hours at Sydney Airport is shown in Figures 4.6 and 4.7.

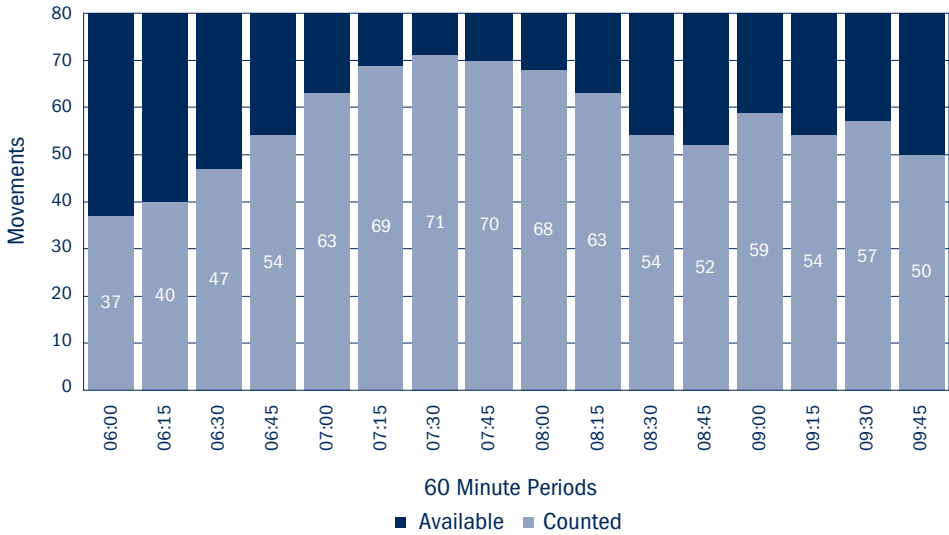
Overall, demand for slots in Winter 07 was close to 78 movements per hour in the weekday morning peak and exceeded 75 movements per hour in the weekday evening peak. In the Summer 07 season, overall demand was close to 75 movements per hour in the weekday morning peak and exceeded 70 movements per hour in the weekday evening peak (Friday demand exceeded 75 movements per hour).

The slot management scheme facilitates an even distribution of aircraft movements by controlling movements in 60-minute periods commencing every 15 minutes, minimising congestion problems associated with cluster scheduling. The total number of possible movements per week is 80 movements per hour over 17 regulated hours per day within a seven-day week.

Movements are increasing in the off-peak hours, due mainly to growth in the use of domestic slots (low-cost carriers).

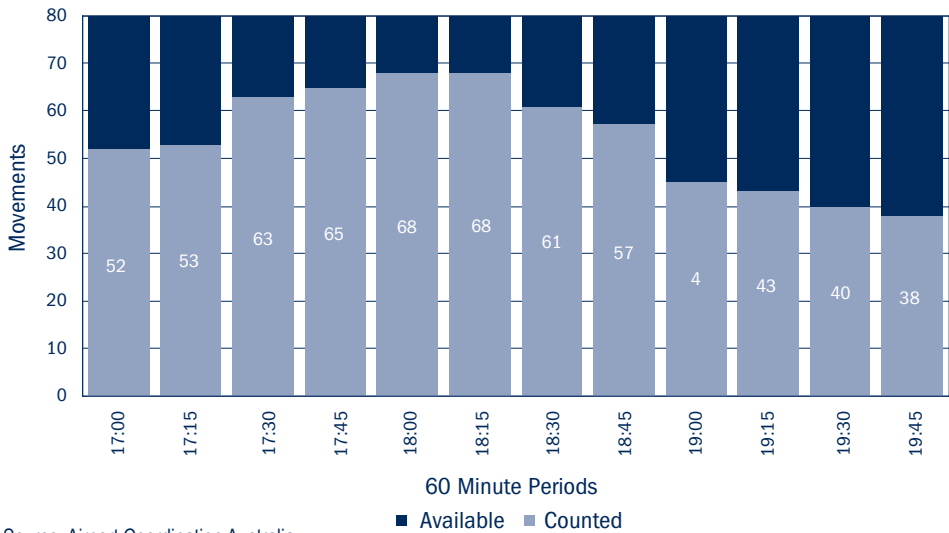


**Figure 4.6** Distribution of aircraft movements within the morning peak hours on a Monday in the summer 2007 slot allocation period, Sydney Airport



Source: Airport Coordination Australia

**Figure 4.7** Distribution of aircraft movements within the evening peak hours on a Friday in the summer 2007 slot allocation period, Sydney Airport



Source: Airport Coordination Australia



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

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

#### **Grant to the Central Australian Tourism Industry Association**

In 2006–07, the Australian Government contributed \$191,200 to the Central Australian Tourism Industry Association for the purchase of security screening equipment and an aircraft tug for use at Alice Springs Airport. The Central Australian Tourism Industry Association has used the funds and will provide an audited report to the Department in 2008–09.

#### **Noise amelioration programs**

In 2007–08, the Department continued to assist Adelaide Airport and Sydney Airport and local communities to work together to minimise the impacts of aircraft noise.

The noise amelioration programs for both airports are being wound down after having proven to be an effective tool to reduce the impacts of aircraft noise for residents living under busy flight paths. Ongoing management of warranty issues will continue in 2008–09 and the Department will continue to monitor the noise contours in Sydney and Adelaide on an annual basis.

#### **Aircraft noise levy**

Recovery of costs associated with the noise amelioration programs is undertaken through a levy on jet aircraft landings at the respective airports and implemented by the *Aircraft Noise Levy Act 1995*. Airservices Australia is authorised to collect the levy on behalf of the Department.

Receipts totalling \$7.9 million collected under the *Aircraft Noise Levy Collection Act 1995* are reported in the Department's audited financial statements as required by the Act.

The levy at Sydney Airport ceased on 1 July 2006. The levy at Adelaide Airport will continue, according to the provisions of the Act.

#### **Sydney Airport Community Forum**

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 government and community representatives, which liaises with Sydney Airport, industry and the Australian Government on aircraft noise issues affecting the community.

#### **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 2007–08, the Department:

- assessed 124 applications for curfew dispensation—16 for Adelaide, 13 for Gold Coast (Coolangatta) and 95 for Sydney; and
- approved 71 curfew dispensations—eight for Adelaide, six for Gold Coast and 57 for Sydney.



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

#### **Aircraft noise and emissions software**

In response to feedback from clients, in 2007–08 the Department continued to refine the Transparent Noise Information Package (TNIP) software that it has developed. Work also commenced on a TNIP Carbon Counter module for the software.

The noise modules of the software are designed as a tool to enable the non-specialist to gain a better understanding of aircraft noise exposure patterns. They enable airports and the public to work together to develop options for mitigating the impacts of aircraft noise on the community.

The Carbon Counter module has been developed to calculate the engine emissions produced by an individual aircraft over the course of a specified journey and, consequently, the carbon footprint of the aircraft.

The TNIP software is available on the Department's website.

#### **International cooperation**

The Department continued in its participation in international forums which address the problems of aircraft noise, such as ICAO's Committee on Aviation Environmental Protection and APEC's Transportation Working Group.

**Table 4.26 Trends in aviation and airports**

	2004–05	2005–06	2006–07	2007–08
<b>Price of output</b>	<b>\$21.8m</b>	<b>\$27.2m</b>	<b>\$28.7m</b>	<b>\$33.6m</b>
<b>Activity regulated under the <i>Air Navigation Act 1920</i></b>				
Aircraft noise permits issued	48	31	28	25
<b>Activity regulated under the <i>Airports Act 1996</i></b>				
Airport master plans approved	13	2	1	1
Variations to master plans approved	0	1	1	2
Airport environment strategies approved	18	1	0	0
Major development plans approved	7	5	9	8
Major development plans not approved	0	0	1	0
Variations to major development plans	1	2	0	2

	2004-05	2005-06	2006-07	2007-08
Decisions made on development proposals infringing on federal airspace	18	34	36	39
<b>Administered programs</b>				
<b>Payments to airport lessees</b>				
Parking fines	\$1.7m	\$0.9m	\$1.6m	\$0.8m
Sale of airport land	0	0	0	\$10.2m
Land acquisition	\$3.4m	0	0	0
<b>Payments for Airservices Australia's en route charges</b>				
Operators supported	41	35	31	29
Cost of program	\$4.7m	\$6.0m	\$6.0m	\$5.8m
Cost of other programs administered, including contribution to ICAO and airport noise programs	\$18.6m	\$16.8m	\$7.4m	\$5.2m

### Purchaser—provider arrangements—Output 2.3.3

The Department has agency agreements with CASA, AirServices Australia and the Australian Maritime Safety Authority to cover the provision of transport safety assistance to Indonesia. In 2007-08 the following appropriated funds were provided to agencies for this purpose: \$2,069,694 (CASA), \$2,612,115 (Air Services Australia); and \$787,691 (AMSA). As outlined in the agency agreements the agencies report to the Department against an agreed set of key performance indicators on a quarterly basis. All key performance indicators are being met through projects delivered by the agencies.



## Administered programs for Output 2.3.3—Aviation and airports policy, programs and regulation

**Table 4.27 Summary of performance—Airport Lessee Companies—reimbursement of parking fines**

Performance indicators	Results
<b>Quality</b>	
<p><i>Revenue is passed on to airport lessees in line with a formula set by the Minister for Finance and Deregulation.</i></p>	<p>The program reimburses the lessees of eight leased federal airports a proportion of the revenue collected as fines for parking offences in airport precincts. Reimbursements are made in accordance with contracts between airport lessees and the Department.</p> <p>The Airports (Control of On-Airport Activities) Regulations 1997 require the eight participating airport lessees to have in place a Parking Signage Plan (PSP) and Standard Operating Procedures for the airport site. Any conduct of driving or parking in contravention of the PSP is an infringement notice offence.</p> <p>The total amount of revenue collected by the airports and remitted to the Commonwealth fluctuates from year to year depending upon the number of infringement notices issued by the airport lessees.</p> <p>The Department makes quarterly payments to airport lessees in line with a formula set by the Minister for Finance and Deregulation: namely, 80 per cent of the revenue from parking fines for the quarter collected by the airport and forwarded to the Department, less administrative costs.</p>
<b>Location</b>	
<p><i>Sydney, Melbourne, Brisbane, Perth, Gold Coast, Townsville, Hobart and Launceston airports.</i></p>	<p>The lessees of these eight leased federal airports are covered by the program.</p>
<b>Cost</b>	
<p>\$1.5 million</p>	<p>The actual cost of this program in 2007–08 was \$0.8 million.</p> <p>The value of the reimbursements and hence the cost of the program is driven by the number and dollar amount of fines collected by the participating airports.</p>
<b>Overall performance</b>	<b>Fully achieved.</b>





**Table 4.28 Summary of performance—Compensation for the sale of airport land**

Performance indicators	Results
<b>Quality</b>	
<i>Airport lessees receive appropriate compensation for the sale of small portions of airport land not essential for airport operation.</i>	<p>From time to time the Australian Government adds or removes airport land, with the consent of the airport lessee, to facilitate on-airport or off-airport development. The Department administers compensation to airport-lessee companies after an appropriate price is agreed with parties including the Department of Finance and Deregulation.</p> <p>The program allows the excision of small portions of land not essential for aeronautical activities, with the lessee's consent and for reasonable compensation.</p>
<b>Location</b>	
<i>Tugun Bypass, Gold Coast Airport.</i>	<p>During 2007–08, the Department was involved in the following land transfers:</p> <ul style="list-style-type: none"> <li>• a portion of land was transferred from the Parafield Airport lease site to the South Australian Government for the construction of part of Elder Smith Road (also known as the Mawson Connector); and</li> <li>• a portion of land was transferred to the Queensland Government for the construction of the Tugun Bypass.</li> </ul>
<b>Cost</b>	
<i>\$9.8 million</i>	The actual cost of this program in 2007–08 was nil as the compensation costs (\$10.2 million) were fully offset against the sale proceeds associated with the land. The compensation cost estimate was exceeded because the cost of the Parafield Airport land transfer was not included in the forecast for 2007–08.
<b>Overall performance</b>	<b>Fully achieved.</b>

**Table 4.29 Summary of performance—Implementation of noise amelioration**

Performance indicators	Results
<b>Effectiveness</b>	
<i>Community exposure to aircraft noise is ameliorated in eligible buildings.</i>	<p>Airport noise amelioration programs were introduced in Sydney in November 1994 and in Adelaide in May 2000. Under both programs, the Australian Government offered homeowners financial assistance to install noise insulation for eligible residences under major flight paths. The government also provided for the insulation of public buildings such as schools and colleges, preschools, health and aged care facilities and churches.</p> <p>The Aircraft Noise Levy which funded the programs ceased at Sydney Airport on 1 July 2006. The levy at Adelaide Airport continues, in accordance with the provisions of the <i>Aircraft Noise Levy Collection Act 1995</i>.</p>



Table 4.29 continued.

Performance indicators	Results
	<p>All eligible residences and public buildings have been identified and, where the offer was accepted, insulated. Only 12-month warranty period obligations remain to be finalised.</p> <p>The programs have effectively reduced the impact of aircraft noise on homes and public buildings under flight paths.</p> <p>Information on aircraft noise and flight path monitoring at major airports is available on the Airservices Australia website &lt;<a href="http://www.airservicesaustralia.com">www.airservicesaustralia.com</a>&gt;</p>
<b>Quality</b>	
<i>Work is carried out by qualified professionals and is rated as good or better by 80% of building owners.</i>	Work has been completed at all residences and public buildings where owners/occupants accepted an offer of insulation. To gain feedback on the level of workmanship and service provided, clients were provided with a survey form on completion of their work. More than 80% of clients who participated consistently rated the quality of work done as very good or better.
<b>Quantity</b>	
<i>Approximately 4,700 eligible homes and 100 eligible public buildings are insulated from aircraft noise.</i>	As of June 2008, a total of 4,700 residential dwellings and 100 public buildings in eligible noise contours of Sydney and Adelaide had been insulated.
<b>Location</b>	
<i>Adelaide, Sydney.</i>	The programs were administered in Adelaide and Sydney.
<b>Cost</b>	
<i>\$0.9 million</i>	The actual cost of this program in 2007–08 was \$0.8 million.
<b>Overall performance</b>	<b>Fully achieved.</b>

Table 4.30 Trends in aircraft noise amelioration

	2002–03	2003–04	2004–05	2005–06	2006–07	2007–08
<b>Adelaide Airport</b>						
Private homes insulated	208	240	4	0	0	0
Public buildings insulated	2	1	2	1	1	0
Work rated very good or better by clients	88%	83%	100%	n/a	n/a	n/a
Cost of works to government	\$13.2m	\$13.9m	\$7.6m	\$1.3m	\$1.9m	\$0.4m



	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
<b>Sydney Airport</b>						
Private homes insulated	113	12	12	0	0	0
Public buildings insulated	2	1	3	2	1	0
Work rated very good or better by clients	>80%	82%	100%	n/a	n/a	n/a
Cost of works to government	\$7.7m	\$3.9m	\$6.2m	\$3.3m	\$1.9m	\$0.4m

**Table 4.31 Summary of performance—Payment scheme for Airservices Australia's en route charges**

Performance indicators	Results
<b>Effectiveness</b>	
<i>Costs are reduced for airlines providing eligible regular public transport and/or aeromedical services.</i>	<p>The program helps airline operators to provide services to regional communities by reimbursing them for Airservices Australia's en route air traffic control charges. The Department administers a subsidy that assists small regional airlines to fly to more destinations and makes airfares in regional Australia more affordable. The subsidy also helps support aeromedical operators such as the Royal Flying Doctor Service (RFDS).</p> <p>The subsidy is available to regular public transport operators that use aircraft with a maximum take-off weight of 15 tonnes or less, as well as aeromedical operators.</p> <p>In Western Australia, the subsidy is also available to regular public transport operators that use aircraft with a take-off weight between 15 tonnes and 21 tonnes, because the state's enormous distances require the use of larger aircraft.</p>
<b>Quality</b>	
<i>Claims from airlines are processed efficiently and accurately.</i>	<p>The turnaround time for payment of invoices is seven days from receipt of all information required to process the claim. Payment runs for the Department occur weekly.</p> <p>No complaints were received from recipient operators during 2007-08.</p>
<b>Quantity</b>	
<i>Approximately 36 operators are reimbursed for Airservices Australia's en route air traffic control charges.</i>	<p>The program is demand driven. The number of airlines seeking reimbursement during 2007-08 was 29.</p>



Table 4.30 continued.

Performance indicators	Results
<b>Cost</b>	
\$6.0 million	The actual cost of this program in 2007–08 was \$5.8 million.
<b>Overall performance</b>	<b>Fully achieved.</b>

Table 4.32 Summary of performance—Remote Aerodrome Safety Program

Performance indicators	Results
<b>Effectiveness</b>	
<i>Access to essential services for remote communities is improved.</i>	The Remote Aerodrome Safety Program (RASP) assisted in funding the upgrade of airstrips in remote and isolated communities across Australia. Projects funded under the program helped improve the accessibility of airstrips and facilitated the provision of non-commercial essential community air services. These services included the delivery of food supplies, community mail, passenger transport services, medical supplies and medical care such as that provided by the Royal Flying Doctor Service (RFDS).
<i>Aviation safety at remote airstrips is improved.</i>	Aerodrome improvements funded under the program included safety measures such as: <ul style="list-style-type: none"> <li>• fencing to reduce the risk from animal incursions;</li> <li>• improved runway lighting;</li> <li>• runway resealing and surface repairs; and</li> <li>• the provision of safety-related training or manuals for key operational staff.</li> </ul>
<i>The capacity of the Royal Flying Doctor Service to provide its services is enhanced.</i>	Many of the projects supported under the program were identified as priorities by the RFDS. These projects provided for improved safety and access for RFDS aircraft and pilots, and increased the organisation's capability to provide medical services both during the day and at night.
<b>Quality</b>	
<i>Grants are provided for projects that meet program guidelines.</i>	A rigorous assessment process of all applications was undertaken by the RASP Assessment Panel. The panel is chaired by the Department and consists of representatives from other Australian Government agencies and, as appropriate, national stakeholder organisations such as the RFDS. The assessment process ensured that all approved projects complied with program guidelines.
<b>Location</b>	
<i>Eligible communities and airstrips across remote Australia.</i>	A total of 25 projects in remote locations across the country were approved under the program in 2007–08. See map on following page.



Figure 4.8 Round one of the Remote Aerodrome Safety Program funded 25 safety upgrade projects at 22 airstrips across Australia

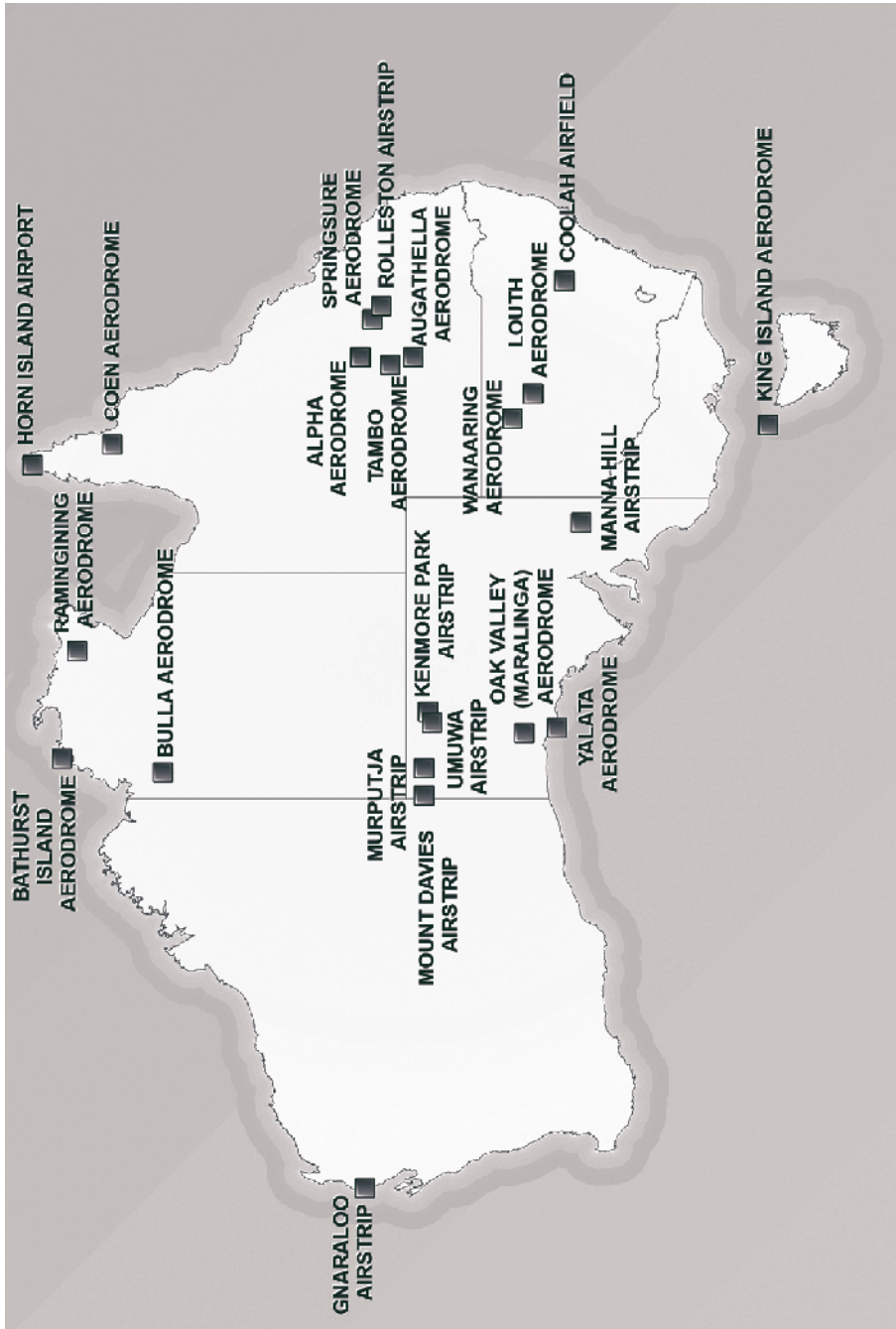


Table 4.32 continued.

Performance indicators	Results
<b>Cost</b>	
\$1.0 million	The actual cost of this program in 2007–08 was \$0.7 million.
<b>Overall performance</b>	<b>Mostly achieved.</b>

*Note: This administered program, previously known as the Regional and Remote Airstrips Funding Scheme, was renamed in the 2007–08 PAES.*

**Table 4.33 Summary of performance—Sydney West Airport rental properties**

Performance indicators	Results
<b>Effectiveness</b>	
<i>The Australian Government meets its obligations as a landlord.</i>	<p>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.</p> <p>The Department administered the leases during 2007–08 to ensure the Australian Government met its obligations as a landlord. This included authorising maintenance (such as kitchen upgrades and electrical, roofing and plumbing repairs) to ensure properties remain in reasonable condition; and paying water and land rates.</p>
<b>Quantity/Location</b>	
<i>Approximately 254 commercial and residential properties are maintained at the Sydney West Airport site (Badgerys Creek).</i>	All commercial and residential properties were maintained.
<b>Cost</b>	
\$2.8 million	The actual cost of this program in 2007–08 was \$2.2 million.
<b>Overall performance</b>	<b>Fully achieved.</b>



## OUTCOME 2—CONTRIBUTIONS TO INTERNATIONAL ORGANISATIONS (CONSOLIDATED SUMMARY)

Table 4.34 Summary of performance—Contributions to international organisations

Performance indicators	Results
Effectiveness	
Australia is able to participate in international discussions on:	
<i>civil aviation.</i>	<p>Australia actively participated in the International Civil Aviation Organization (ICAO) Council during 2007–08.</p> <p>ICAO held its tri-annual General Assembly in September 2007. Australia was represented by an interagency delegation led by the Department. During the assembly, Australia was re-elected as a State of Chief Importance in Air Transport (Category 1) member of the ICAO Council.</p> <p>The Department maintains a full-time presence at ICAO headquarters in Montreal, Canada. Throughout 2007–08, up to three officers were based at the Montreal office, representing Australia in council matters and on the ICAO Air Navigation Commission. The Department also administered Australia's annual contribution to ICAO.</p>
<i>maritime transport.</i>	<p>The Department administers 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 participate in meetings of committees and subcommittees of the IMO.</p> <p>In 2007–08, the Department:</p> <ul style="list-style-type: none"> <li>• attended two meetings of the IMO's Maritime Environment Protection Committee, one meeting of the Legal Committee and one IMO subcommittee meeting (Bulk Liquids and Gases);</li> <li>• contributed to the following IMO instruments that promote the aims of the IMO and advance Australia's interests: <ul style="list-style-type: none"> <li>– agreement of guidelines on the control and management of ships' ballast water and sediments; and</li> <li>– development of a proposed international convention on ship recycling;</li> </ul> </li> <li>• contributed to negotiations on the text of a draft Protocol to the International Convention on Liability and Compensation for Damage in Connection with the Carriage of Hazardous and Noxious Substances by Sea (the HNS Convention); and</li> <li>• continued to develop a proposed international framework to address greenhouse gas emissions from international shipping.</li> </ul>



Table 4.34 continued.

Performance indicators	Results
<i>Road, rail and intermodal transport.</i>	Australia's contribution to high-quality international transport research, aimed at promoting economic reform and growth, involves participation in, and an annual funding contribution to, the OECD/European Conference of Ministers of Transport (ECMT) Joint Transport Research Centre. Australia is also a founding member of the International Transport Forum, a newly launched successor to the ECMT
<b>Quality</b>	
<i>Payment is made in line with Australia's international obligations.</i>	During 2007–08 the Department continued to pay Australia's contributions promptly. Table 4.35 summarises payments under the three administered programs.
<b>Cost</b>	
<i>Civil aviation: \$1.5 million.</i>	The actual cost of this program in 2007–08 was \$1.5 million.
<i>Maritime transport: \$0.3 million.</i>	The actual cost of the program in 2007–08 was \$0.3 million.
<i>Road, rail and intermodal transport: \$0.04 million.</i>	The actual cost of the program in 2007–08 was \$0.04 million.
<b>Overall performance</b>	<b>Fully achieved.</b>

Table 4.35 Trends in payments to international organisations

	2004–05	2005–06	2006–07	2007–08
<b>International Civil Aviation Organization</b>				
Actual payment in US dollars	\$952,000	\$977,000	\$978,000	\$1,418,000
Equivalent in Australian dollars	\$1,206,000	\$1,300,000	\$1,247,000	\$1,477,000
<b>International Maritime Organization</b>				
Actual payment in Australian dollars	\$292,000	\$289,000	\$311,000	\$273,000
Equivalent in UK pounds	£119,808	£122,594	£124,174	£123,696 <sup>a</sup>
<b>Organisation for Economic Cooperation and Development</b>				
Actual payment in Australian dollars	\$24,000	\$29,000	\$30,000	\$35,000
Equivalent in euros	€15,000	€18,000	€18,800	€21,644 <sup>a</sup>

<sup>a</sup> These are the foreign currency amounts using the average applicable exchange rate for 2007–08.







## CHAPTER 5

Outcome 3—Regional  
Development and  
Local Government  
Outputs and Programs

# REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT OVERVIEW

## Overview

During 2007–08, the Department advised on and led national efforts to address regional and local government issues by:

- delivering a range of administered programs and policy advice to support the sustainable development of self-reliant and resilient communities; and
- delivering Financial Assistance Grants to local governments.

## Outcome and outputs

Figure 5.1 shows the relationships between Outcome 3 and its two outputs, as published in the 2008–09 Portfolio Budget Statements (PBS), and identifies the responsible business division. The figure also relates each of the current outputs to the corresponding output under the previous outcome and output structure.

Under the Administrative Arrangements Order made in December 2007, responsibility for services to territories and natural disaster relief functions, and the associated administered programs, was transferred from the Department to the Attorney-General’s Department.

**Figure 5.1 Outcome 3 and outputs**

Outcome	Output Group	Output	Business division/s	Applicable 2007–08 PBS Output
<b>Outcome 3</b> Assisting regions and local government to develop and manage their futures	3.1 Regional development	3.1.1 Regional development policy and programs	Local Government and Regional Development	2.1.1 Regional services
	3.2 Local government	3.2.1 Local government policy and programs	Local Government and Regional Development	2.2.2 Local government

## What this chapter covers

### Revised outcome and output structure

When the Department was restructured during 2007–08 to reflect the new Australian Government’s priorities, the outcome and output structure was revised. The structure of the performance chapters of this report reflects the new outcome and output structure, which was published in the 2008–09 PBS. Refer Appendix L which shows both the current and previous structures.

### Performance indicators

This chapter describes the Department’s performance against the performance indicators (excluding price and cost) published in the 2007–08 PBS or modified in the 2007–08 Portfolio Additional Estimates Statements (PAES).

Financial performance indicators—price (for outputs) and cost (for administered programs)—are on an accrual expense basis as published in the 2007–08 PAES and have been adjusted to reflect the revised outcome and output structure.

In most cases, the effectiveness, quantity, quality and location performance indicators are as originally published in the 2007–08 PBS. Exceptions occur because:

- several new programs and their accompanying performance indicators were first published in the 2007–08 PAES; and
- the performance indicators for any new or modified programs announced in the Portfolio Supplementary Additional Estimates Statements (PSAES) are not published until the following year's PBS, even if the new or modified programs have implications for the current financial year. Refer Appendix K for a list of new or modified performance indicators.

### Reporting structure

The chapter begins with a table summarising the attributed budgeted and actual resources of Outcome 3 and the overall performance achieved in 2007–08.

This is followed by the reports on performance for individual outputs. Each output report includes:

- an overview of the output's functions and how they are delivered;
- a cross-reference to the applicable 2007–08 PBS output;
- a summary of the output's results against the performance indicators;
- a more detailed report on the output's performance against each indicator;
- if the output has administered programs, a report on performance against the indicators for each program.

Each output and administered summary report also includes a rating of progress towards achievement of the performance indicators using the following ratings:

- ✓✓✓ Fully achieved
- ✓✓✓ Mostly achieved
- ✓✓✓ Partially achieved
- ✓✓✓ Not achieved

These ratings are an overall assessment of performance for 2007–08, taking into account both financial and non-financial aspects.



**Resources and performance—Outcome 3****Table 5.1** Summary of resources and performance

	Budget 2007–08 <sup>a</sup> \$'000	Actual 2007–08 \$'000	Variance <sup>b</sup> %	Performance rating	Page
<b>Outcome 3—Regional development and local government</b>					
<b>Output 3.1.1—Regional development policy and programs</b>	<b>40,631</b>	<b>41,675</b>	<b>2.6</b>	<b>✓✓✓</b>	<b>181</b>
<i>Administered programs</i>					
Area Consultative Committees <sup>c</sup>	17,424	16,869	-3.2	✓✓✓	191
Better Regions <sup>d</sup>	4,200	0	-100.0	✓✓✓	193
Construction of the Bert Hinkler Hall of Aviation Museum	1,450	1,450	0.0	✓✓✓	194
Foundation for Rural and Regional Renewal	500	500	0.0	✓✓✓	194
Improving regional women's representation in decision making <sup>e</sup>	618	0	-100.0	✓✓✓	195
Regional and Rural Research and Development Grants	228	228	0.0	✓✓✓	195
Regional Partnerships <sup>f</sup>	85,986	57,969	-32.6	✓✓✓	196
Remote Air Services Subsidy Scheme	4,398	4,260	-3.1	✓✓✓	199
Sustainable Regions <sup>g</sup>	15,348	4,697	-69.4	✓✓✓	201
Young District Medical Centre	140	127	-9.3	✓✓✓	204
<b>Output 3.2.1—Local government policy and programs</b>	<b>2,606</b>	<b>4,383</b>	<b>68.2</b>	<b>✓✓✓</b>	<b>205</b>
<i>Administered programs</i>					
Local Government Financial Assistance Grants	1,761,241	1,780,805	1.1	✓✓✓	209
Supplementary funding to South Australian councils for local roads	13,592	13,592	0.0	✓✓✓	210

	Budget 2007–08 <sup>a</sup> \$'000	Actual 2007–08 \$'000	Variance <sup>b</sup> %	Performance rating	Page
Local government amalgamation—plebiscites in Queensland	1,542	1,542	0.0	✓✓✓	211
<b>Outcome 3—All outputs</b>					
Total price of departmental outputs	43,237	46,058	6.5		
Less receipts from independent sources	701	601	-14.3		
Net price to government	42,536	45,457	6.9		
<b>Administered programs summary</b>					
Total cost of administered programs	1,906,667	1,882,039	-1.3		
Plus depreciation, write-down of assets etc.	0	0	0.0		
Total administered operating expenses	1,906,667	1,882,039	-1.3		
Less administered revenues	4,923	4,931	0.2		
Net cost to government	1,901,744	1,877,108	-1.3		
<b>Average staffing level</b>	<b>243</b>	<b>271</b>	<b>11.4</b>		

*a The budget shown for departmental outputs is the attributed budget for the Department's revised outcome and output structure as first published in the 2008–09 PBS, and reflects the final budget as per the 2007–08 PAES. Appendix M shows the output budgets and actuals in accordance with the Department's previous outcome and output structure as published in the 2007–08 PAES. The budget shown for administered programs is the revised budget published in the 2007–08 PAES updated for measures announced in the 2007–08 PSAES. Departmental outputs include the Department's own source revenue.*

*b The variance is the change in the Department's 2007–08 actuals over its revised 2007–08 budget.*

*c This program has now been renamed 'Regional Development Australia committees' and was first reported as such in the 2008–09 PBS.*

*d The Better Regions Guidelines will be considered by the Australian Government early in 2008–09 to enable program commencement and expenditure.*

*e In December 2007 the Australian Government decided not to proceed with this program.*

*f The underspend is a result of the decision by the Australian Government to close the Regional Partnerships program to new and uncontracted projects.*

*g The underspend is a result of the decision by the Australian Government to close the Sustainable Regions program to new and uncontracted projects.*



CHAPTER 5

## OUTPUT 3.1.1—REGIONAL DEVELOPMENT POLICY AND PROGRAMS

### Highlights

The Department commenced several reforms to the way the Australian Government supports regional development in Australia. They include:

- the establishment of the Better Regions program and the Office of Northern Australia, in early 2008;
- the development of a regional and local community infrastructure program, due to be considered in the 2009–10 Budget and to commence on 1 July 2009; and
- the transition of the Area Consultative Committee network to a new network, Regional Development Australia, due to commence on 1 January 2009.

Regions also benefited from ongoing activities and programs during 2007–08. For example:

- the GrantsLINK website made information on grants programs readily accessible, receiving nearly 1 million more hits than in 2006–07;
- the Regional Development Council meeting in August 2007 identified a number of areas for cooperation between levels of government; and
- the Remote Air Services Subsidy Scheme subsidised passenger and freight services to provide access for 239 remote communities, Indigenous communities and properties, such as cattle and sheep stations, across four states and the Northern Territory.

### Overview

Output 3.1.1 is delivered by the Local Government and Regional Development business division.

Under Output 3.1.1, the division:

- provides advice to the Australian Government on a broad range of social, economic and governance issues affecting regional Australia;
- administers grants and subsidies for community initiatives that support regional development;
- delivers information to regional Australians on Australian Government programs and services;
- collates and analyses data on regional Australia to inform policy development; and
- works with other agencies and governments to evaluate and improve services to regional and Indigenous Australians.

The division also administers programs that aim to improve the economic and social environment for Australia's regions, by making regions more sustainable, encouraging job creation and growth, improving access to services, and upgrading a wide range of infrastructure that provides benefits to local communities.

The Office of Northern Australia was established in the Department in March 2008 to provide high-level policy advice to the Australian Government, and to improve coordination between government agencies, business and communities, on issues affecting sustainable development in northern Australia. The Northern Australia Land and Water Taskforce, previously located in the Department of Environment, Water, Heritage and the Arts, was moved to the new Office of Northern Australia.

In 2007–08, the output administered the following programs:

- Area Consultative Committees;
- Better Regions;
- Construction of the Bert Hinkler Hall of Aviation Museum;
- Foundation for Rural and Regional Renewal;
- Improving regional women's representation in decision making;





- Regional and Rural Research and Development Grants;
- Regional Partnerships;
- Remote Air Services Subsidy Scheme;
- Sustainable Regions; and
- Young District Medical Centre.

In the 2008–09 Budget, the government announced that a number of existing programs would cease or transition to new arrangements as follows:

- Area Consultative Committees will transition to Regional Development Australia; and
- the Sustainable Regions program and the Regional Partnerships program were closed to new and uncontracted projects. These two programs are being replaced by the Better Regions election commitments and a regional and local community infrastructure program.

Output 3.1.1 corresponds to Output 2.1.1 in the previous outcome and output structure (see Appendix L for a comparison between the current and previous structures).

Table 5.2 summarises the output's performance in 2007–08.

## Summary of performance

**Table 5.2 Summary of performance—Output 3.1.1—Regional development policy and programs**

Performance indicators	Results
<b>Effectiveness</b>	
<i>Regions are assisted to manage their own futures.</i>	The Department assisted regions to manage their own futures by: <ul style="list-style-type: none"> <li>• providing resources, such as information disseminated by the Australian Government Regional Information Service and services delivered under the Remote Air Services Subsidy Scheme; and</li> <li>• supporting projects, including 190 projects (at a total cost of \$56 million) under the Regional Partnerships program and seven projects (at a total cost of \$1.9 million) under the Sustainable Regions program.</li> </ul>
<i>Other agencies/governments are assisted to evaluate and improve services to regional and Indigenous Australians.</i>	The Department provided advice to other Australian Government agencies and statutory authorities on the impacts of government policy and programs.
<b>Quality</b>	
<i>Information on Australian Government programs and services is available to all Australians.</i>	The Department made information available to all Australians through the Australian Government Regional Information Service.



Performance indicators	Results
<p><i>Regional and Indigenous communities have opportunities to establish and advance local priorities and partnerships.</i></p>	<p>The Department continued to work with locally appointed advisory committees in the Darling Matilda Way region and the Northern Rivers and North Coast New South Wales region to deliver the Sustainable Regions program.</p> <p>Departmental officers based in Halls Creek facilitated interaction with the three levels of government for four Indigenous communities in the East Kimberley, in Western Australia, as part of a Council of Australian Governments pilot program. The pilot program ceased in March 2008. Indigenous Coordination Centres, managed by the Department of Families, Housing, Community Services and Indigenous Affairs, are now responsible for administering the Australian Government’s Indigenous programs and brokering whole-of-government solutions for local and regional needs.</p> <p>The Department provided secretariat support to the third Regional Women’s Advisory Council.</p>
<p><i>Grants are administered for projects that maintain or improve regional wellbeing and sustainability.</i></p>	<p>The Department administered \$108.2 million in grant payments and subsidies.</p>
<p><i>Other governments/agencies work with us on issues affecting regions.</i></p>	<p>The Department worked with agencies of the Australian Government and other governments to achieve outcomes on issues affecting Australia’s regions.</p> <p>On 317 occasions, the Department provided advice to Australian Government agencies on the regional impacts of their submissions.</p> <p>Through the Organisation for Economic Cooperation and Development, the Department met with international government representatives to exchange ideas on best policy and program approaches for regional development.</p>
<b>Price</b>	
\$40.6 million	The actual price of this output in 2007–08 was \$41.7 million.
<b>Overall performance</b>	
	<b>Mostly achieved.</b>



## CASE STUDY – WORKING WITH FOUR INDIGENOUS COMMUNITIES IN THE EAST KIMBERLEY, WA

The role of the Department is to assist regions to manage their own futures, through our programs and policy development.

In 2007 and the early part of 2008 the Department's Indigenous Policy team continued the work of the COAG Indigenous Trial with four communities in the East Kimberley region—Balgo, Billiluna, Mulan and Ringer Soak. The Department has been working with these communities since 2003, sponsoring a number of projects for skills development, encouraging community involvement and strategic direction.

At a meeting of community and government stakeholders in June 2007, the communities identified youth engagement, particularly employment and training, as a key concern.

In response to those concerns, the Department worked with a consultant, Peter Kenyon from the Bank of I.D.E.A.S., to develop an Employment and Training Action Plan. The goal of the action plan was to identify employment opportunities and increase choices for the communities, particularly youth.

There were five focus areas for the plan:

- *Developing* youth pathways;
- *Exploring* mutual industry opportunities in mining, forestry and agriculture;
- *Growing* arts and tourism;
- *Creating* real jobs; and
- *Improving* housing.

A small team worked with the communities in October 2007 to prepare the action plan, which was then passed to agencies in the region and key Australian Government departments for consideration.



Children from the Mulan community in the East Kimberley Region (Photo: DITRDG)

## Detailed report on performance

### Effectiveness—Output 3.1.1

*Regions are assisted to manage their own futures.*

In 2007–08, the Department continued to assist regions to manage their own futures by providing policy advice to the Australian Government, effectively administering programs and keeping regions informed. This included:

- providing grants to projects that were nominated by local communities and assessed as important to their socioeconomic and environmental wellbeing under the Regional Partnerships and Sustainable Regions programs;
- disseminating information on Australian Government programs and services through the Australian Government Regional Information Service;
- providing a financial contribution to the Foundation for Rural and Regional Renewal that helps leverage additional donations to fund projects that stimulate the renewal of whole communities; and
- subsidising weekly air services under the Remote Air Services Subsidy Scheme to assist remote communities that would otherwise not have regular access to passenger transport, goods delivery and other services.

*Other agencies/ governments are assisted to evaluate and improve services to regional and Indigenous Australians.*

The Department continued to work with agencies of the Australian Government and other governments to achieve outcomes on issues affecting Australia's regions.

The Department provided advice to other Australian Government agencies and statutory authorities, including through interdepartmental committees, on the regional impacts of government policy and programs.

Work continued on the National Regional Evaluation Framework (now known as the Australian Social and Economic Geography project), an approach to analysing the conditions of Australia's regions, providing an improved empirical dataset for place-based policy development and better targeting of regional programs.



**Table 5.3 Trends in regional services**

	2004-05	2005-06	2006-07	2007-08
<b>Departmental activities</b>				
<b>Total price of output</b>	<b>\$36.0m</b>	<b>\$40.1m</b>	<b>\$38.6m</b>	<b>\$41.7m</b>
<i>Australian Government Regional Information Service</i>				
www.regionalaustralia.gov.au	1.0m hits	1.2m hits	3.8m hits	4.0m hits
www.grantslink.gov.au	1.4m hits	1.8m hits	8.7m hits	9.8m hits
Calls to 1800 026 222	28,481	22,534	21,769	15,707
<b>Regional Partnerships</b>				
<i>Regional Partnerships projects</i>				
Applications received	630	541	534	527
New projects approved	417	321	338	190
Cost to government	\$95.0m	\$83.7m	\$53.9m	\$58.0m
<i>Rural Transaction Centres<sup>a</sup></i>				
New sites approved	–	–	–	–
Sites approved to date	239	239	239	239
Sites operating at 30 June	175	213	216	217
<i>Rural Transaction Centres with electronic point of sale (personal banking service)</i>				
New sites approved	–	–	–	–
Sites approved to date	141	141	141	141
Sites operating at 30 June	140	140	140	140
<b>Construction of Bert Hinkler Hall of Aviation Museum</b>				
Cost to government	Nil	Nil	Nil	\$1.5m
<b>Area Consultative Committee Network<sup>b</sup></b>				
Cost to government	–	–	\$16.9m	\$16.9m
<b>Sustainable Regions</b>				
New projects approved	60	55	12	7
Cost to government	\$22.6m	\$36.8m	\$7.1m	\$4.7m

	2004-05	2005-06	2006-07	2007-08
<b>Remote Air Services Subsidy Scheme</b>				
Communities assisted	225	225	235	239
Operators engaged	7	6	6	5
Cost to government	\$2.7m	\$3.2m	\$3.3m	\$4.3m
<b>Foundation for Rural and Regional Renewal</b>				
Cost to government	\$0.2m	\$0.4m	\$0.5m	\$0.5m
<b>Regional and Rural Research and Development Grants<sup>c</sup></b>				
Cost to government	\$0.2m	\$0.2m	\$0.2m	\$0.2m
<b>Young District Medical Centre</b>				
Cost to government	–	–	–	\$0.1m
<b>Total programs administered</b>				
Number of programs	7	6	9	10
<b>Total cost of programs</b>	<b>\$120.7m</b>	<b>\$124.2m</b>	<b>\$82.4m</b>	<b>\$86.2m</b>

- a *The Rural Transactions Centres (RTC) Program was funded through the RTC reserve, as established by the Telstra (Further Dilution of Public Ownership) Act 1999. Under the Act, funds from the reserve could be accessed only until 30 June 2005.*
- b *The Area Consultative Committees network will transition to Regional Development Australia committees in 2008–09.*
- c *Prior to 2005–06 this program was two separate programs: the Regional and Rural Research Information and Data Program and the Regional Rural Development Grants.*





### Quality—Output 3.1.1

*Information on Australian Government programs and services is available to all Australians.*

Information was delivered to people in rural, regional and remote Australia through the Australian Government Regional Information Service (AGRIS). AGRIS is accessed through:

- a call centre (1800 026 222); and
- the Regional Entry Point website <[www.regionalaustralia.gov.au](http://www.regionalaustralia.gov.au)>.

The call centre received more than 15,000 calls in 2007–08, a decrease compared with more 21,000 calls in 2006–07. Call centre operators ensured that information was accessible to all callers by:

- providing requested information as required to assist callers with vision impairments;
- using teletype services to assist callers with hearing impairments; and
- using a telephone interpreting service to assist callers whose main language was other than English.

The Regional Entry Point website, which holds information on nearly 2,000 programs, received over 4.0 million hits in 2007–08, improving on the total of 3.8 million received in 2006–07.

Information on how community groups can access Australian Government grants was provided through a dedicated website, GrantsLINK <[www.grantslink.gov.au](http://www.grantslink.gov.au)>. GrantsLINK promoted over 180 Australian Government grants programs and received more than 9.8 million hits in 2007–08.

*Regional and Indigenous communities have opportunities to establish and advance local priorities and partnerships.*

The Department worked with locally appointed advisory committees in the Darling Matilda Way region and the Northern Rivers and North Coast New South Wales region to deliver the Sustainable Regions program.

The Department provided secretariat support and other services to the third Regional Women's Advisory Council, which met in September 2007. While a range of activities funded by the Department support and encourage participation by regional women in decision-making roles, the Australian Government decided not to implement the action plan for women's representation that was announced in the 2007–08 Budget.

The Department continued to work with Indigenous communities and government agencies in the East Kimberley, Western Australia, as part of a Council of Australian Governments (COAG) pilot program, until the pilot program ceased in March 2008. Indigenous Coordination Centres, managed by the Department of Families, Housing, Community Services and Indigenous Affairs, are now responsible for administering the Australian Government's Indigenous programs and brokering whole-of-government solutions for local and regional needs.

*Grants are administered for projects that maintain or improve regional wellbeing and sustainability.*

In 2007–08, the Department administered \$86.2 million in grant payments and subsidies to support projects for the benefit of Australian regions

*Other agencies/governments work with us on issues affecting regions.*

### **Whole-of-government cooperation**

The Department continued to work with agencies of the Australian Government and other governments to achieve outcomes on issues affecting Australia's regions.

The Department of Health and Ageing assisted the Department with the management of the Rural Medical Infrastructure Fund. The Rural Medical Infrastructure Fund is designed to improve access to medical practitioners and allied health practitioners in regional communities. The Rural Medical Infrastructure Fund was administered under the Regional Partnerships program until May 2008, when responsibility for the fund was transferred to the Department of Health and Ageing.

In June 2008, the Australian Government Office for Women, with support from this Department and the Department of Agriculture, Fisheries and Forestry, held the National Rural Women's Summit in Canberra to strengthen the voice of rural women in shaping rural and regional policy.

### **Cooperation across levels of government**

The Regional Development Council (RDC) is responsible for regional development issues in Australia. It comprises Australian Government and state and territory government ministers responsible for regional development, and a representative from the Australian Local Government Association (ALGA).

The aim of the RDC is to facilitate more effective cooperation across all tiers of government in order to achieve sustainable economic, social and environmental outcomes for regional Australians.

In August 2007, the RDC met and identified a number of areas of focus, including:

- regional development indicators;
- the importance of high-speed broadband to regional Australia; and
- difficulties faced by rural communities as a result of the impact of drought.

The Department is represented on the Standing Committee on Regional Development (SCORD), a committee of officials from the Australian Government, state and territory governments and ALGA, which supports the RDC. SCORD met in August 2007 and May 2008 to progress the RDC's agenda.

### **International information sharing**

The Department continued to engage with international organisations to share information on regional development policy, including by:

- attending the Organisation for Economic Cooperation and Development (OECD) meeting held in Paris in November 2007; and
- participating in the OECD Territorial Steering Group for the China Program held in Beijing in November 2007.





## DID YOU KNOW

### THE REGIONAL ENTRY POINT

The Regional Entry Point, operating since 2002, has links to nearly 2000 Australian Government programs and services for individuals, families, communities, farms and businesses in rural, regional and remote Australia. This website has had more than 3.9 million hits in the 2007–08 financial year, an increase of by over 147,000 since 2006–07.



*The Parliamentary Secretary, the Hon Gary Gray AO MP on the banks of the Ord River, Western Australia. (Photo DITRDLG)*



## Administered programs for Output 3.1.1—Regional development policy and programs

Table 5.4 Summary of performance—Area Consultative Committees

Performance indicators	Results
<b>Effectiveness</b>	
<i>ACCs develop strong links between governments, the community and the private sector to support regional growth.</i>	The Area Consultative Committees (ACCs) assisted communities to develop project proposals for consideration under the Regional Partnerships program.
<b>Quality</b>	
<i>ACCs facilitate whole-of-government solutions to local problems.</i>	ACCs assisted some other government agencies in the delivery of their programs; for example, they helped the Department of Agriculture, Fisheries and Forestry to deliver its Fishing Community Assistance program.
<i>Number and value of Regional Partnership applications.</i>	ACCs were involved in all applications received under Regional Partnerships.
<i>ACCs deliver services in accordance with their funding and reporting obligations under the Operational Funding Contracts.</i>	Funding to ACCs was provided in accordance with the operational funding contracts.
<b>Cost</b>	
<i>\$17.4 million</i>	The actual cost of this program in 2007–08 was \$16.9 million.
<b>Overall performance</b>	<b>Fully achieved.</b>

*Note: The Area Consultative Committees network will transition to Regional Development Australia committees in 2008–09.*

### DID YOU KNOW

#### REGIONAL DEVELOPMENT AUSTRALIA

The Government announced the establishment of Regional Development Australia on 20 March 2008. The existing 54 not-for-profit Area Consultative Committees will transition to Regional Development Australia. As a first step, the ACC Chairs' Reference Group has become the RDA Interim Board until 31 December 2008. Ongoing arrangements will be implemented from 1 January 2009. Regional Development Australia will be an important link between the Australian Government and rural and metropolitan Australia. It will be more closely aligned with state and territory government regional development organisations, providing more effective engagement with regional Australia."





**Effectiveness—Area Consultative Committees**

Performance indicators	Results
<i>ACCs develop strong links between governments, the community and the private sector to support regional growth.</i>	ACCs worked with the key stakeholders in each region, including government agencies, local businesses and community groups, to identify opportunities, set priorities and develop strategies for growth.

**Quality—Area Consultative Committees**

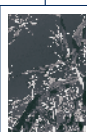
Performance indicators	Results
<i>ACCs facilitate whole-of-government solutions to local problems.</i>	ACCs work in partnership with business, the community and all levels of government to achieve regional economic growth by facilitating whole-of-government solutions to local issues.  Some other Australian Government agencies have contracted ACCs to deliver programs in particular regions.  These include: <ul style="list-style-type: none"> <li>• the Small Business Answers Program of AusIndustry, a division of the former Department of Innovation, Industry, Science and Research;</li> <li>• the restructuring of the Queensland sugar industry, through the Department of Agriculture, Fisheries and Forestry; and</li> <li>• the Fishing Communities Assistance program, through the Department of Agriculture, Fisheries and Forestry.</li> </ul>
<i>Number and value of Regional Partnership applications.</i>	ACCs were involved in all approved Regional Partnerships projects.
<i>ACCs deliver services in accordance with their funding and reporting obligations under the Operational Funding Contracts.</i>	The Department made payments to ACCs subject to the committees meeting reporting requirements under their operational funding contracts.  All ACCs met their obligations under their funding contracts.

Table 5.5 Summary of performance—Better Regions

Performance indicators	Results
<b>Effectiveness</b>	
<i>The Better Regions election commitments will benefit communities by providing local infrastructure for a variety of economic and social needs.</i>	The Department provided advice to assist the Australian Government's consideration of ways to provide local infrastructure through projects that meet economic and social needs and are administered with high levels of transparency and accountability.
<b>Quality</b>	
<i>Program processes and procedures are in place in line with government legislative requirements.</i>	The Department is developing program processes and procedures that will be consistent with legislative requirements and the Australian National Audit Office Better Practice Principles.
<b>Quantity</b>	
<i>Agreed regional election commitments.</i>	The election commitments will be delivered through the Better Regions program.
<b>Location</b>	
<i>The projects are based across Australia</i>	The projects are targeted at areas of growth.
<b>Cost</b>	
<i>\$4.2 million</i>	The actual cost of this program in 2007–08 was nil.  The Better Regions Guidelines will be considered by the government early in 2008–09 to enable program commencement and expenditure.
<b>Overall performance</b>	<b>Mostly achieved.</b>

*The performance indicators are from the 2007–08 PAES.*




**Table 5.6 Summary of performance—Construction of the Bert Hinkler Hall of Aviation Museum**

Performance indicators	Results
<b>Effectiveness</b>	
<i>The Bert Hinkler Hall of Aviation Museum is able to be constructed.</i>	Construction has commenced and is progressing towards completion by late 2008.
<b>Quality</b>	
<i>Payments are made in line with project progress and funding agreements.</i>	Payments were made in line with progress and the requirements of the funding agreement.
<b>Location</b>	
<i>Bundaberg</i>	The museum is being constructed in Bundaberg, Queensland.
<b>Cost</b>	
<i>\$1.5 million</i>	The actual cost of this program in 2007–08 was \$1.5 million.
<b>Overall performance</b>	<b>Fully achieved.</b>

**Table 5.7 Summary of performance—Foundation for Rural and Regional Renewal**

Performance indicators	Results
<b>Effectiveness</b>	
<i>Additional funds are generated for rural and regional renewal.</i>	<p>The Foundation for Rural and Regional Renewal (FRRR) was established in 2000 as a philanthropic foundation dedicated to the renewal of rural and regional Australia. FRRR aims to promote collaboration between business, the community and government in endeavours to support economic, social, environmental and cultural development.</p> <p>More information about FRRR is available on its website &lt;<a href="http://www.frrr.org.au">www.frrr.org.au</a>&gt;.</p> <p>FRRR fulfilled its objectives in 2007–08 by raising approximately \$3.6 million dollars in donations (in addition to the Australian Government’s contribution) and by providing grants to communities through its various programs.</p>
<b>Quality</b>	
<i>Payments are made in line with the Australian Government’s obligations.</i>	Australian Government payments to FRRR were made in accordance with a deed of grant which takes into account the broader objectives and governance of the organisation.
<b>Location</b>	
<i>Regional, rural and remote Australia.</i>	In 2007–08, FRRR provided assistance for projects in regional, rural and remote Australia.

Performance indicators	Results
<b>Cost</b>	
\$0.5 million	The actual cost of this program in 2007–08 was \$0.5 million.
<b>Overall performance</b>	<b>Fully achieved.</b>

**Table 5.8 Summary of performance—Improving regional women’s representation in decision making**

Performance indicators	Results
<b>Effectiveness</b>	
<i>Increase the number of women on regional boards and bodies of influence.</i>	In the 2007–08 Budget, funding was allocated to implement an action plan for women’s representation. In December 2007 the Australian Government decided not to proceed with this program.
<b>Quality</b>	
<i>An information strategy and mentoring program within regional areas has commenced.</i>	This performance indicator was not met because the program did not proceed.
<b>Location</b>	
<i>The program has a regional focus.</i>	This performance indicator was not met because the program did not proceed.
<b>Cost</b>	
\$0.6 million	The actual cost of this program in 2007–08 was nil.
<b>Overall performance</b>	<b>Not achieved.</b>

**Table 5.9 Summary of performance—Regional and Rural Research and Development Grants**

Performance indicators	Results
<b>Effectiveness</b>	
<i>Issues affecting Australia’s regions are researched and communicated to national and regional decision makers.</i>	The Regional and Rural Research and Development Grants program guidelines supported three strategic priorities—Australian Government regional priorities, whole-of-government priorities and regional development conference support. In 2007–08, the program funded 10 projects, including three nationally recognised conferences and projects addressing regional priorities, such as regional migration, regional workforce strategies and the impacts of water shortages. Several projects were also undertaken in partnership with other Australian Government agencies and state government agencies.

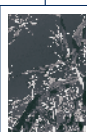


Table 5.9 continued.

Performance indicators	Results
<b>Cost</b>	
\$0.2 million	The actual cost of this program in 2007–08 was \$0.2 million.
<b>Overall performance</b>	<b>Fully achieved.</b>

Table 5.10 Summary of performance—Regional Partnerships

Performance indicators	Results
<b>Effectiveness</b>	
<i>Funded projects improve regional growth and opportunities, access to services, planning and structural adjustment.</i>	The majority of projects approved for funding under the Regional Partnerships program were for the provision of community infrastructure, such as community centres and sporting facilities, which would provide opportunities for economic and social participation. Projects to establish facilities that will support planning activities and deliver services were also approved.
<b>Quality</b>	
<i>90% of applications for funding are assessed within 12 weeks of submission.</i>	Of the projects assessed in 2007–08, 85% were assessed within the target period (eight weeks for projects seeking less than \$50,000, or 12 weeks for projects seeking \$50,000 or more). Generally, delays in assessment times arose from the need to seek additional information from applicants.
<i>Grants are provided for projects which meet program guidelines, including consistency with ACC regional priorities and partnership funding.</i>	Each application for funding was assessed against the Regional Partnerships assessment criteria.
<i>Payments are made in line with project progress and funding agreements.</i>	In 2007–08, payments were made against the achievement of agreed milestones, in accordance with executed funding agreements.
<b>Quantity/Location</b>	
<i>Projects are established in every region of Australia (56 regions)<sup>a</sup>.</i>	At 30 June 2008, every region had at least one active project receiving funding under the Regional Partnerships program.
<b>Cost</b>	
\$86.0 million	The actual cost of this program in 2007–08 was \$58.0 million.  The underspend is a result of the decision by the Australian Government to close the Regional Partnerships program to new and uncontracted projects.
<b>Overall performance</b>	<b>Partially achieved.</b>

<sup>a</sup> In 2007–08, a number of ACCs in Melbourne were amalgamated, reducing the total number of ACCs from 56 to 54.

**Effectiveness—Regional Partnerships**

Performance indicators	Results
<p><i>Funded projects improve regional growth and opportunities, access to services, planning and structural adjustment.</i></p>	<p>Funding was provided to a wide variety of organisations—including community groups and other non-profit organisations, local governments, for-profit organisations, research organisations and Indigenous councils—for projects aimed at improving regional growth and opportunities and supporting the development of self-reliant communities.</p> <p>The Rural Medical Infrastructure Fund, through the Regional Partnerships program, assists small rural communities to establish walk-in, walk-out health and medical facilities, with the aim of making it easier for the communities to recruit and retain medical practitioners and allied health professionals. There was a larger uptake in Rural Medical Infrastructure Fund applications during 2007–08 after the Australian Government agreed in 2006 to expand the eligibility criteria and guidelines. Sixteen projects, with a total value of \$4.7 million, were approved under the fund in 2007–08. Another 21 applications totalling \$5.3 million were submitted for assessment.</p> <p>In November 2007, the Australian National Audit Office (ANAO) released its report on the <i>Performance Audit of the Regional Partnerships Program</i>. The Department accepted the ANAO Report’s recommendations, noting that two of the recommendations (5 and 7) relate to practices which the ANAO seeks to promote on a whole-of-government basis, one recommendation (2) was made to the then Department of Finance and Administration and three recommendations (10, 12 and 14) require the agreement of the Australian Government.</p>

**Quality—Regional Partnerships**

Performance indicators	Results
<p><i>90% of applications for funding are assessed within 12 weeks of submission.</i></p>	<p>In May 2007, the Australian Government agreed to changes to the assessment process for projects seeking less than \$50,000 from the Regional Partnerships program. As a result, projects seeking less than \$50,000 were expected to be assessed within eight weeks of submission and projects seeking \$50,000 or more were expected to be assessed within 12 weeks of submission.</p> <p>Of the projects assessed in 2007–08, 85 per cent were assessed within the target period. Generally, delays in assessment times arose from the need to seek additional information from applicants.</p>



Performance indicators	Results
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*Grants are provided for projects which meet program guidelines, including consistency with ACC regional priorities and partnership funding.*

Each application for funding was assessed against the Regional Partnerships assessment criteria, which state that applications must:

- be consistent with regional priorities identified in the program guidelines;
- demonstrate that the outcomes of the project will provide benefits to the community;
- show that the project has adequate financial support from partnership funding; and
- show that the project is viable and sustainable.

*Payments are made in line with project progress and funding agreements.*

Successful applicants are required to enter into a funding agreement (contract), a legally enforceable document, with the Commonwealth. The funding agreement sets out the terms and conditions for the provision of funding and includes a negotiated schedule of payments dependent on the delivery of agreed milestones and reports.

**Quantity/Location—Regional Partnerships**

Performance indicators	Results
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*Projects are established in every region of Australia (56 regions)<sup>a</sup>.*

Of the 54 regions represented by ACCs, all benefited from projects funded under the Regional Partnerships program. In 2007–08 every region had active projects receiving funding under Regional Partnerships.

In the 2008–09 Budget, the Australian Government announced that the Regional Partnerships program was to be replaced, and therefore would receive no more applications for new projects. The government will continue to fund projects with existing contracts.

*a In 2007–08, a number of ACCs in Melbourne were amalgamated, reducing the total number of ACCs from 56 to 54.*



**Table 5.11 Summary of performance—Remote Air Services Subsidy Scheme**

Performance indicators	Results
<b>Effectiveness</b>	
<i>Remote and isolated communities have access to passenger transport, goods delivery and other services.</i>	The Remote Air Services Subsidy Scheme (RASS) subsidised passenger and freight services to provide access for 239 remote communities in 2007–08.
<b>Quality</b>	
<i>Weekly air services are provided to communities who would otherwise have no regular access to transport.</i>	<p>The scheme provided weekly air services to communities in the 10 geographic contracted service regions.</p> <p>Only communities that do not have access to regular transport are eligible for admission to the scheme. The 239 communities under the scheme rely on the service for regular passenger and freight transportation.</p>
<b>Quantity/Location</b>	
<i>Air services are provided to approximately 235 isolated communities in remote parts of Queensland, NT, WA, SA and Tasmania.</i>	The scheme serviced 239 isolated communities in 2007–08.
<b>Cost</b>	
<i>\$4.4 million</i>	<p>The actual cost of this program in 2007–08 was \$4.3 million.</p> <p>Air operators subsidised under the RASS are required to deduct other revenue earned from these flights (such as payments from Australia Post, freight companies or tourist passengers) from the agreed maximum subsidy payable under the scheme. Accordingly, there can be an underspend on the scheme compared to budget, as was the case in 2007–08.</p>
<b>Overall performance</b>	<b>Fully achieved.</b>





## CASE STUDY – REMOTE AIR SERVICES SUBSIDY SCHEME

The Remote Air Services Subsidy Scheme (RASS) subsidises weekly passenger and freight air transportation for approximately 9,000 people living in 239 remote communities, comprising 74 indigenous communities and 165 cattle and sheep stations in 10 remote regions across the Northern Territory, Western Australia, Queensland, South Australia and Tasmania.

Many of the communities located in these remote regions have road access cut off for months during the wet season. The regular RASS flights make it possible for people living in these remote regions to visit nearby communities and access essential goods and services that Australians in more populated communities take for granted, such as:

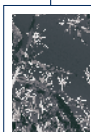
- fresh food, medical supplies, educational materials, spare parts; and
- professional services relating to health, education, welfare and social needs of remote communities across Australia.



*Subsidised flights have been provided under RASS for 25 years. Typically around 2,500 passengers and 33,000 kg of freight a year are carried by RASS flights each year (Photo: DIIRDLG)*

Table 5.12 Summary of performance—Sustainable Regions

Performance indicators	Results
<b>Effectiveness</b>	
<i>Funded projects improve economic, social and/or environmental wellbeing in the sustainable region.</i>	The Darling Matilda Way and Northern Rivers North Coast New South Wales Sustainable Regions Advisory Committees (SRACs) recommended 18 new projects for Sustainable Regions funding. Funding was approved and contracted for seven projects. These projects aimed to improve economic, social and environmental wellbeing in their local area and the broader region.
<b>Quality</b>	
<i>Grants are provided for projects which meet program guidelines, including consistency with the Sustainable Regions Advisory Committee regional priorities and partnership funding.</i>	Sustainable Regions Advisory Committees (SRACs) made recommendations on project funding against the program's assessment criteria, the program guidelines and regional priorities. The Department continued to provide advice to SRACs in relation to program guidelines and assessment criteria.
<i>Payments are made in line with project progress and funding agreements.</i>	In 2007–08, payments were made against the achievement of agreed milestones, in accordance with executed funding agreements.
<b>Quantity/Location</b>	
<i>Projects are established in ten sustainable regions in Campbelltown–Camden, Far North East New South Wales, Gippsland, the Atherton Tablelands, Wide Bay Burnett, Playford–Salisbury, the Kimberley, North West and West Coast of Tasmania, Darling Matilda Way and Northern Rivers North Coast NSW.</i>	At 30 June 2008, 275 projects based on SRAC recommendations worth a total of \$99 million (GST exclusive) had been approved and contracted across the 10 defined sustainable regions.
<b>Cost</b>	
<i>\$15.3 million</i>	The actual cost of this program in 2007–08 was \$4.7 million. The underspend is a result of the decision by the Australian Government to close the Sustainable Regions program to new and uncontracted projects.
<b>Overall performance</b>	<b>Partially achieved.</b>





**Effectiveness—Sustainable Regions**

Performance indicators	Results
<p><i>Funded projects improve economic, social and/or environmental wellbeing in the sustainable region.</i></p>	<p>In 2007–08, funding was approved and contracted for seven new projects:</p> <ul style="list-style-type: none"> <li>• EcoCover project—for the purchase of a manufacturing plant to produce EcoCover recycled paper weed matting and associated products;</li> <li>• the Clarence Edge project—for the development of four elements of the local council’s economic development strategy plan: the Clarence Valley Learning Community, the Grafton Transport Hub, a wood fibre facility for the Clarence Valley and a sugar industry investment prospectus;</li> <li>• Nambucca Specialist Centre—for the construction, fit-out, car parking and landscaping of a specialist medical centre for visiting specialists and allied health providers;</li> <li>• Harwood Slipway—for the construction of an undercover, environmentally compliant, abrasive blasting and painting facility to service various marine industries;</li> <li>• Booroongen Djugun—for the delivery of a cultural-specific aged-care employment training course designed to give Aboriginal people the skills to gain employment in the rapidly emerging aged-care sector;</li> <li>• Oz Berries Stage 2—for building extensions, packing equipment for blueberry production and the introduction of computerised operations; and</li> <li>• Broken Hill Tourism Development silver museum—for the refurbishment and upgrade of the Albert Kersten Silver and Mineral Museum with interactive displays, expanding the museum’s collection and undertaking structural modifications to improve access.</li> </ul>

**Quality—Sustainable Regions**

Performance indicators	Results
<p><i>Grants are provided for projects which meet program guidelines, including consistency with the Sustainable Regions Advisory Committee regional priorities and partnership funding.</i></p>	<p>Each application for funding was assessed by the relevant SRAC. To be successful, applications must:</p> <ul style="list-style-type: none"> <li>• meet Sustainable Regions assessment criteria;</li> <li>• be consistent with identified regional priorities;</li> <li>• demonstrate that the project is likely to be sustainable; and</li> <li>• have significant regional support.</li> </ul> <p>The Department reviewed SRAC recommendations against Sustainable Regions program guidelines and arranged any necessary financial due diligence checks before providing recommendations and advice to the Minister for decision.</p> <p>Sustainable Regions projects have attracted partnership funding of over \$200 million since 2001 and over \$2.6 million in 2007–08. The size of partnership funding varies between projects and regions.</p>
<p><i>Payments are made in line with project progress and funding agreements.</i></p>	<p>In 2007–08, payments were made against the achievement of agreed milestones, in accordance with executed funding agreements.</p> <p>Successful applicants are required to enter into a funding agreement (contract), a legally enforceable document, with the Commonwealth, which sets out the terms and conditions for the provision of funding. The funding agreement includes a negotiated schedule of payments dependent on the delivery of agreed milestones and reports.</p> <p>The Department monitored the progress of projects against the agreed milestones set out in the funding agreements.</p>

**Quantity/Location—Sustainable Regions**

Performance indicator	Results
<p><i>Projects are established in ten sustainable regions in Campbelltown–Camden, Far North East New South Wales, Gippsland, the Atherton Tablelands, Wide Bay Burnett, Playford–Salisbury, the Kimberley, North West and West Coast of Tasmania, Darling Matilda Way and Northern Rivers North Coast NSW.</i></p>	<p>In 2007–08, five approved and contracted projects were funded at a total cost of \$1.2 million.</p> <p>In the 2008–09 Budget, the Australian Government announced the closure of the Sustainable Regions program to new applications and to applications that had not been approved. The government will continue to fund projects that have existing contracts.</p>


**Table 5.13 Summary of performance—Young District Medical Centre**

Performance indicators	Results
<b>Effectiveness</b>	
<i>The Young District Medical Centre is able to better service its patients and medical students.</i>	The Young District Medical Centre has increased the medical services provided to the community, including access to specialists.
<b>Quality</b>	
<i>Increased availability of access to medical services for the community.</i>	The medical centre has provided the community with access to specialists in areas such as mental health, dermatology, urology and obstetrics. The dermatologist has increased his number of visits to the centre and is able to use two rooms to consult from, increasing the number of patients treated. A mental health care nurse has been contracted to the practice to assist in providing mental health services.
<i>Improved education and training for medical students.</i>	The medical centre has a room which supports a third-year medical student from the Australian National University, who is attached to the practice full time.
<b>Location</b>	
<i>Young, New South Wales.</i>	
<b>Cost</b>	
<i>\$0.1 million</i>	The actual cost of this program in 2007–08 was \$0.1 million.
<b>Overall performance</b>	<b>Fully achieved.</b>

*Note: The performance indicators are from the 2007–08 PAES.*

## OUTPUT 3.2.1—LOCAL GOVERNMENT POLICY AND PROGRAMS

### Highlights

In 2007–08, the Department:

- made payments of \$1,765.8 million in Financial Assistance Grants to Australia's local governments, on time and in accordance with the *Local Government (Financial Assistance) Act 1995* and its national principles, enabling councils to improve their infrastructure and services;
- provided supplementary funding of \$13.6 million to South Australian councils;
- issued the local government national report, which reports on the basis for the equitable distribution of the grants between councils;
- funded plebiscites in Queensland on local government amalgamations;
- promoted local government's achievements through the National Awards for Local Government;
- contributed to the improvement of Australia's development assessment systems through electronic development interoperability specifications which prescribe how organisations are to exchange data, for quicker completion of development assessment transactions; and
- provided advice to the Australian Government on the establishment of the Council of Australian Local Governments.

### Overview

Output 3.2.1 is delivered by the Local Government and Regional Development business division. It provides support to local government in the form of financial assistance, such as funding for roads and general purpose grants. In 2007–08, the output provided financial support for plebiscites on local government amalgamations in Queensland.

In 2007–08, Financial Assistance Grants to local government totalled \$1,765.8 million. The grants were distributed as follows.

- some 30 per cent of funding was distributed as an untied local roads component. These funds are allocated between states according to fixed shares, and between local governing bodies within a state on the basis of local road expenditure needs. While the funds are identified for local roads, they can be spent on any local government expenditure priority;
- about 70 per cent of funding was distributed as general purpose grants. These funds are allocated between states and territories on the basis of population, and between local governing bodies within a state on the basis of relative needs, subject to a minimum grant requirement. Funds are untied and can be spent according to local council priorities; and
- overall, about 69 per cent (\$1,217 million) of the total funding (\$1,765.8 million) went to councils in regional and rural Australia, including \$31.5 million to Indigenous councils.

To maintain their real per capita value, the grants are indexed each year for changes in population and consumer prices.

In 2007–08, the output administered the following programs:

- Local Government Financial Assistance Grants;
- Supplementary funding to South Australian councils for local roads; and
- Local government amalgamation—plebiscites in Queensland.



Output 3.2.1 corresponds to Output 2.2.2 in the previous outcome and output structure (see Appendix L for a comparison between the current and previous structures).

Table 5.14 summarises the output's performance in 2007–08.

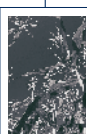
## Summary of performance

**Table 5.14 Summary of performance—Output 3.2.1—Local government policy and programs**

Performance indicators	Results
<b>Effectiveness</b>	
<i>Local governments are assisted to serve their communities.</i>	<p>The Department administered funding that assisted local governments across Australia to deliver essential services such as planning and development, community services and infrastructure, including roads. The Department also actively promoted and supported best practice in local government.</p> <p>In 2007–08, grants averaged approximately 7% of local government revenue overall but provided more than 50% of the revenue of some councils.</p> <p>In 2007–08, the Department provided advice to the Australian Government in relation to:</p> <ul style="list-style-type: none"> <li>• the establishment of the Council of Australian Local Governments;</li> <li>• the findings of the Productivity Commission's report <i>Assessing Local Government Revenue Raising Capacity</i>, which was issued in April 2008;</li> <li>• issues considered by the Local Government and Planning Ministers' Council, including the endorsement of financial sustainability principles for local government;</li> <li>• the outcome of the plebiscites on Queensland council mergers; and</li> <li>• local government amalgamations in Queensland and the Northern Territory and their implications for local government financial assistance grants.</li> </ul>
<b>Quality</b>	
<i>Grants are allocated and distributed to local governments in line with national principles.</i>	<p>In 2007–08, the Department administered financial assistance grants to Australia's local governments under the <i>Local Government (Financial Assistance) Act 1995</i>. Payments totalling \$1,765.8 million were made in 2007–08, in accordance with national principles which broadly require that the funds be distributed between local governing bodies according to relative need.</p> <p>The Department administered supplementary funding of \$13.6 million to South Australian councils for local roads.</p>



Performance indicators	Results
<p><i>Better practice in local government is recognised and promoted (e.g. through a national awards process).</i></p>	<p>In 2007–08, the Department promoted local government successes and achievements through:</p> <ul style="list-style-type: none"> <li>• the annual National Awards for Local Government; and</li> <li>• the online database of more than 2,000 projects nominated for awards since 1997.</li> </ul> <p>The National Awards for Local Government attracted 287 entries, across 15 categories, including asset management, efficiency, innovation, health and wellbeing and women’s participation in local government. Information about the awards was made available on the Department’s website.</p>
<p><i>Local governments are assisted to improve their land use planning and development assessment systems.</i></p>	<p>In 2007–08, the Department supported the Development Assessment Forum to reform and harmonise Australia’s development assessment systems. A key project was to develop the electronic development interoperability specifications which prescribe how organisations are to exchange data to complete development assessment transactions.</p> <p>More information about the forum is available on its website &lt;<a href="http://www.daf.gov.au">www.daf.gov.au</a>&gt;.</p> <p>The Department provided advice to the Australian Government representatives on the Local Government and Planning Ministers’ Council, and secretariat services to the council.</p>
Quantity	
<p><i>Funding and information are provided to some 700 local governing bodies across Australia.</i></p>	<p>In 2007–08, information and funding was provided to 612 local governing bodies across Australia, including 72 Indigenous councils. As the Australian Capital Territory has no local government, its share was paid directly to the Australian Capital Territory Government.</p>
Price	
<p><i>\$2.6 million</i></p>	<p>The actual price of this output in 2007–08 was \$4.4 million.</p>
Overall performance	
	<p>Fully achieved.</p>

**Table 5.15 Trends in local government**

	2004–05	2005–06	2006–07	2007–08
<b>Financial assistance grants</b>				
Local road grants	\$476m	\$497m	\$518m	\$548m
General purpose grants	\$1,072m	\$1,121m	\$1,170m	\$1,233m
Supplementary funding for South Australian councils	\$4m	\$9m	\$13m	\$14m
Total grants	\$1,552m	\$1,628m	\$1,702m	\$1,794m
Bodies funded	703	701	700	612
<b>Local government awards</b>				
Nominations closed	July 2004	June 2005	June 2006	May 2007
Nominations received	250	286	215	287
Categories of award	18	16	18	15
Award presented	November 2004	November 2005	November 2006	May 2008
Price of output	\$2.0m	\$2.5m	\$2.2m	\$4.4m

## Detailed report on performance

### Effectiveness—Output 3.2.1

Performance indicator	Results
<i>Local governments are assisted to serve their communities.</i>	<p>In 2007–08, the Department continued to support local governments to serve their communities, by providing financial grants to local government, advising the Australian Government on local government issues, and celebrating and promoting local government's achievements. This included:</p> <ul style="list-style-type: none"> <li>• providing \$1,765.8 million in financial assistance grants to local governments to help them improve infrastructure and services to local communities;</li> <li>• providing an additional \$13.6 million to local governments in South Australia for their local roads;</li> <li>• disseminating information through the Local Government National Report and through the Department's website about local government grants and policy issues affecting local government;</li> </ul>

Performance indicator	Results
	<ul style="list-style-type: none"> <li>• recognising and promoting best practice in local governments through the Local Government National Awards; and</li> <li>• supporting the Local Government and Planning Ministers' Council, which endorsed principles to improve local government's long-term financial sustainability and took steps to lift the efficiency and effectiveness of development approval processes.</li> </ul>

### Administered programs for Output 3.2.1—Local government policy and programs

**Table 5.16 Summary of performance—Local Government Financial Assistance Grants**

Performance indicators	Results
<b>Effectiveness</b>	
<p><i>Local governments are assisted to provide essential services at the community level.</i></p>	<p>The Department worked closely with local government grants commissions in each state and territory to allocate and distribute grants in line with national principles which ensure that grants are distributed on the basis of relative need of councils once a minimum grant requirement is met.</p> <p>In particular, the Department held discussions with local government grants commissions in Queensland and the Northern Territory, regarding the application of the national amalgamation principle to the distribution of grants to new councils following mergers in those jurisdictions.</p>
<b>Quality</b>	
<p><i>Grants are administered in line with the Local Government (Financial Assistance) Grants Act 1995.</i></p>	<p>In 2007–08, the Australian Government Minister for Local Government, Territories and Roads determined the amount of grant funding to be allocated to each state as required by the Act. The Department administered the payment of grants in line with the requirements of the Act.</p>

## DID YOU KNOW

### AUSTRALIAN LOCAL GOVERNMENTS

Australian local governments are responsible for around \$182 billion worth of community assets, including about \$80 billion of local roads, more than \$50 billion of land and almost \$15 billion in buildings. Local government looks after 647,000 kilometres of local roads (80 per cent of the Australian road network). Local governments spend over \$3,200 million a year maintaining, renewing and upgrading the network. In 2007–08 the Australian Government provided \$548 million in Financial Assistance Grants identified for local roads and \$262.5 million under the Roads to Recovery Program to assist councils to fund their local road network, along with \$1,235 million in general grants.



Performance indicators	Results
<p><i>An annual report on the operation of the Act is tabled as soon as practicable after 30 June each year.</i></p> <p><i>Grants paid quarterly: 15 August, 15 November, 15 February and 15 May.</i></p>	<p>The 2005–06 Local Government National Report was tabled in September 2007; it can be accessed on the Department’s website.</p> <p>Grants were paid to states and territories in quarterly instalments on 15 August, 15 November, 15 February and 15 May. The first payment for the Northern Territory was made on 19 August due to a delay in the territory submitting its recommendations for the distribution of funds between local governments.</p>
<b>Quantity</b>	
<p><i>Grants are distributed to some 700 local governments.</i></p>	<p>Grants were distributed to the 612 local governments on schedule.</p>
<b>Cost</b>	
<p><i>\$1,761.2 million</i></p>	<p>The actual cost of this program in 2007–08 was \$1,780.8 million.</p> <p>The variance is due to the legislative process for determining the amount of financial assistance grants, which takes place after the budget is published.</p>
<b>Overall performance</b>	<b>Fully achieved.</b>

**Table 5.17 Summary of performance—Supplementary funding to South Australian councils for local roads**

Performance indicators	Results
<b>Effectiveness</b>	
<p><i>Local governments have equitable access to Australian Government funding for local roads.</i></p>	<p>To facilitate equitable access to funding for local roads, the Department administered supplementary Australian Government funding for South Australian councils. The 2007–08 Budget allowed for \$58 million in funding to be disbursed over four years.</p>
<b>Quality</b>	
<p><i>Grants are distributed in line with the local roads grants component of financial assistance grant.</i></p> <p><i>Grants paid quarterly: 15 August, 15 November, 15 February and 15 May.</i></p>	<p>Grants were distributed in accordance with the distribution of the local roads grants component of the financial assistance grants.</p> <p>Grants for 2007–08 were paid quarterly to the South Australian Government on these dates.</p>

Performance indicators	Results
<b>Quantity/Location</b>	
<i>Supplementary funding is distributed to 74 local governments in South Australia.</i>	Grants were distributed to all 74 councils on schedule.
<b>Cost</b>	
<i>\$13.6 million</i>	The actual cost of this program in 2007–08 was \$13.6 million.
<b>Overall performance</b>	<b>Fully achieved.</b>

Table 5.18 Summary of performance—Local government amalgamation—plebiscites in Queensland

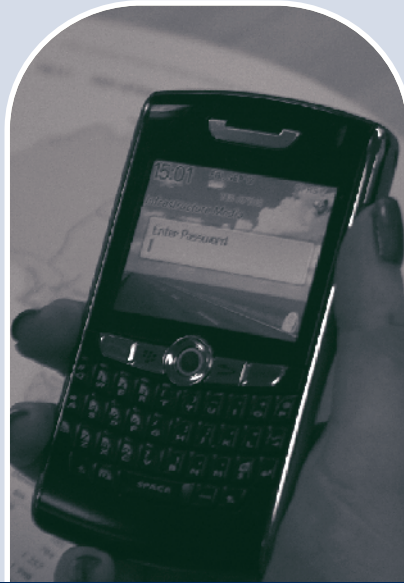
Performance indicators	Results
<b>Effectiveness</b>	
<i>Funding to Australian Electoral Commission for conduct of plebiscites.</i>	The Government funded the Australian Electoral Commission to carry out the plebiscites in Queensland. There was a 55% voter turnout for communities whose councils chose to take part in the plebiscites.
<b>Quality</b>	
<i>Payments made within agreed timelines.</i>	The payments were made on time.
<b>Location</b>	
<i>Queensland</i>	The plebiscites were conducted in Queensland.
<b>Cost</b>	
<i>\$1.5 million</i>	The actual cost of this program in 2007–08 was \$1.5 million.
<b>Overall performance</b>	<b>Fully achieved.</b>

Note: The performance indicators are from the 2007–08 PAES.





CHAPTER 5



## CHAPTER 6

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 describes how, in accordance with the Department's Client Service Charter (available online at <[www.infrastructure.gov.au/departments/about/charter.aspx](http://www.infrastructure.gov.au/departments/about/charter.aspx)>), we are:

- results oriented;
- honest, professional and accountable;
- client and stakeholder focused;
- committed to improving our skills; and
- diverse, trusting and respectful of each other.

Chapter 6 should be read in conjunction with appendices A, D, E and F, which respectively report on the Department's implementation of:

- the Australian Government's Access and Equity strategy;
- the *Commonwealth Disability Strategy*;
- ecologically sustainable development principles as set out in the *Environment Protection and Biodiversity Conservation Act 1999*; and
- the *Freedom of Information Act 1982*.

### We are results oriented

We plan for and monitor performance at both organisational and individual levels.

### Departmental outcomes and outputs framework

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

- describe the departmental outputs and administered programs for which the Department will receive funding in the coming financial year;
- set the financial and other targets that will apply to each output and program;
- detail the new policies and programs (measures) and priorities that the Australian Government has asked the Department to deliver in the coming financial year; and
- present the Department's budgeted financial statements for the budget year and three out-years.

These plans are updated in the Portfolio Additional Estimates Statements (PAES), which for financial year 2007–08 were published in February 2008, and in the Portfolio Supplementary Additional Estimates Statements (PSAES), which for financial year 2007–08 were published in May 2008.

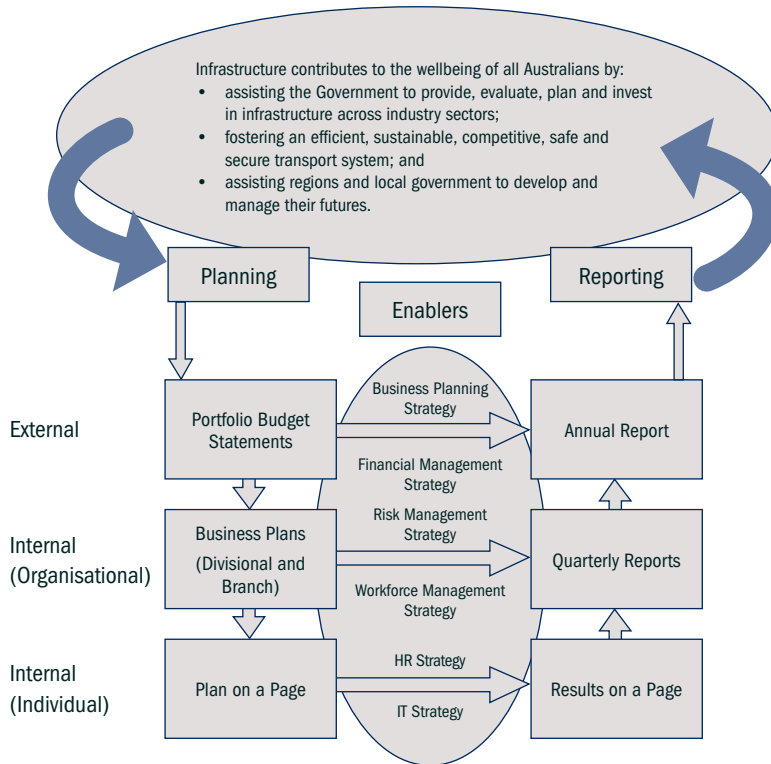
Within 10 working days of the end of each month, the Department reports to government on its financial performance, position and cash flows through the Department of Finance and Deregulation's online Monthly Reporting Analytical Review. This report explains any significant variations from budgets, which are also incorporated in the monthly analysis of the Australian Government's finances released by the Minister for Finance and Deregulation.





Figure 6.1 shows the relationship between the Department's planning and reporting frameworks.

**Figure 6.1 Planning and reporting framework**



Individual performance management is a key element in helping to achieve high-quality outcomes; this is reflected in the Department's collective agreement for 2006–09. The Department's individual performance management arrangements are discussed in more detail later in this chapter.

### Updated external performance reporting

Following the change in government and the issuing of the Administrative Arrangements Order of 3 December 2007, the Department transferred responsibility for services to territories and natural disaster relief functions and associated administered programs to the Attorney-General's Department, and gained responsibility for major projects facilitation from the former Department of Industry, Tourism and Resources. The Department also assumed responsibility for the new role of infrastructure planning and coordination. The Department was restructured in March 2008 to reflect the changes, and its revised outcome and output structure was published in the 2008–09 PBS.

As part of a whole of government activity, the Department reviewed the performance planning information that it publishes in its PBS. As a consequence, the 2008–09 PBS contained more focused external performance indicators together with a text description of the output that each indicator supports. In addition, the 2008–09 PBS included an overall strategic direction statement for the Department along with a strategy for each outcome.

This annual report reflects the new outcome and output structure while reporting against the 2007–08 PBS performance indicators. The 2008–09 annual report will report against the performance indicators published in the 2008–09 PBS.



### Continued progress on internal planning and reporting processes

The Department’s Business Excellence Framework (Figure 6.2) continues to provide a strong basis for ensuring that what we do and how we do it are aligned with government outcomes.

Internal planning involves the development of an annual business plan for each of the Department’s nine business divisions, including its two enabling business divisions (Corporate Services and the Bureau of Infrastructure, Transport and Regional Economics), the Governance Centre and the Office of the Inspector of Transport Security.

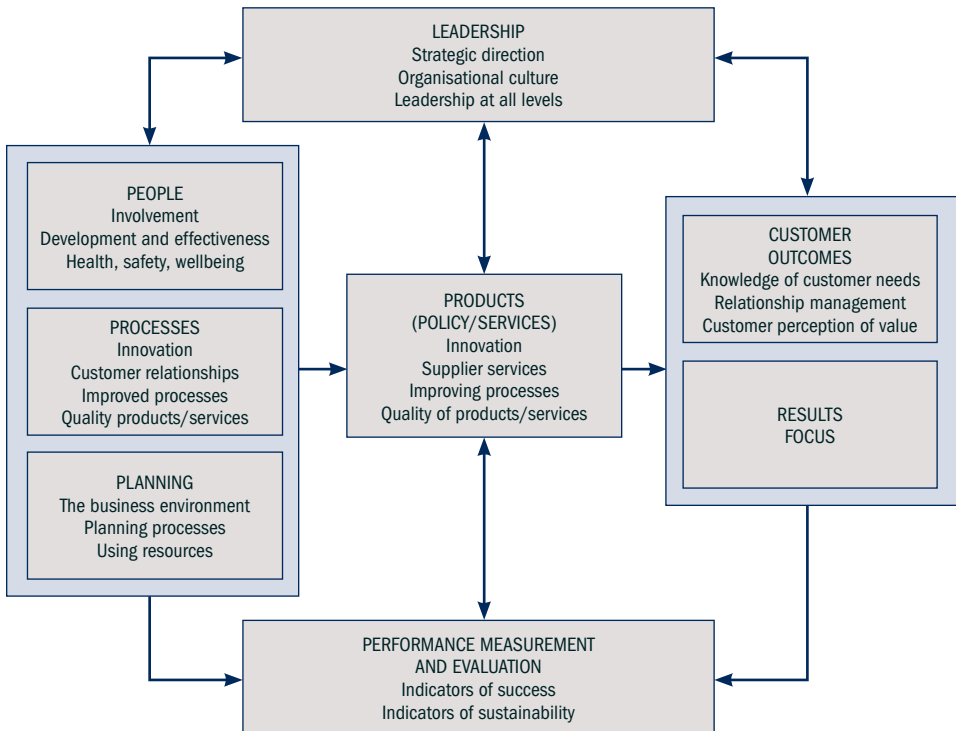
Internal reporting occurs through formal quarterly review meetings between senior staff of each business division and the Department’s senior executives. These meetings are underpinned by an assessment of each business division’s performance over the past quarter against performance indicators articulated in divisional business plans.

During 2007–08, internal planning and reporting processes were improved through:

- the use of an improved electronic reporting template to further assist business divisions to prepare for their quarterly reviews; and
- the inclusion in the 2008–09 business plans of the applicable performance information (output description and key performance indicators) from the 2008–09 PBS.



**Figure 6.2 Business Excellence Framework**



## We are honest, professional and accountable

### Leadership, decision making and consultation

The leadership structure of the Department is summarised in Chapter 2 (see Figure 2.4).

The Secretary of the Department has specific responsibilities set out in legislation, including those described in the *Public Service Act 1999* and the *Financial Management and Accountability Act 1997*. The Secretary is also responsible for ensuring the Department is able to deliver the outcomes of:

- assisting the Government to provide, evaluate, plan and invest in infrastructure across industry sectors;
- fostering an efficient, sustainable, competitive, safe and secure transport system; and
- assisting regions and local government to develop and manage their futures.

The Department's nine business divisions, the Office of the Inspector of Transport Security and the Office of the Infrastructure Coordinator, are responsible for delivering various aspects of the above outcomes. Each of the Department's three Deputy Secretaries is responsible for a number of business divisions. Where an issue relates to the Department as a whole or affects more than one business division, the Secretary, the Deputy Secretaries and the Chief Operating Officer share responsibility for it.

As discussed in Chapter 2, 'About Us', the Deputy Secretaries, the Chief Operating Officer and several senior management committees support the Secretary in determining how the Department can best deliver specified results. Chapter 2 also provides an overview of the Department's governance structure.

### Governance highlights

The Department is dedicated to developing and managing arrangements that support and provide assurance of the responsible, effective and efficient use of its powers and resources.

Governance frameworks support the accountability obligations of the Department and include:

- a program of internal audit reviews;
- an enterprise-wide approach to risk management,
- financial management policies including Chief Executive's Instructions on the handling of public money and property,
- formal decision-making arrangements, a suite of governance committees; and
- mechanisms for handling requests made under the *Freedom of Information Act 1982*, complaints and scrutiny of the Department's actions.

In 2007–08, the Department focused on: responding to machinery-of-government changes including a review of the delegations framework workshops to identify strategic risks following a review of portfolio outcomes; assessing and analysing the risks associated with compliance with the financial management and accountability regulatory framework; and developing a risk-based internal audit program.

The Department's delegations management system, i-Delegate, which was established to support decision making in the Department, successfully went live in July 2007.

An achievement of note was the recognition of the Department's Governance Centre in the Australian Public Service Commission (APSC) publication *Building better governance*. The APSC published the document in October 2007 as part of its series on contemporary government challenges.

*The high profile that the Governance Centre has developed since its inception has brought governance issues to the attention of departmental employees, and created a much greater understanding by employees of their responsibilities as departmental and APS employees.*

*The establishment of the centre has focused departmental resources and interest on governance and created an area with clear responsibility for driving cultural change.*

Australian Public Service Commission, *Building better governance*, page 53.



## Enterprise-wide risk management

In 2006–07, the Department began to develop and implement an enterprise-wide risk management framework. In 2007–08, it continued to strengthen its risk management processes, building on the success of the previous year's initiative. In the reporting period, the Department:

- facilitated strategic risk assessment workshops with the Department's executive directors to ensure that the Department's risks were updated following the change in government;
- conducted risk assessment workshops with all nine business divisions in the Department, to ensure that divisional risks are identified and mitigated; and
- developed a departmental risk profile, which formed the basis of its 2008–09 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. None of the risks disclosed for 2007–08 materialised. 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;
- an indemnity issued to Code Management Company against any loss or expense that occurred prior to the transfer of ownership from the Commonwealth relating to the correct use or application of the Code of Practice for the Defined Interstate Rail Network; and
- assumed residual liabilities of the Australian National Railways Commission.

## Protective security and fraud control

In 2007–08, the Department undertook an audit of physical security risk management planning, to provide reasonable assurance to the Executive of the approach taken. The audit found that, given the Department's relative risk profile, its approach on the whole was at better practice level.

In accordance with the Commonwealth Fraud Control Guidelines, the Department has a departmental Fraud Control Plan which outlines the Department's commitment to effective fraud management and control by identifying fraud control measures, defining responsibilities for their implementation and outlining the process to be followed in the event of alleged fraud. It also sets out the procedures in place to prevent, detect, investigate and report on fraud.

## Internal audit program

The 2007–08 internal audit work plan applied 56 per cent of available audit resources on compliance-related activity, 39 per cent on performance aspects and 5 per cent on administration/management.

Following the implementation of the enterprise risk management framework, the work plan was designed to mitigate the high risks identified through the risk assessment process.

Audits were undertaken of the following:

- compliance with the financial management and accountability regulatory framework;
- compliance with corporate credit card policies;
- security management;
- Office of Transport Security regulatory compliance and performance;
- Chief Executive's Instructions;
- administration of airport curfew legislation;



- travel card policy; and
- compliance with motor vehicle standards legislation.

### Financial statements audit

Each year the Department's financial statements are required to be audited by the Australian National Audit Office (ANAO), which reports on the results of the audit to parliament and thereby provides independent assurance on financial reporting, administration and accountability.

This year the Department successfully implemented its financial statements preparation plan, and received an unqualified audit opinion from the ANAO on 1 August 2008. This achievement was recognised by the ANAO in its closing audit report for the Department's 2007–08 financial statements, which noted that 'significant effort has been applied by the Department to enhance its financial reporting processes'.



*Staff from the Financial Services Branch (Photo DITRDG)*

### Ethical decision making

In 2007–08, the Department again delivered the training program Working Ethically and Professionally in the APS, which is specifically aimed at building capability in ethical decision making.

The program, which is compulsory for all staff, features case studies and activities that are underpinned by the APS Values and Code of Conduct and relevant legislation.

In addition, the Department implemented the APSC's APS Induction module online as a mandatory module for all new starters. The module provides specific guidance on the APS Values and Code of Conduct in the context of working with government.

### We are client and stakeholder focused

We value the views of our clients and stakeholders. We also recognise and respect the rights of stakeholders to scrutinise our actions.

## CASE STUDY – IMPROVING ACCOUNTABILITY WITHIN THE DEPARTMENT

The Department has implemented several key initiatives aimed at improving accountability among its management and leadership cohort.

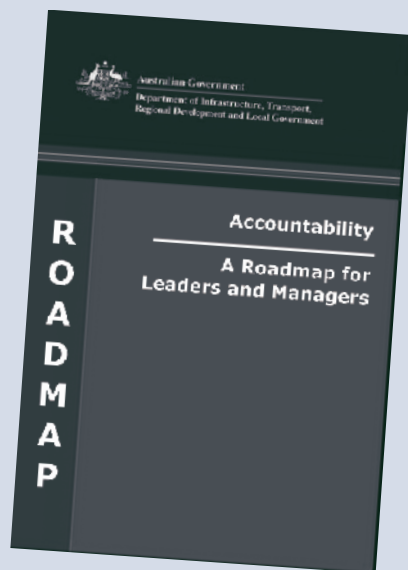
Accountability—A Roadmap for Leaders and Managers was introduced in October 2007 as a mandatory training program for all managers in the Department. The program ensures that participants are fully aware of their span of accountability and understand their responsibilities as leaders and managers in the Department. The program uses interactive case studies to develop participants' understanding of the relevant legislative frameworks, processes and policies and awareness of how more detailed training can be accessed in, for example, contract management, procurement and performance management. Over 100 staff have participated in the course.

All employees are accountable for the decisions they make and the actions they take in the name of the Department under various pieces of legislation. There are approximately 120 Acts that the Department either operates under or has responsibility for administering. Approximately 10,000 powers in these laws have been delegated to employees by the Minister or the Secretary. To give employees better access to information about the statutory responsibilities and authorities they have, the Department introduced the i-Delegate tool, which includes a searchable database that employees can access through the intranet.

In 2007–08, agencies were required to certify compliance with the *Financial Management and Accountability Act 1997* (FMA Act), for the first time. The Department established a management assurance process whereby all managerial employees are to complete compliance surveys every four months. These surveys require managers to account for all transactions dealing with public money and property. Training is provided to employees who are required to complete the survey, to raise awareness of obligations under the FMA Act.

Additionally, monthly meetings of the Department's Senior Executive Service Management Team (SESMT) are used to raise awareness of employee accountabilities arising from departmental and broader APS policies. For example, issues discussed in SESMT meetings in 2007–08 included departmental and employee responsibilities during the 2007 election caretaker period, occupational health and safety initiatives, performance management, and risk management.

Each of these measures serve to enhance and promote individual accountability within the Department.



*Accountability—A Roadmap for Leaders and Managers*



## Services to ministers

The Department provides a range of support services to parliamentary offices, including three full-time departmental liaison officers, two for the Minister for Infrastructure, Transport, Regional Development and Local Government and one for the Parliamentary Secretary for Regional Development and Northern Australia.

In support of the Minister's broader portfolio responsibilities, the Department participated in regular meetings with other portfolio agencies in 2007–08. The Department provided assistance to the Minister through guidance and advice during the election caretaker period. The Corporate Services business division provided assistance with the establishment of new parliamentary and electorate offices throughout Australia, including new parliamentary staff. A comprehensive ministerial briefing was prepared and delivered to the Minister and the Parliamentary Secretary following the change of government.

In 2007–08, the Department delivered, on average, more than 211 briefs, letters and other documents to the Minister each week.

Throughout the year the Ministerial and Parliamentary Services area, in cooperation with the Information Services Branch, designed and implemented the following systems using the SharePoint facility:

- a comprehensive system for possible parliamentary questions;
- a database for Senate estimates committee questions on notice and briefings; and
- a database for ministerial briefings following the swearing-in of the new government.

## Regional and overseas representation

Approximately 18 per cent of the Department's staff were located in regional offices during 2007–08, with transport security audit and compliance functions being the majority of the Department's regional presence. In addition, small numbers of departmental staff were located overseas, in Canada, Indonesia, Papua New Guinea, the Philippines, Singapore and the United States.

Figure 6.3 shows how the Department's staff members were distributed across Australia at 30 June 2008.

## Communications

In terms of improving the Department's strategic communications work, there was a particular focus on embedding department-wide best practice. This included raising awareness of, and educating staff about, procedures and sources of advice to ensure quality public information and interactions with stakeholders. This effort strengthened the consistency and coordination of messaging in the public arena—for example, with media responses and issues management—and improved the timeliness of providing information.

In October 2007, two departmental communication campaigns won major national excellence awards at the Public Relations Institute of Australia Golden Target Awards.

The campaign for the introduction of new aviation regulations on liquids, aerosols and gels won the Government Campaigns category, and the campaign for the introduction of the Maritime Security Identification Card won the Highly Commended Award in the same category. These campaigns played a key role in the successful introduction of two critical transport security initiatives.

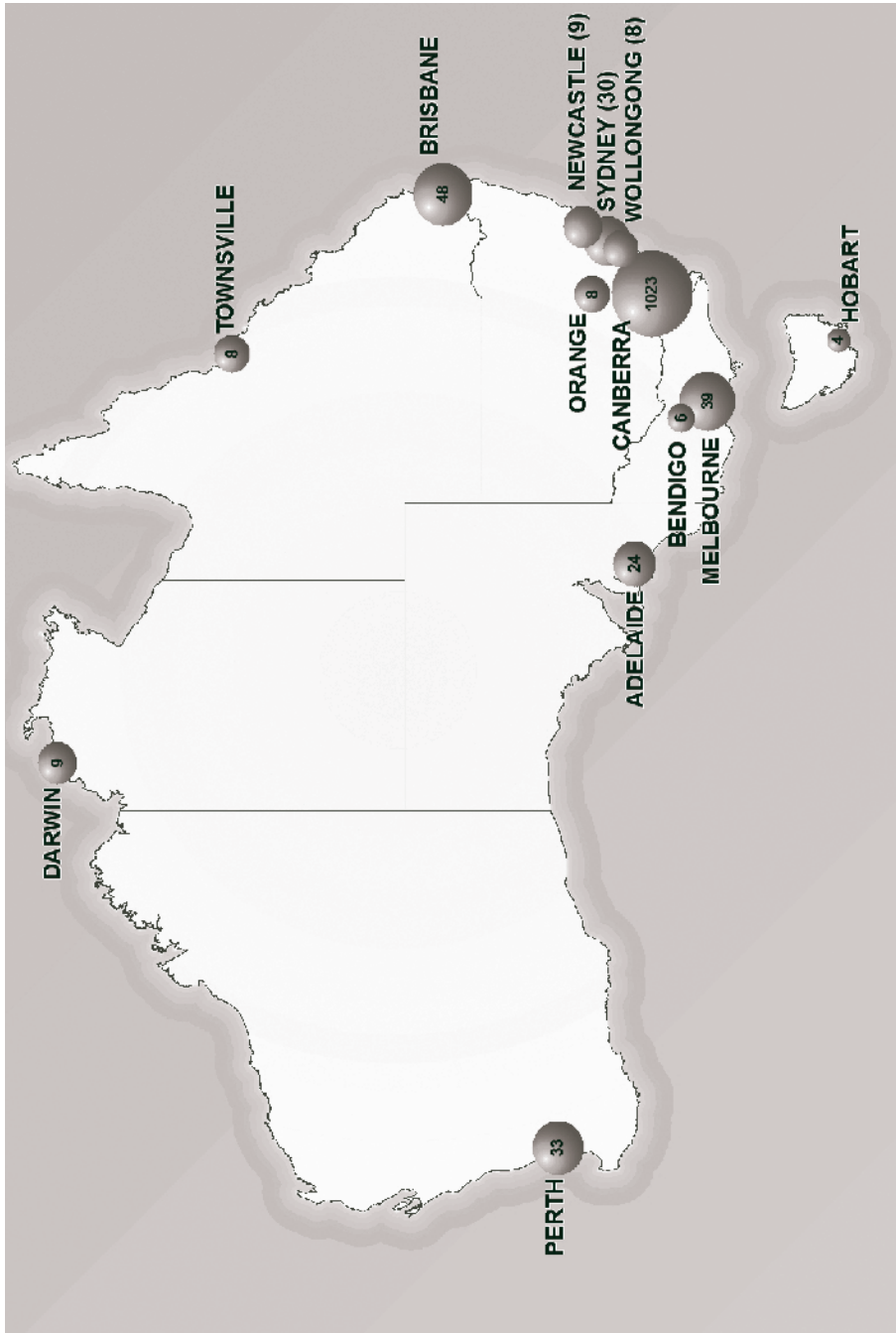
This recognition was significant given the calibre and number of other major state and federal government campaign entries competing for the awards. It also highlighted the benefit of departmental staff collaborating to deliver quality business and communication outcomes.

The Department effectively managed its portfolio communication and media work during the caretaker and machinery-of-government change periods. The Department ensured access to, and accuracy of, information in the public arena over this time. By using its strategic communications framework, and through close consultation with central agencies, it was able to demonstrate best practice in terms of observing the APS caretaker guidelines as well as responding to the needs of the new government and the portfolio Minister.





Figure 6.3 Distribution of departmental staff at 30 June 2008





## Records management

During 2007–08, the Department began transition arrangements to bring the storage of physical files and records from leased storage to new secure facilities located in the Department's storage warehouse. This process is expected to be completed by the end of 2008.

The management of departmental records continues to be undertaken through contracted services; all records management operations are now conducted on the Department's premises rather than off-site. In addition, in 2007–08 the Department upgraded its records management computer system, TRIM, facilitating our ongoing move to electronic record keeping.

## Client feedback and external scrutiny

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/department/about/charter.aspx](http://www.infrastructure.gov.au/department/about/charter.aspx)>.

A specific service charter for the motor vehicle compliance services that the Department provides to the public can also be found online at <[www.infrastructure.gov.au/roads/vehicle\\_regulation/bulletin/importing\\_vehicles/general/ServiceCharter.aspx](http://www.infrastructure.gov.au/roads/vehicle_regulation/bulletin/importing_vehicles/general/ServiceCharter.aspx)>.

## Complaints made through external bodies

Clients can also make a complaint about the Department to the Office of the Ombudsman. The Department appreciates having an opportunity to resolve clients' concerns before they contact the Ombudsman. Details about the role of the Commonwealth Ombudsman and how the office can be contacted are available online at <[www.comb.gov.au](http://www.comb.gov.au)>.

In 2007–08, the Ombudsman received 35 approaches about the Department, representing a 15 per cent decrease on the result for the previous year. The Ombudsman's Office elected to investigate six of the matters raised. Delays and refusals of approval were the main issues raised by the Ombudsman's Office.

Clients also have rights of complaint to the Privacy Commissioner and the Human Rights and Equal Opportunity Commission (HREOC). In 2007–08, the Privacy Commissioner did not record any complaints about the Department. One complaint was lodged and resolved with HREOC in 2007–08.

Table 6.1 gives trend information for external complaints and scrutiny (see page 227).



## CASE STUDY – IMPROVING IT SERVICES

In transitioning to a new service provider, the Department has improved its information technology (IT) managed services and positioned itself to effectively administer a timely refresh of its IT hardware and desktop services.

In order to promote prudent procurement practices and maintain strong and efficient IT foundations, every four years the Department reassesses its IT managed services and technological support.

In early 2008 the Department entered into a request for tender (RFT) process to test the depth of IT service providers in the marketplace. There were several respondents to the RFT; each was required to undergo stringent technical assessments, including financial viability assessments and legal risk assessments conducted by external agencies.

The Department subsequently awarded the contract to the ASG Group, which commenced full services on 1 July 2008. The handover of service provider to ASG Group was seamless, in that it resulted in no interruption of IT services at any time during or after handover activities.

As part of the RFT process, ASG Group was required to put forward a technology refresh plan, which will result in new hardware and software arrangements for every one of the Department's workstations by the end of 2008. This involves standard personal computers being replaced by more modern systems with updated Microsoft software. A roll-out team has been established to coordinate the refresh, which involves the training of staff in the use of the updated software.



### CHAPTER 6



*A departmental staff member using an updated standard personal computer (Photo DITRDLG)*

**Table 6.1 Trends in external complaints and scrutiny**

	2003-04	2004-05	2005-06	2006-07	2007-08
<b>Complaints recorded by the Commonwealth Ombudsman</b>					
Complaints received	104	35	53	41	35
Finding of defective administration	3	0	0	0	1
Formal reports to the Minister under the <i>Ombudsman Act 1976</i>	0	0	0	0	0
<b>Complaints recorded by other external bodies</b>					
Complaints to the Human Rights and Equal Opportunity Commission	0	0	2	0	1
Complaints to the Privacy Commissioner	0	0	0	0	0

### Other forms of scrutiny

The Department recognises and respects the rights other parties have to scrutinise its actions and records, including:

- people and organisations seeking to access specific documents under the *Freedom of Information Act 1982* (FOI Act);
- courts and tribunals;
- the Auditor-General; and
- the Parliament of Australia.

### Freedom of information requests

The FOI Act gives members of the Australian community a general right of access to documents held by the Department and its ministers. The majority of departmental activities and records relate to business rather than personal matters. Details on the records we hold, how to make an FOI request, the functions and decision-making powers of the Department and our arrangements for outside participation are provided at Appendix F.

In summary, 34 FOI requests were received in 2007–08, representing a slight decrease in number compared to the previous year. Requests continued to be for access to documents concerning business rather than personal information. Appendix F provides more information on the trends in FOI requests to the Department.

Details regarding the operation of the FOI Act are reported in detail in a whole-of-government annual report, published by the Department of the Prime Minister and Cabinet and available online at <[www.pmc.gov.au/foi/annual\\_reports.cfm](http://www.pmc.gov.au/foi/annual_reports.cfm)>.

### Courts and tribunals

A significant matter concluded during the year was *R v Gulf Air Pty Ltd*, in which Gulf Air was prosecuted under the *Sydney Airport Curfew Act 1995* for two breaches of the curfew at Sydney Airport. In July 2007,



the matter was set down for sentencing by the New South Wales Local Court after Gulf Air entered guilty pleas. The decision, handed down on 15 August 2007, imposed a total fine of \$167,500 with a penalty of \$160,000 for one of the breaches and \$7,500 for the other.

Another significant matter decided in July 2007 was *Elbe Shipping SA v Giant Marine Shipping SA* [2007] 159 FCR 518. This matter arose in the context of a subpoena that had been served on the Australian Transport Safety Bureau (ATSB), seeking information which was 'restricted information' within the definitions of the *Transport Safety Investigation Act 2003* (the TSI Act). Section 60 of the TSI Act imposes limitations on the disclosure of 'restricted information' as defined in the Act.

The applicants challenged the validity of section 60 of the TSI Act, specifically subsections 60(2) and 60(8), on the basis that these provisions are beyond constitutional power. The Federal Court held that section 60 is within constitutional power. The applicants sought leave to appeal against the decision. However, the appeal proceedings were subsequently discontinued.

### Legal services expenditure

Table 6.2 is a statement of legal services expenditure by the Department for the 2007–08 financial year, published in accordance with paragraph 11.1(ba) of the *Attorney General's Legal Services Directions 2005*.

**Table 6.2** Legal services expenditure

Reportable item	2007–08 result
Agency's total legal services expenditure	\$5,360,242
Agency's total external legal services expenditure	\$3,785,493
External expenditure on solicitors	\$3,654,303
External expenditure on counsel	\$131,190
Number of male counsel briefed	7
Value of briefs to male counsel	\$94,799
Number of female counsel briefed	4
Value of briefs to female counsel	\$36,391
Agency's total internal legal services expenditure	\$1,574,749

### Audit office and parliamentary scrutiny

Reports on matters relating to the Department are released by the ANAO, parliament 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)>. Reports released by the ANAO in 2007–08 relating to the Department are listed in Table 6.3.

The Australian Government tables its responses to parliamentary inquiries and other reports in the parliament. Reports released in 2007–08 relating to the Department are listed in Table 6.3. Details of the government responses to specific parliamentary inquiries are available online at <[www.aph.gov.au/committee/index.htm](http://www.aph.gov.au/committee/index.htm)>.



Table 6.3 External inquiries involving the Department in 2007–08

Type/author	
<b>ANAO reports</b>	
Financial audits	<p><i>Audits of the financial statements of Australian Government entities for the period ended 30 June 2007</i>: Report 18 of 2007–08.</p> <p><i>Interim phase of the audit of financial statements of general government sector agencies for the year ending 30 June 2008</i>: Report 44 of 2007–08.</p>
Other audits	<p><i>The Senate order for departmental and agency contracts (calendar year 2006 compliance)</i>: Report 7 of 2007–08.</p> <p><i>Performance audit of the Regional Partnerships Programme</i>: Report 14 of 2007–08.</p> <p><i>Administration of grants to the Australian Rail Track Corporation</i>: Report 22 of 2007–08.</p>
<b>Parliamentary inquiries</b>	
House of Representatives Standing Committee on Transport and Regional Services	<i>Inquiry into the integration of regional rail and road networks and their interface with ports</i> , tabled 13 August 2007.
Joint Standing Committee on Foreign Affairs, Defence and Trade	<i>Australia's trade with Mexico and the region</i> , tabled 12 September 2007.
Joint Standing Committee on Treaties	<i>Agreement between the Government of Australia and the Kingdom of Tonga relating to air services, done at Neiafu, Tonga, on 23 August 2001</i> , tabled 12 March 2008.
Senate Standing Committee on Rural and Regional Affairs and Transport	<i>Aviation Legislation Amendment (2007 Measures No.1) Bill 2007</i> , tabled 7 August 2007.

Senior Executive Service (SES) staff of the Department, in addition to attending specific parliamentary inquiries, attend Senate estimates committee hearings to answer questions about the Department's activities. In 2007–08, a total of 366 Senate estimates questions on notice were received, a decrease compared to 573 in 2006–07, due to supplementary budget estimates hearings being suspended because of the caretaker period.

The Department received 71 questions on notice in 2007–08, a decrease compared to 532 in the previous year. The scale of the decrease was due to the election break. A total of 58 Senate questions and 66 House of Representatives questions lapsed following the change of government. Table 6.4 provides a summary of trends in questions on notice.



**Table 6.4 Trends in parliamentary questions on notice**

Questions on notice	2003–04	2004–05	2005–06	2006–07	2007–08
Questions tabled in the House of Representatives or the Senate	253	252	222	532	71
Questions from the Senate estimates committee hearings	436	591	1,032	573	366
<b>Total questions received</b>	<b>689</b>	<b>843</b>	<b>1,254</b>	<b>1,105</b>	<b>437</b>

## We are committed to improving our skills

The Department places a high priority on its people, and has renewed its focus on people management to ensure that it has the necessary capability to deliver outcomes for government. The emphasis in 2007–08 was on:

- the Human Resource Strategy for 2007 to 2010;
- learning and development;
- the graduate development program;
- recruitment and selection capability;
- the performance management culture;
- exit surveys; and
- flexible working arrangements.

### Human Resource Strategy

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 2007 to 2010 acknowledges that people are critical to helping the organisation to achieve its goals. It also outlines strategies to underpin the development of a program of people management initiatives around four elements: recruit, retain, manage and develop.

The strategy, which was implemented in April 2007, was developed in response to the capability needs and recruitment and retention issues identified through the ongoing process of workforce management and analysis of the Department's current and future workforce requirements.

During 2007–08, the strategy was reviewed and the Department's progress was measured against the people management performance indicators identified in the strategy. The review highlighted the ongoing need for well-managed human resource systems, frameworks and information to support people management in the Department.

A key component of the strategy is retention strategies that focus on the ongoing development of individual capabilities, including through the Department's leadership program. This program includes opportunities to participate in 360-degree feedback, peer workshops and executive coaching programs to increase leadership capability and grow talent within the organisation.



## Learning and development

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

The Learning and Development Program is reviewed annually to ensure a continued alignment of training activities with business, individual and APS priorities.

A nationally accredited procurement program was introduced in 2007–08 to support an increased focus on these practices across the Department.

The study assistance provisions were reviewed and enhanced to support attraction and retention strategies by providing greater guidance, flexibility and accountability for managers and staff.

## Management capability and accountability

To ensure all managers understand their management accountabilities, the Department introduced the 'Accountability—A Road Map for Leaders and Managers' workshop (Refer Case Study: 'Improving accountability within the department'). All managers are required to attend this half-day workshop, which explains the senior executives' expectations of managers within the organisation. The workshop has been designed to provide a peer forum to discuss management and leadership issues and identify the resources and references that managers may use to meet their people, planning and process responsibilities.

To assist officers to prepare high-quality parliamentary papers, the Department:

- conducted 29 training sessions for eWorks (ministerial correspondence tracking system) users;
- delivered 10 Writing for Ministers courses; and
- delivered nine Working with Ministerial Offices sessions through induction programs.

## Division-specific training

The Local Government and Regional Development business division provided specific training to improve delivery of the Regional Partnerships program. This training related to amendments to the program procedures manual, undertaken in response to the recommendations of an ANAO performance audit of the program. The training was focused on:

- project assessment;
- the identification and assessment of project risks; and
- funding agreement management.

As a registered training organisation, the ATSB awarded Transport Safety Investigation Diplomas to six staff members in 2007–08; a further 14 staff members are studying for the diploma.

In terms of the ATSB's ongoing commitment to staff professional development and maintenance of industry awareness, this financial year presented many productive and worthwhile opportunities. These included:

- participation in trade-specific and broader industry-related short courses;
- attendance at industry seminars;
- maintenance of specialist qualifications; and
- new and continued relevant tertiary pursuits.

As a part of its continuous learning objectives, the ATSB recently reviewed several of its internally produced training courses, including Accident Investigation Fundamentals, Human Factors, and Basic and Advanced Occupational Health and Safety. These courses now present the very latest subject matter and are more closely aligned to transport safety investigator learning objectives.





The Office of Transport Security (OTS) conducted or arranged for specific training, including:

- OTS induction and protective security awareness training;
- legislative training;
- specialised occupational health and safety training; and
- lead auditor training.

The Infrastructure Investment business division worked with a training provider to develop a workshop on delivering internal and external presentations. The aim of the workshop was to enhance existing skills in presenting clearly and confidently using a range of methods and tools. The pilot presentation for the division's employees was very successful; subsequently, the workshop was offered to all departmental employees.

Several new staff members in the Infrastructure and Surface Transport Policy business division undertook a maritime industry familiarisation course to equip themselves with knowledge of domestic and international shipping and how it is organised to facilitate trade. The course covered topics such as port ownership and management, international maritime logistics, international conventions and the regulatory regime, ship chartering and agency operations.

The Bureau of Infrastructure, Transport and Regional Economics provided Mapinfo software training for all its employees. Mapinfo is a desktop mapping application that allows the user to present data in a visual, geographic manner.

### **LEADS—Leadership Excellence through Action, Development and Seminars**

LEADS is a comprehensive strategy for building a strong, focused and effective leadership capability within the Department. The strategy is aligned with best practice, delivering organisational outcomes by providing a wide variety of development opportunities that cater for individual learning styles, capabilities, experiences, work programs and career aspirations.

The core elements of the leadership development strategy are:

- action—support for executive coaching;
- development—formal structured training initiatives including the Department's Focus on Results leadership program; and
- seminars—monthly seminars presented by a range of leaders from industry, the APS and academic institutions.

By the end of 2008, the second year of the strategy, 80 per cent of senior and executive level staff will have participated in the Focus on Results program and more than 1,000 staff will have attended a LEADS seminar.

In early 2008, after a year of the strategy being in place, an assessment of the impact demonstrated a clear improvement in leadership performance across all areas in the Department.

### **Graduate Development Program**

In January 2008, 30 new graduates commenced working for the Department, in a range of positions across all business divisions.

In line with previous years, the 2008 intake was drawn from a variety of academic disciplines, reflecting the Department's need for specialist skills and qualifications in, for example, legal and engineering roles, as well as general analytical skills and a capacity for critical thinking.

The 10-month, formal learning and development program was supplemented with on-the-job experience facilitated by rotations through three different business divisions.

In 2007–08, the graduate group organised the annual industry tour, and met with stakeholders and representatives from Brisbane Airport, Australian Customs, the Port of Brisbane, and Kennedy's Eco-sustainable Timber Project. The tour helped them appreciate the challenges involved in delivering programs to regions.







*Graduates from the Department's Graduate Development Program helping to promote the Department at the ACT Tertiary to Work 2008 Careers Fair (Photo: DITRDG)*



## Recruitment and selection strategies

During 2007–08, the Department continued to streamline recruitment practices and strategies to increase the effectiveness of recruiting, by:

- implementing an online recruitment system;
- developing a new recruitment handbook that provides an interactive roadmap for recruitment, a project planning tool and easy-to-understand guides and examples of the recruitment process; and
- upgrading its recruitment and selection capability training program.

## Performance management culture

### Individual performance management framework

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

All employees develop a personal 'Plan on a Page' with their managers and assess their performance 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 capabilities will be developed.

The Department also reviewed the provision of performance management information to ensure ease of access for employees and managers. Performance management information and advice is available to all employees through the Department's intranet.

During 2007–08, the Department's electronic performance management system, ePoP, was simplified to better assist employees to prepare their plan, results and development pages. The ePoP system provides a tool to support the performance management framework, particularly through linking it to business objectives identified in divisional business plans. Formal training on the framework, on how to give and receive feedback, and on how to use feedback to grow performance was available to all employees and managers.

### **Reward and recognition for individual and team contributions**

The Department continued to implement its framework for rewarding and recognising the contributions made by individuals and teams. The framework includes a department-wide approach to reward and recognition, including formal award ceremonies to complement and extend the informal reward and recognition arrangements that are in place in each business division within the Department.

The two formal departmental awards, the Australia Day Achievement Awards and the Awards for Excellence, highlight and celebrate the achievements of individuals and teams that contribute to meeting the Department's business objectives.

In August 2007, the Department celebrated the Awards for Excellence; it awarded nine team awards and six individual awards.

Australia Day Achievement Awards 2008 recognised the contribution of two team and three individual award recipients.



*Staff from the Bureau of Infrastructure, Transport and Regional Economics receiving their award from the Secretary (Photo: DITRD/LG)*

### **Investor in People**

The Department has been accredited as an Investor in People (IIP) since April 1999. The Department is currently accredited until the end of 2008. The IIP accreditation confirms the Department's commitment to achieving excellence in business outcomes through employee development and engagement. The Department will undertake an audit in 2008 to enable it to continue IIP accreditation.

### **Flexible working arrangements**

The Department values the contribution of its employees, and recognises its responsibility to provide a safe and supportive work environment that enables employees to balance work and personal commitments. In



particular, the Department provides generous leave entitlements and flexible working arrangements. These include access to adoption leave, consistent with paid maternity leave arrangements in the APS, as well as an additional two weeks parental leave for new parents (including those who are not the primary care provider). The Department also supports its employees through provisions for employees to work from home or to work on a part-time basis.

In line with government policy, since February 2008 the Department has provided for conditions of employment to be determined through its collective agreement for 2006–09, including conditions determined under the flexibility clause in the agreement.

### People-focused committees

The People Management Committee, a high-level committee that includes an SES representative from each business division, met six times during 2007–08.

The committee provided advice to the Senior Executive about the strategic directions for people management in the Department. The committee continued to play a major role in guiding the development of people management strategies by, for example, giving support and advice in relation to the review of recruitment, including graduate recruitment; leadership development; and ways of increasing the effectiveness of the delivery of learning and development programs for employees.

The Departmental Consultative Committee is chaired by a Deputy Secretary and includes management representatives and employee representatives from across business divisions, as well as Community and Public Sector Union and Media, Entertainment and Arts Alliance representatives. The committee met four times in 2007–08 and worked to address issues identified during the implementation of the Department's collective agreement for 2006–09.

### Remuneration policies

The Department's remuneration policies encourage and reward high performance.

- SES remuneration includes performance pay for exceptional performance. In 2007–08, performance payments totalling \$514,967 were made to 64 SES staff.
- Some non-SES staff employed under Australian Workplace Agreements (AWAs) were also eligible for performance pay. In 2007–08, three non-SES staff on AWAs received a total of \$18,253 in performance pay.
- Non-SES staff covered by the collective agreement progress to the next salary point that applies to their substantive position until they reach the top salary point payable, provided they have performed at a satisfactory level for 12 months. More than 57 per cent of all staff were at the top salary point at 30 June 2008.

The nature and amount of remuneration for SES staff is determined through a process of negotiation with successful candidates for vacancies with the final remuneration package being approved by the Secretary. Whilst applying the Department's SES Remuneration Policy, each case is determined on its merits taking into account the demands of the position and the skills and experience of the candidate.

### Staffing statistics

At 30 June 2008:

- the Department employed 1,247 staff, a decrease of 3 per cent since 30 June 2007;
- the OTS continued to be the single largest business division of the Department, with 339 staff (an increase from 325 in June 2007); and
- the Department's graduate intake decreased from 31 to 30 in 2008.

Table 6.5 shows trends in staffing statistics.



**Table 6.5 Trends in staff recruitment and retention at 30 June, 2003-04 to 2007-08**

	2003-04	2004-05	2005-06	2006-07	2007-08
<b>Recruitment<sup>a</sup></b>					
Graduates recruited externally	15	31	37	31	30
Other external recruits	134	427	369	309	311
<b>Total external recruits</b>	<b>149</b>	<b>458</b>	<b>406</b>	<b>340</b>	<b>341</b>
<b>Retention<sup>b</sup></b>					
Retention rate (%)	81.00	85.80	83.55	80.95	77.95
<b>Separations of ongoing staff<sup>c</sup></b>					
Transfers/promotions to another APS agency	68	58	91	127	164 <sup>d</sup>
Resignations and retirements	71	61	71	106	157
Retrenchments <sup>e</sup>	7	4	9	10	3
Other <sup>f</sup>	28	0	4	6	4
<b>Total separations</b>	<b>174</b>	<b>123</b>	<b>175</b>	<b>249</b>	<b>328</b>

*a Non-ongoing staff are included in recruitment numbers but are excluded from retention and separations data.*

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

*c Separations data for 2003-04 statistics as shown here may vary from Australian Public Service Commission data for the same period due to differences in data definitions as well as timing issues.*

*d This figure included 65 staff transferred to Attorney-General's Department as part of a machinery-of-government change.*

*e Retrenchments include not only redundancies but also dismissals, of which there was one in 2005-06. Reasons for dismissal may include unsatisfactory conduct, unsatisfactory performance and non-compliance with conditions of employment.*

*f Other reasons for separation may include invalidity, death and termination.*

In 2007-08, the Department offered AWAs, determinations under section 24 of the *Public Service Act 1999*, and a flexible remuneration clause in the collective agreement, to attract or retain staff with particular skills. Table 6.6 gives statistics for types of employment agreements.

For more information about the Department's staff profile, including the number of staff by location and by hours of work, see Appendix H.



**Table 6.6 Trends in the use of employment agreements at 30 June, 2003–04 to 2007–08**

	2003–04	2004–05	2005–06	2006–07	2007–08
<b>Australian Workplace Agreement</b>					
Senior Executive Service (SES)	38	35	40	44	39
Non-SES	68	97	104	102	87
<b>S24(1) Determinations under the <i>Public Service Act 1999</i></b>					
SES	0	0	0	0	1
Non-SES	0	0	0	0	0
<b>Collective agreement</b>					
SES	0	0	0	0	0
Non-SES	795	1,022	1,141	1,143	1,120
<b>Total staff</b>	<b>901</b>	<b>1,154</b>	<b>1,285</b>	<b>1,289</b>	<b>1,247</b>

## We are diverse, trusting and respecting of each other

We treat our clients and each other with dignity and respect. We are committed to:

- social justice and equity;
- workplace diversity;
- addressing workplace problems; and
- occupational health and safety.

### Social justice and equity

The Department is committed to effectively communicating with and serving all Australians, including people from culturally and linguistically diverse backgrounds and people with disabilities. In 2007–08, the Department:

- consulted with communities and client groups when initiating and developing policies and programs, based on a sound knowledge of the needs of these different groups and sectors and the desired impacts and outcomes to be achieved for them;
- made available in a timely manner and in a variety of appropriate, accessible media formats and languages public announcements of new, revised or proposed policy initiatives; and
- promoted fairness and responsiveness in the design, delivery, monitoring and evaluation of government services in a culturally diverse society, and provided effective feedback mechanisms for clients and stakeholders.

A report on the Department's implementation of the Australian Government's Access and Equity strategy during 2007–08 is at Appendix A. A report on the Department's implementation of the Commonwealth Disability Strategy in 2007–08 is at Appendix D.



## Workplace diversity

The Department respects and values the diversity of its workforce. In 2007–08, the Department:

- developed the People with Disability Action Plan as part of its People with Disability Strategy. The People with Disability Action Plan is expected to be formally approved in 2008–09. The plan identifies a range of actions that will enhance the employment and support of people with a disability;
- focused on activities to increase the numbers of Indigenous employees and harness the capabilities and perspectives of Indigenous employees;
- offered flexible working conditions to help attract and retain staff, through the Department's collective agreement for 2006–09; and
- supported the internal diversity and equity network and activities to promote awareness of diversity and equity issues.

## Indigenous employment

The Department's commitment to recruiting and retaining Indigenous employees is being realised through the development and implementation of the Indigenous Employment Strategy and Indigenous Workforce Action Plan.

The Indigenous Employment Strategy aims to offer more employment opportunities for Indigenous people and to retain Indigenous employees who have been recruited.

The Department continues to recruit entry-level Indigenous employees through the APSC and the Department of Education, Employment and Workplace Relations Indigenous recruitment initiatives. In 2007–08, the Department recruited three trainees and one cadet.

The Department supported, for the third year, the Indigenous Professional Development Network, which provides an important forum for the Department's Indigenous employees to contribute to agency directions (particularly in relation to the Indigenous Employment Strategy), and to support Indigenous employees in achieving personal and organisational goals.

The network is made up of Indigenous employees from across the Department. In 2007–08, all network members participated in a two-day conference that focused on improving communication and team-building skills, establishing and using networks, and enhancing leadership capability. The Department is committed to improving and expanding the network in 2008–09 by undertaking a review and developing a 12-month action plan.

Table 6.7 shows the trends in the diversity of the Department's workforce over five years.

**Table 6.7 Trends in workforce diversity, 2003–04 to 2007–08**

	2003–04	2004–05	2005–06	2006–07	2007–08
Women	409	527	584	582	555
People from non-English speaking backgrounds	112	119	156	168	175
People with a disability	13	21	23	30	21
Indigenous people	3	4	11 <sup>a</sup>	12 <sup>a</sup>	11 <sup>a</sup>
All employees	901	1,154	1,285	1,289	1,247





	2003-04	2004-05	2005-06	2006-07	2007-08
Proportion of staff volunteering diversity information (%)	78	95	96	99	98

*Note:* These statistics focus on staff employed under the Public Service Act 1999. It is possible that the Department's workforce is more diverse than indicated—2 per cent of the staff sampled chose not to volunteer their personal information for 2007-08.

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

### Resolution of workplace problems

The Department has a network of workplace harassment contact officers located in Canberra and regional offices, supported by a senior executive sponsor. Employees can use the intranet-based reporting tool iReport to make reports on occupational health and safety incidents, including those involving workplace harassment, bullying and safety hazards. The Department also has appropriate mechanisms in place to address breaches of the APS Code of Conduct.

The reported incidence of bullying, harassment and breaches of the Code of Conduct remained low during 2007-08. Two cases of bullying and harassment and three cases of suspected breaches of the Code of Conduct were reported and investigated.

### Occupational health and safety

The Department is committed to promoting strategies that improve the health and wellbeing of its employees, particularly through effective and timely injury management incorporating early intervention strategies to return ill or injured employees to the workforce.

A range of occupational health and safety (OH&S) initiatives were implemented or continued in 2007-08 under the guidance of the OH&S Committee. The OH&S Committee meets quarterly and includes representatives from all business divisions, both Canberra-based and regional.

The highlight of the year was the Department's Health Week, held in mid-May 2008 for both Canberra-based and regional staff. This year, Health Week focused on a variety of areas, such as the provision of influenza injections, blood pressure and heart rate testing, blood cholesterol and glucose measurements, bone density screenings and strength and flexibility testing. A total of 264 health assessments were conducted, 168 bone density screenings were undertaken and 345 influenza injections were administered. The assessments included individual goal setting to identify and implement changes to promote a healthier lifestyle. Health and fitness issues identified during Health Week are being used to formulate ongoing employee health and wellbeing strategies.

The Department reviewed and updated a range of OH&S policies in order to comply with changes to both the *Safety Rehabilitation and Compensation Act 1988* (SRC Act) and the *Occupational Health and Safety Act 1991* (OH&S Act). The Department also commenced work on developing Health and Safety Management Arrangements as required under the OH&S Act.

During 2007-08, a total of 81 iReports were submitted by staff who reported workplace hazards (anything with the potential to cause injury) and workplace health and safety incidents. Of these, 14 eventuated in workers compensation claims which were accepted by Comcare (see Table 6.8). This represented a significant decrease in the number of claims, primarily due to changes to the SRC Act that removed compensation coverage for non-work related journeys and recess breaks.

Due to early intervention strategies and active case management, the Department reduced the total number of weeks lost from new claims through incapacity from 49.34 weeks to 8.04 weeks, with the average time off work per injury reduced from 2.15 weeks to 0.73 weeks.

The Department's Comcare premium of 1.00 per cent remained below the APS average of 1.55 per cent.



**Table 6.8 Trends in workplace health and safety**

	2003-04	2004-05	2005-06	2006-07	2007-08
<b>Proactive measures</b>					
Workplace assessments	> 60	> 150	> 250	> 150	133
Staff health assessments	144	200	329	201	264
Staff influenza vaccinations	236	341	331	298	345
<b>Wellbeing indicators</b>					
Staff using employee assistance (%)	8.4	8.20	7.34	8.33	5.51
Days of unscheduled absence per full-time equivalent employee	10.4	8.95	9.74	10.51	10.72
<b>Incident management<sup>a</sup></b>					
New claims accepted by Comcare	9	18	20	23	14
Total weeks lost from new claims through incapacity	28.86	22.65	46.13	49.34	8.04
Average time off work per injury (weeks)	3.2	1.25	2.31	2.15	0.73
Special or serious incident requiring Comcare investigation	0	0	0	0	0
Directions or notices issued to the Department under the <i>Occupational Health and Safety Act 1991</i>	0	0	0	0	0

<sup>a</sup> These figures are as advised by Comcare.







## APPENDICES

## APPENDIX A—REPORT UNDER THE ACCESS AND EQUITY STRATEGY

Australian Government departments are required to report annually on their efforts to improve the delivery of government services to Australia's diverse population. This appendix summarises the Department's performance against the Australian Government's strategy to identify and respond to issues arising from Australia's cultural diversity, to better meet client needs and to ensure equitable access to government services.

The Australian Government's Access and Equity strategy (previously titled *Accessible Government Services for All*) was adopted in 2007 to promote fairness and responsiveness in the design, delivery, monitoring and evaluation of government services in a culturally diverse society.

Government agencies provide services that support all Australians in their efforts to be self-reliant and participate fully in society. Access and equity policy enhances the level of support by ensuring that culture and language barriers are broken down as much as possible.

The Access and Equity strategy is based on the four principles of:

- Responsiveness—the extent to which programs and services are accessible, fair and responsive to the individual needs of clients;
- Communication—open and effective channels of communication with all stakeholders;
- Accountability—effective and transparent reporting and review mechanisms; and
- Leadership—a whole-of-government approach to management of issues arising from Australia's culturally and linguistically diverse society.

Each of the principles is supported by suggested strategies for its implementation. More information about the Access and Equity strategy is available from the website of the Department of Immigration and Citizenship, at <[www.immi.gov.au/about/reports/access-equity/index.htm](http://www.immi.gov.au/about/reports/access-equity/index.htm)>.

The following sections describe the Department's performance in 2007–08 in relation to the four principles and the detailed strategies.



## RESPONSIVENESS

### Description

Extent to which programs and services are accessible, fair and responsive to the individual needs of clients

### Strategy

*Developing and delivering fair programs and services that are based on a sound knowledge of the needs, circumstances and cultural and other characteristics of clients and assess the direct impact on the lives of people.*

### Initiatives and outcomes

The Remote Air Services Subsidy (RASS) scheme supported a weekly air service to 239 remote, isolated communities that otherwise would not have had access to essential air passenger transport and supplies, including medical items, fresh food and mail. The RASS scheme subsidised regular air services for remote Australians, while continuing to explore ways of improving the service in changing environments—for example, areas of growing demand, population change and cost and structure change in the aviation sector generally. Using direct consultation to gauge public satisfaction with the service, the RASS scheme gathers information that will allow improved future targeting of the types of services required for remote communities, particularly Indigenous ones, which make up approximately a third of the communities supported.

The Remote Aerodrome Inspection (RAI) program funded annual aerodrome inspections in 59 isolated Indigenous communities, as required by civil aviation legislation. The RAI program ensured the airstrips of isolated Indigenous communities met the regulatory standards, enabling air services to use them on a regular basis. The regular air services provided isolated Indigenous communities with a range of essential goods and services, such as mail, that they would not have had ready access to otherwise.

Regional Australia Impact Statements (RAIS) were included in all Cabinet submissions that were likely to have impact across Australia's regions. The purpose of a RAIS is to describe the positive or negative impact on Australia's regions of any new submission, particularly where the impact will vary by location or differ in rural and remote areas compared to metropolitan centres. Through RAIS the Department advised Australian Government agencies on the potential impacts of submissions on 317 occasions.



**Strategy**

*Drawing on cultural diversity to improve efficiency and effectiveness of agency programs and to support innovation and success of Australian enterprises.*

**Initiatives and outcomes**

A component of the Department's Reconciliation Action Plan, the Indigenous Workforce Action Plan (2006–09) identified four key areas to maximise the value of Aboriginal and Torres Strait Islander employees in the Department. These were:

- recruitment;
- retention;
- development; and
- workplace environment.

The Department continued to actively participate in Indigenous employment programs and made sustained efforts to recruit Indigenous employees through Australian Public Service (APS) programs that included Indigenous trainees, cadets and graduates. The Department tripled the numbers of Indigenous employees in the Department over the past three years, from four employees in 2005 to 12 employees in 2007, a number that was maintained in 2008.

The Department continued to support the Indigenous Professional Development Network (IPDN), a forum for Indigenous employees from across the Department, to achieve personal and organisational goals by:

- considering career and development needs as Indigenous employees;
- sharing information, networking and supporting Indigenous colleagues working in different locations across Australia; and
- advising the Department on issues relating to Indigenous employment.

The IPDN met regularly during 2007–08. Two of its members represented the Department at the inaugural National Indigenous Australian Public Employees Conference in May 2008.

Network members participated in a two-day conference that focused on improving communication and team-building skills, establishing and using networks, and enhancing leadership capability.

Approximately 52 departmental staff attended the Indigenous Cultural Awareness training program. The course was positively received as a valuable opportunity for staff to increase their awareness of Indigenous culture, identify historical and contemporary issues and develop skills in communicating with Indigenous colleagues and clients.



Strategy	Initiatives and outcomes
<p><i>Identifying and responding quickly to emerging issues affecting particular population groups or arising from Australia's cultural diversity.</i></p>	<p>The Department administered a national network of 54 Area Consultative Committees (ACCs)—non-profit, community-based organisations, funded by the Australian Government, that serve rural, regional, remote and metropolitan communities. Through the network, ACCs work with the key community stakeholders in each region, to identify development opportunities and barriers, set priorities, and develop strategies for growth. They also disseminate information on government priorities and programs for the benefit of business and the community. These roles will continue as the ACCs transition to become Regional Development Australia committees under new program arrangements.</p> <p>The Australian Social and Economic Geography (AUSEG) approach was developed for analysing the conditions of Australian regions, to provide an empirical basis for place-based policy development and for developing an understanding of the relationship between program expenditure and regional conditions. Part of this approach considers the regional economic profile of communities, including Indigenous communities. The AUSEG 2006 report is scheduled for release in October 2008.</p>

## COMMUNICATION

Description	
<p>Open and effective channels of communication with all stakeholders</p>	
Strategy	Initiatives and outcomes
<p><i>Providing information in a timely manner, in appropriate media, publications, formats and languages.</i></p>	<p>A web notification form was available online to assist members of the public to report aviation safety occurrences, at &lt;<a href="http://www.atsb.gov.au/aviation/notification/accident_notification.aspx">www.atsb.gov.au/aviation/notification/accident_notification.aspx</a>&gt;, and a 24-hour transport accident/incident notification hotline (1800 011 034) was available for reporting aviation, marine and rail safety incidents.</p> <p>The Australian Transport Safety Bureau (ATSB) continued to promote its confidential marine reporting scheme in English, Indonesian, Hindi, Chinese, Ukrainian and Filipino, enabling non-Australian crews to confidentially report safety concerns. The ATSB's safety investigation reports were posted on its website &lt;<a href="http://www.atsb.gov.au">www.atsb.gov.au</a>&gt;, and marine safety investigation reports were distributed widely in hardcopy for the benefit of foreign crew members.</p> <p>In promoting these reporting avenues the ATSB provided a means by which members of the public and foreign crews could easily report their transport safety concerns.</p> <p>The Office of Transport Security (OTS) published information in languages other than English, in both print and electronic forms, and followed all protocols when dealing with people from the Torres Strait Island area and traditional land owners.</p>



Strategy	Initiatives and outcomes
<p><i>Providing information in a timely manner, in appropriate media, publications, formats and languages. (continued)</i></p>	<p>The Department provided information on nearly 2,000 programs on the Regional Entry Point website &lt;<a href="http://www.regionalaustralia.gov.au">www.regionalaustralia.gov.au</a>&gt; and the GrantsLINK website &lt;<a href="http://www.grantslink.gov.au">www.grantslink.gov.au</a>&gt;. The Australian Government Regional Information Service (AGRIS) maintained a call centre (1800 026 222) to inform the public on a range of government programs, agencies and services for people living in rural, regional and remote Australia. A telephone interpreting service was available for non-English speaking callers.</p> <p>In 2007–08, the Regional Entry Point website received more than 3.9 million hits, the GrantsLINK website, which promoted over 180 Australian Government grants programs, received more than 9 million hits, and the AGRIS call centre responded to more than 18,000 enquiries.</p>
<p><i>Recruiting and training staff who have appropriate linguistic and cultural skills or using interpreting services, to ensure effective communication with clients.</i></p>	<p>The ATSB engaged interpretation services to assist with interviews of non-English speaking crew members, allowing more open and accurate responses from foreign crew members during interviews, ensuring that the ATSB had the best opportunity to understand the circumstances and safety issues relevant to the investigation.</p> <p>Access to an interpretation service also allowed the ATSB to translate cockpit voice recorders and the audio component of voyage data loggers, allowing investigators to gain valuable information when piecing together the sequence of events in transport-related incidents and accidents.</p> <p>The OTS also used interpreters, when communicating with non-English speaking clients and other stakeholders. Clear understanding of non-English speaking clients' needs, through the use of interpreters, enhanced the OTS's quality service provision.</p>
<p><i>Consulting appropriately with diverse communities and client groups about the development of policy, legislation and regulations, the implementation of programs, and the delivery of services.</i></p>	<p>The Australian Government Office for Women, with support from the Department, held the National Rural Women's Summit in Canberra in June 2008. The purpose of the summit was to strengthen the voice of rural women in shaping rural and regional policy. The summit brought together 82 women from rural, regional and remote areas, including Aboriginal and Torres Strait Islander women, women from culturally and linguistically diverse backgrounds and women with disabilities.</p> <p>Participants who attended the National Rural Women's Summit provided advice and recommendations to the government on issues facing Australia's rural and remote communities—for example, climate change, environment and water, women in decision making, education, health, families and children. A report detailing the outcomes of the forum is scheduled to be provided to the government in the latter half of 2008.</p> <p>The Department also provided secretariat support and other services to the Regional Women's Advisory Council, which met in September 2007. The council's role was to provide independent advice and feedback to the Australian Government on issues affecting women in regional Australia.</p>



Strategy	Initiatives and outcomes
	<p>The Regional Development Council met in August 2007 and identified a number of areas of focus, including:</p> <ul style="list-style-type: none"> <li>• regional indicators;</li> <li>• the importance of high-speed broadband to regional Australia; and</li> <li>• the difficulties faced by rural communities as a result of the impact of drought.</li> </ul> <p>The Regional Development Council provides an annual forum for collaboration and cooperation between all levels of government on issues affecting regional development. Council members include the Minister with responsibility for regional development in each jurisdiction, and a representative from the Australian Local Government Association. In 2007–08, the Minister for Infrastructure, Transport, Regional Development and Local Government acted as permanent chair of the Council, which had the role of facilitating effective cooperation across all spheres of government in order to achieve sustainable economic, social and environmental outcomes for regional Australia.</p> <p>In March 2008, the Area Consultative Committee network commenced transitioning to Regional Development Australia (RDA) committees. The committees have been asked to consult with their local communities to advise the government on ways to improve engagement of regional communities, regional development organisations and local government with the Australian Government.</p>

## ACCOUNTABILITY

Description	
Effective and transparent reporting and review mechanisms	
Strategy	Initiatives and outcomes
<p><i>Establishing mechanisms to encourage feedback from people of all cultural backgrounds and allow them to register complaints.</i></p>	<p>The ATSB actively encouraged individuals or organisations that were directly involved in a transport safety occurrence, or may have influenced the circumstances that led to an occurrence, and whose reputations were likely to be detrimentally affected following the release of the investigation report, to provide feedback on draft investigation reports. The ATSB provided copies of each draft safety investigation report to involved parties, giving them the opportunity to provide evidence of factual inaccuracies or omissions in the report.</p> <p>Through the process of encouraging feedback from individuals or organisations involved in a transport safety investigation, the ATSB provided a means of gaining fresh evidence from affected parties. Consequently, the majority of investigation reports were improved and enhanced through the submission process. By upholding this degree of feedback and review the Bureau could provide a more balanced and accurate account of the particular accident or incident.</p>





Strategy	Initiatives and outcomes
<p><i>Establishing mechanisms to encourage feedback from people of all cultural backgrounds and allow them to register complaints. (continued)</i></p>	<p>Unsuccessful applicants for services under the RASS Scheme, who lacked eligibility under the standard criteria, were able to make a case to the Minister for further consideration of special circumstances relating to specific local issues.</p>
<p><i>Responding to concerns raised by clients, to improve agencies' performance.</i></p>	<p>The Department provided transparent reporting and review mechanisms to people of all cultural backgrounds, including members of the public, clients and staff. The Department's Client Service Charter invites members of the public to telephone, email or write to the Department if they are unhappy with the service they have received.</p> <p>Members of the public had access to the Client Service Charter via 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;. The website outlines the Department's responsibilities and service standards, and provides contact information relating to specialist areas of the Department and other portfolio agencies. The Department continued to disseminate the charter to key stakeholders in 2007–08, and maintained complaints management systems within the Department.</p> <p>By upholding the Client Service Charter, the Department remained committed to investigating complaints and to providing speedy remedies if the Department was found to be at fault.</p>



## LEADERSHIP

Description	
<p>A whole-of-government approach to management of issues arising from Australia's culturally and linguistically diverse society</p>	
Strategy	Initiatives and outcomes
<p><i>Collaborating within and between agencies to address cultural diversity issues through publicising good practices, sharing information, coordinating programs or collaborating on projects.</i></p>	<p>The Department developed the Indigenous Workforce Action Plan (2006–09) to further the Department's commitment to:</p> <ul style="list-style-type: none"> <li>• increase the number of Indigenous people in the Department to a level more reflective of the broader APS and the community that we serve; and</li> <li>• improve the quality of working life for Indigenous employees in the Department.</li> </ul> <p>The Department also developed a Reconciliation Action Plan (RAP) which sets out three components of the Department's approach to its responsibilities for Indigenous issues:</p> <ul style="list-style-type: none"> <li>• to improve Indigenous employment levels in the Department;</li> <li>• to develop and maintain a positive workplace culture and environment; and</li> <li>• to implement departmental program and policy initiatives that contribute to improving quality of life for Indigenous Australians.</li> </ul>



## Strategy

## Initiatives and outcomes

The RAP was reviewed in June 2008, and a report was provided to Reconciliation Australia. The review found that the Department was on track to achieve the commitments in the RAP.

Achieved targets included the establishment of the Indigenous Policy Unit, support for the Council of Australian Governments trial of service delivery mechanisms in the East Kimberley, and involvement in the whole-of-government approach to Indigenous affairs.

In July 2007 the Department celebrated NAIDOC Week with a range of high-profile speakers and events to celebrate the history, culture and achievements of Aboriginal and Torres Strait Islander people.

Attendance at cross-cultural awareness training was included in the performance agreements of all staff working with, or developing services for, Indigenous employees or members of the wider Indigenous community. Approximately 42 staff members working in divisions dealing with Indigenous policy and programs attended cross-cultural awareness training in 2007–08.

The Department provided sponsorship for youth activities through Heywire, a leadership program for rural and regional young people. In February 2008, 35 winners of the 2007 Heywire program attended the Heywire Youth Issues Forum held in Canberra. The Heywire initiative brings together a motivated group of young people, helping them build the skills they will need to continue voicing their ideas and opinions in the future.

*Working with state/territory/local governments, non-government and community organisations, and contractors, raising awareness of their responsibilities and encouraging improvement in responses to cultural diversity.*

The OTS consulted with other service providers and different levels of government to ensure coordination of services appropriate to clients' needs. Where appropriate, the OTS included people from diverse linguistic and cultural backgrounds in decision-making and advisory bodies, so that a broad range of views could be brought to bear on some key decisions.

The Department continued to manage the National Awards for Local Government, which recognise and promote local governments' achievements in improving services to their communities. The awards highlighted council projects that showcased innovation and best practices in their chosen categories, and will enable other councils to adapt these practices to their local areas and launch similar initiatives.

The winners of the 2007 National Awards for Local Government were announced early in 2008. Awards were provided in 15 categories, including increasing women's participation in local government, strengthening Indigenous communities, planning for an ageing community, youth engagement, and community participation and partnership. The awards were publicised in national print publications and on the Department's website at <[www.infrastructure.gov.au/local/awards/index.aspx](http://www.infrastructure.gov.au/local/awards/index.aspx)>.



## APPENDIX B—ACTIVITIES OF THE BUREAU OF INFRASTRUCTURE, TRANSPORT AND REGIONAL ECONOMICS

This appendix provides an overview of the activities of the Bureau of Infrastructure, Transport and Regional Economics in 2007–08.

### Overview

In accordance with new departmental responsibilities, the Department's Bureau of Transport and Regional Economics became the Bureau of Infrastructure, Transport and Regional Economics (BITRE) in January 2008.

BITRE provides economic analysis, research and statistics on infrastructure and transport issues and issues affecting regional Australia, for the purpose of informing both Australian Government policy development and wider community understanding. Dissemination of the results of BITRE research and analysis contributes to better informed public debate on infrastructure, transport and regional services issues.

BITRE's annual research, analysis and statistics program is developed in the Department's business planning cycle and is available from the BITRE website <[www.bitre.gov.au](http://www.bitre.gov.au)>.

BITRE also includes the Department's Climate Change Task Force, which leads the portfolio's engagement with the government's climate change policy agenda.

### Research

Among its research activities during 2007–08, BITRE:

- completed (for publication in 2008–09) updated long-term traffic projections for the AusLink network, to inform infrastructure planning, and a review of international experience of congestion charging;
- progressed a range of projects, including an evaluation of the national AusLink Black Spot Projects program and an analysis of differences in the costs of living in Australia's regions;
- participated in the Treasury's modelling of the economic impact of emissions-trading policy scenarios;
- commenced a project to provide updated estimates of the economic costs of road crashes; and
- undertook a review of the freight rate parameters underpinning the Tasmanian Freight Equalisation Scheme, as part of the government's consideration of possible reforms in a 2006 Productivity Commission report.

Research publications in 2007–08 included *Air passenger movements through capital city airports to 2025–26*, which presents the growth outlook for Australia's major airports; and *Air transport services in regional Australia—trends and access*, which provides comprehensive analyses of regional aviation trends over 20 years and the accessibility of air services in regional Australia.

### Statistics

BITRE holds unique collections of data on aviation, maritime and, incipiently, land transport, which are made available in a number of publications series.

In 2007–08, BITRE collaborated with the Australian Bureau of Statistics (ABS) in a review of Australia's transport statistical needs. In a wide-ranging assessment, the review identified an important gap in the regular collection of national road freight activity data. The review report was circulated to the ABS's Australian Transport Statistics Network and has informed development of the strategic research and technology stream of the Australian Government's national transport strategy.



In March 2008, BITRE released *Australian transport statistics yearbook 2007*, the first of a new series of annual compendiums of transport statistics and trends. The compendium encompasses all modes of transport and includes chapters on transport and the economy, safety, and energy and the environment. Other major statistical publications in 2007–08 included: *Avline 11 and 12*, providing a diagnostic view of the Australian air transport sector; *Waterline 42 and 43*, detailing wharfside and landside container port performance; *Australian intercapital rail freight performance indicators 2006–07*; *Australian sea freight 2006–07*; and *About Australia's regions 2008*.

BITRE issued 44 web-based releases of aviation statistics covering domestic and international aviation activity, general aviation activity and domestic on-time performance.

## Publications

Table B.1 provides a comprehensive listing of BITRE's major 2007–08 publications, all of which are available as free downloads from the website <www.bitre.gov.au>. The table also notes how the publications contribute to the Australian Government's national research priorities. Information on these priorities can be found at the Department of Education, Employment and Workplace Relations website <www.dest.gov.au>.

**Table B.1 Bureau of Infrastructure, Transport and Regional Economics publications, 2007–08**

	Issue	Title
Reports	115	<i>Air transport services in regional Australia: trends and access.</i> <sup>a</sup>
Working papers	70.2	<i>E4-post economic evaluation of National Highway projects, case study 2: Northam Bypass.</i> <sup>b</sup>
	72	<i>Air passenger movements through capital city airports to 2025–26.</i> <sup>a</sup>
Information papers	60	<i>Australian sea freight 2005–06.</i> <sup>b</sup>
	61	<i>Australian sea freight 2006–07.</i> <sup>b</sup>
	62	<i>Australian intercapital rail freight performance indicators 2006–07.</i> <sup>b</sup>
Information sheets	27	Public road-related expenditure and revenue in Australia (2008 update). <sup>b</sup>
Aviation statistics	Monthly	Airline on time performance.
		International scheduled air transport.
		Australian domestic airline activity.
	Annual	Airline on time performance.
		International scheduled air transport.
		Australian domestic airline activity.
		Airport traffic data 1997–98 to 2006–07.
		General aviation 2006.



Table B.1 continued.

	Issue	Title
Other major publications	10, 11	<i>Avline</i> . <sup>b</sup>
	42, 43	<i>Waterline</i> . <sup>b</sup>
		<i>About Australia's regions 2007</i> . <sup>b</sup>
		<i>Australian transport statistics 2007</i> . <sup>b</sup>
		<i>Australian transport statistics 2008</i> . <sup>b</sup>
		<i>About Australia's regions 2008</i> . <sup>b</sup>
		Bass Strait Passenger Vehicle Equalisation Scheme BITRE Monitoring Report No. 10 2005–06.
		<i>Regional economic growth—BITRE's taxable income database (web only)</i> .
<i>Australian transport statistics yearbook 2007</i> . <sup>b</sup>		

*a* Contributes to National Research Priority 2—Promoting and maintaining good health.

*b* Contributes to National Research Priority 4—Safeguarding Australia.

## Conferences and workshops

As part of BITRE's engagement with its stakeholders, the eighth BITRE Transport Colloquium, on the theme 'Australian Transport—Building Capacity and Competitiveness', was held at Parliament House, Canberra, in June 2008. Approximately 200 delegates took part in a program which covered topics such as transport infrastructure challenges, coping with growth in Australian aviation, climate change and international transport, and transport security. The keynote speaker was Professor Kenneth Button, from the George Mason University in the United States, who provided an international perspective on aviation as a key driver of economic growth and development.

Also in June 2008, BITRE hosted the third Regional Perspectives conference at Parliament House, Canberra, on the theme 'Understanding Sustainable Regions'. For approximately 160 delegates, the conference highlighted a number of issues affecting sustainability issues in regional Australia, including income support, household wealth, structural adjustment and adaptation to climate change. Professor Philip McCann, from the University of Waikato in New Zealand, gave a keynote address on 'Globalisation, knowledge and regions'.

Speaker presentations for both conferences can be viewed and downloaded from BITRE's website.

BITRE also hosted an urban transport modelling workshop in March 2008, in collaboration with Australian Government and state and territory government officials responsible for the Council of Australian Governments agenda to address urban congestion.

BITRE staff members gave a total of 20 presentations at a range of other seminars, conferences and government and community meetings.



## International engagement

BITRE leads Australia's engagement with the International Transport Forum (ITF), part of the Organisation for Economic Cooperation and Development (OECD) family of organisations. The ITF was established out of the European Conference of Ministers of Transport as a global platform for transport, logistics and mobility issues.

In May 2008, an Australian delegation, led by the Secretary of the Department, attended the inaugural ITF meeting, held in Leipzig, Germany, on the theme of 'Transport and Energy: the Challenge of Climate Change'. In total, almost 900 participants from 53 countries attended the forum. BITRE was also engaged in the early development of the 2009 ITF meeting on 'Globalisation and Transport'. Australia will co-chair the 2009 meeting with the United Kingdom.

BITRE also collaborates with the Joint OECD-ITF Transport Research Centre (JTTC) and with other JTTC members on research areas of relevance to transport and infrastructure policy in Australia. In 2007-08, a senior BITRE researcher chaired a JTTC Round Table on the theme of 'Biofuels: Linking Support to Performance' and assisted in developing the resulting discussion paper, which is available at [www.internationaltransportforum.org/jttrc/DiscussionPapers/DP200807.pdf](http://www.internationaltransportforum.org/jttrc/DiscussionPapers/DP200807.pdf).

## Climate Change Task Force

In March 2008 the Climate Change Task Force was established as part of BITRE. The task force leads the portfolio's engagement with the Australian Government's climate change policy agenda. The task force participated in whole-of-government development of policy for the future carbon pollution reduction scheme and in development of related climate change policy directions.



## CASE STUDY – THE THIRD REGIONAL PERSPECTIVES CONFERENCE, ‘UNDERSTANDING SUSTAINABLE REGIONS’

Understanding the social and economic dynamics in Australia’s regions is an essential starting point for progressing regional sustainability.

To increase understanding through open discussion and knowledge sharing between groups with an interest in regional Australia, the Bureau of Infrastructure, Transport and Regional Economics (BITRE) held its third Regional Perspectives conference at Parliament House, Canberra, on 17 June 2008.

The conference provided a forum for the latest research on Australia’s regions and aired issues vital to regional wellbeing and sustainability. Delegates included government officers, academics and regional practitioners.

The keynote speaker, Professor Philip McCann from the University of Waikato, New Zealand, talked about Australia’s need to facilitate knowledge transactions between cities and surrounding regions to compete in the knowledge-focused global economy.

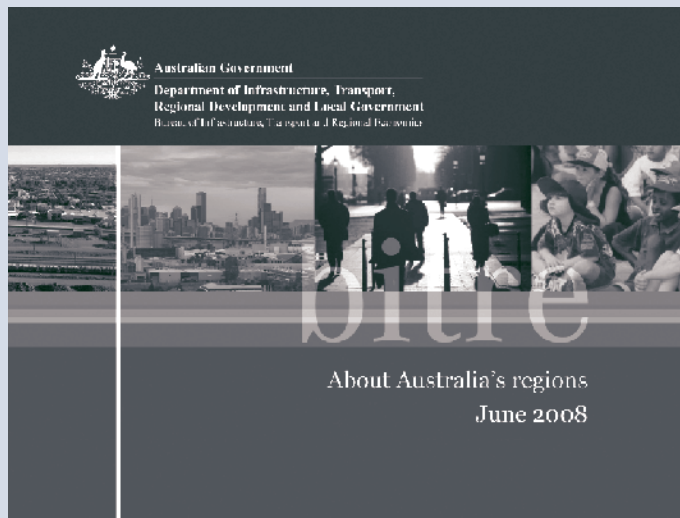
The Hon Gary Gray AO MP, Parliamentary Secretary for Regional Development and Northern Australia, addressed the delegates, launching BITRE’s annual *About Australia’s regions* booklet, an accessible introduction to social, economic and environmental statistics for Australia’s regions. The Parliamentary Secretary encouraged the attendees, particularly those from Northern Australia, to engage with government.

BITRE presented findings from several current regional research projects, in areas such as income support, household wealth and the costs of remoteness. Other topics discussed at the conference included social inclusion, remote Australia’s two-speed economy, resource sector engagement in the Pilbara, structural adjustment in the farm sector, perspectives from primary producers on climate change and adaptation, and community recovery from disaster.

The latest BITRE research findings, including *About Australia’s regions* June 2008, can be found on the BITRE website <[www.bitre.gov.au](http://www.bitre.gov.au)>.



APPENDIX B



Cover of the *About Australia’s regions* booklet (Image DIIRDLG)

# APPENDIX C—DEPARTMENTAL 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 – January 2005 – 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.

Responsibility for procurement is devolved to individual business divisions. The Department supports the decentralised approach to 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, CEIs and tendering processes. Standard tendering and contracting documentation has also been developed to ensure consistent procurement practices are undertaken.

As part of these arrangements, in 2007–08 we published details on AusTender of:

- a procurement plan providing details of expected procurements for 2007–08 <[www.tenders.gov.au](http://www.tenders.gov.au)>;
- details of publicly available procurement opportunities with a value of \$10,000 or more <[www.tenders.gov.au](http://www.tenders.gov.au)>; and
- details of all contracts, standing offers and consultancies awarded with a value of \$10,000 or more <[www.tenders.gov.au](http://www.tenders.gov.au)>.

We also published on our website <[www.infrastructure.gov.au/department/contracts](http://www.infrastructure.gov.au/department/contracts)> details of all contracts with a value of \$100,000 or more entered into or active during the previous 12 months, as required by Senate Order 192.

Requests for access to contracts are considered in line with the *Freedom of Information Act 1982*. For more information on freedom of information, see Appendix F.

Note: While some contracts involve a fixed price, the value of others depends on the level of demand for the goods or services involved. In these cases, we report the best available estimate of the value of the contract based on expenditure to date and likely demand over the remainder of the contract. All values shown include goods and services tax unless otherwise noted.



## 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 2007-08, 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 2007–08.

### Management of leased airports

Private contractors provide airport building control and parking control services at federal airports. After an open tender in 2004–05, eight contracts for building control services were let for an initial term of four years from 1 July 2005. Parking control services are contracted out to airport lessee companies annually for parking at eight airports. 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

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. This 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 31 December 2008.

### Aerodrome inspection services for remote Indigenous communities

The RAI Program is a small program to conduct annual safety inspections of, and provide technical advice to 58 aerodromes supporting remote Indigenous communities in Northern Australia above the 19th parallel. These 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 (CASA) standards. These services are contracted to an appropriately qualified service provider.

In July 2005 the Department used an open tender process to identify a new service provider for the program.

### Australian Government Regional Information Service

The Freecall 1800 Call Centre for the Australian Government Regional Information Service (AGRIS) is currently contracted to Cooma Monaro Technology Centre Ltd. A 30-month contract commenced on 1 June 2007 and will run until 31 November 2009. There is an option for the Department to negotiate to extend the contract for two further one-year periods if desired.





## Corporate activities

The Department has conducted detailed analyses of our 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 (ICT) services;
- professional services; and
- property and office services.

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

## ICT services

Desktop, help desk and related information technology services were contracted to ASG Group Ltd after an open tender. The contract took effect from 1 July 2008 and has an initial term of four years with an extension option of four years.

Wide area network and voice communication services were contracted to Optus Networks Pty Ltd after a select tender. In June 2008 the Department exercised an option to extend the contract.

A panel of ICT service providers was set up in 2004–05 after an open tender process. This panel gives access to specialist project management, software development and information technology security services as needed. A new tender process will be conducted prior to the end of December 2008 when the current arrangement expires.

## Professional services

The Department has established several panels of professional services providers. We use the panels when we do not have sufficient capacity or specialist expertise. The panels are subject to regular review.

Panels cover:

- communication services;
- legal services;
- financial advisory services and accountancy services;
- SAP services; and
- recruitment services.

Internal audit services were contracted to KPMG after a tender process. The contract was signed on 23 July 2007 and has an initial term of three years. There is also an option to extend the contract for a further two years.

## Other services

Property and security services were contracted to United Group Service Pty Ltd after a select tender. This contract was signed on 11 December 2002. It had an initial term of five years, with an option for two 2-year extensions. The Department has exercised its extension options and the contract will run until December 2009.

Travel services were contracted to HRG after a select tender process; the arrangement commenced in September 2007 for a period of three years.

After a select tender process, Converga was awarded two contracts, one for records and file management, the other for mail distribution and dispatch services. These contracts came into effect from 30 April 2008; both have an initial term of three years, with an option for one 3-year extension.

Graduate relocation services were contracted to Toll Transport Ltd, following an open tender process. The contract was signed on 9 January 2006 for an initial term of one year, with three further options to extend for one year.



## 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 Department's Chief Executive's Instructions and the *Infrastructure Procurement Manual*.

In 2007-08, the Department engaged 172 new consultancies involving expenditure of \$4.9 million. The Department continued to use 16 consultancies engaged in prior years, involving a further expenditure of \$1.4 million.

As per section 12(6) of the *JCPAA Requirements for Annual Reports* (18 June 2008), agencies are required to provide specific details on consultancy contracts and any competitive tendering and contracting undertaken. Details of consultancies valued at \$10,000 or more let in 2007–08 are available as a supplement to the online version of this annual report <[www.infrastructure.gov.au/departments/annual\\_report/index.aspx](http://www.infrastructure.gov.au/departments/annual_report/index.aspx)>. Information on expenditure on contracts and consultancies is also available on the AusTender website <[www.tenders.gov.au](http://www.tenders.gov.au)>.

**Figure C.1 Trends in procurement**

	2003-04	2004-05	2005-06	2006-07	2007-08
<b>Purchasing outcomes</b>					
Invoices paid within 30 days	95.1 %	96.7 %	97.0 %	97.0 %	97.5 %
<b>Consultancies</b>					
<b>All consultancies, including consultancies let in previous years</b>					
Total expenditure	\$4.0m	\$7.6m	\$10.9m	\$8.3m	\$6.3m
<b>New consultancies valued at \$10,000 or more</b>					
Number let	54	129	113	92	68
Total value over the life of these contracts	\$3.7m	\$8.5m	\$8.9m	\$6.9m	\$4.8m
<b>Advertising and market research payments<sup>a</sup></b>					
Creative advertising	\$0.4m	\$0.6m	\$0.15m	\$0.1m	\$0.3m
Market research/polling	\$0.4m	\$0.2m	\$0.02m	\$0.3m	\$0.1m
Direct mail	\$0.0m	\$0.4m	\$0.02m	\$0.1m	\$0.0m
Media advertising recruitment <sup>b</sup>	\$0.8m	\$3.1m	\$1.07m	\$0.8m	\$1.1m
Media advertising non-recruitment			\$0.71m	\$1.2m	\$0.1m
<b>Total payments</b>	<b>\$1.7m</b>	<b>\$4.3m</b>	<b>\$1.97m</b>	<b>\$2.5m</b>	<b>\$1.5m</b>

*a* Payments have been rounded to \$0.0 where payments were less than \$50,000. Discrepancies in table between totals and sums of components are due to rounding. Also for previous years this total did not include payments below the reportable threshold which for 2005–06 was \$1,500. All payments are inclusive of GST.

*b* In previous years all media recruitment and non-recruitment was reported as a combined figure.



## Payments for advertising and market research

In 2007–08, the Department paid \$1.5 million for market research and advertising. Table C.2 lists payments of \$10,500 or more made during the financial year, as required by section 311A of the *Commonwealth Electoral Act 1918*.

**Table C.2** Detail of advertising and market research payments of \$10,500 or more

Creative advertising agencies <sup>a</sup>		
Firm	Service provided	Payment made in 2007–08 (\$)
Universal McCann	Targeted advertising for the Green Vehicle Guide	260,946
Other	Various	14,074
<b>Total creative advertising</b>		<b>275,020</b>
Market research/polling <sup>a</sup>		
Firm	Service provided	Payment made in 2007–08 (\$)
Colmar Brunton Social Research Pty Ltd	Airport Screening Review Research	79,612
Other	Various	2,343
<b>Total market research</b>		<b>81,955</b>



Table C.2 continued.

<b>Media advertising organisations-recruitment<sup>a</sup></b>		
<b>Firm</b>	<b>Service provided</b>	<b>Payment made in 2007–08 (\$)</b>
<b>Recruitment advertising</b>		
hma Blaze Pty Ltd	Recruitment advertising	998,261
Hobsons Australia Pty Ltd	Recruitment advertising (graduates)	17,930
Graduate Careers Australia Ltd	Recruitment advertising (graduates)	14,366
Unimail Pty Ltd	Recruitment advertising (graduates)	10,714
hma Blaze Pty Ltd	Recruitment advertising (graduates)	10,395
Other	Recruitment advertising (graduates)	16,561
<b>Total recruitment advertising</b>		<b>1,068,227</b>
<b>Media advertising organisations-non-recruitment<sup>a</sup></b>		
<b>Firm</b>	<b>Service provided</b>	<b>Payment made in 2007–08 (\$)</b>
<b>Non-recruitment advertising</b>		
hma Blaze Pty Ltd	Advertising for the National Awards for Local Government (NALG)	15,107
Eryl Morgan Publications Pty Ltd	Advertising for the National Awards for Local Government (NALG)	16,600
Attorney-General's Department	Aviation Instruments gazettal	24,387
Attorney-General's Department	Coastal Trade Permits gazettal	24,492
Other	Various	21,337
<b>Total non-recruitment advertising</b>		<b>101,923</b>
<b>Total media advertising organisations</b>		<b>1,170,150</b>

<sup>a</sup> Where payments have been made to firms that do not reach the \$10,500 reporting threshold for 2007–08, those payments have been included under the category 'Other'.



## APPENDIX D—REPORT UNDER THE COMMONWEALTH DISABILITY STRATEGY

The Department is required to report on its performance against the framework of the Commonwealth Disability Strategy (CDS). Its progress in implementing the CDS in 2007–08 is summarised in this appendix.

The Australian Government's desired outcome for people with disabilities is full inclusion in all aspects of community life. Nearly one in five Australians has a disability, and the government is committed to widening their opportunities for independence, access and participation.

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. The strategy was the product of consultation with people with disabilities, their supporters, representatives of the wider community and Australian Government organisations.

The CDS reporting framework is built around a number of key roles—policy adviser, regulator, purchaser and provider—performed by Australian Government agencies. From July 2007, agencies ceased to report on their employer role under the CDS in their annual reports; this role will be reported on through the Australian Public Service Commission's State of the Service agency survey.

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

The following sections describe the Department's performance in 2007–08 in relation to the performance indicators set out in the CDS for the roles of policy adviser, regulator, purchaser and provider.

### POLICY ADVISER

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 2007–08 and goals and actions for 2008–09
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*New or revised policy/ program proposals assess impact on the lives of people with disabilities prior to decision.*

**Results**

The Department seeks to consult directly with clients, their representatives and other stakeholders when developing its policies and programs.

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.

The first five-year review of the efficiency and effectiveness of the *Disability Standards for Accessible Public Transport 2002* progressed in 2007–08, with the Department engaging a consultant to commence the review. Consultation opportunities for people with disabilities, their representatives and other stakeholders included:

- public hearings;
- a call for submissions on the issues paper;
- the release of a draft report for public comment; and
- an invitation to make written comments on the draft report.

The consultant also maintained a dedicated, accessible website <[www.ddatransportreview.com.au](http://www.ddatransportreview.com.au)>.

**Goals and actions**

The Department expects to finalise the review of the *Disability Standards for Accessible Public Transport 2002* and, if required, to implement actions arising from the government’s response to the review.

**Results**

During 2007–08 any new policy proposals presented by the Department to the Minister were required to describe their likely impact on the whole community, including people with disabilities, where applicable. Consultation forums, through which the specific needs of people with disabilities could be considered, included:

- the Accessible Public Transport National Advisory Committee (APTAC); and
- the Accessible Public Transport Jurisdictional Committee, established to coordinate government positions on issues raised by the Disability Standards for Accessible Public Transport 2002 and APTAC.

The Department also consulted peak bodies directly when developing policies and programs and established or maintained contact with more than 200 different groups, as listed in Appendix F of this report.

*People with disabilities are included in consultation about new or revised policy/program proposals.*



Performance indicator	Results for 2007–08 and goals and actions for 2008–09
<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>	<p><b>Goals and actions</b></p> <p>The Department will continue to consult widely with interested groups in formulating or revising policy and programs.</p> <p><b>Results</b></p> <p>In 2007–08 the Department communicated new government policies and programs, including those that addressed disability issues, for example 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 &lt;<a href="http://www.grantslink.gov.au">www.grantslink.gov.au</a>&gt;. GrantsLINK promoted over 180 Australian Government grants programs and received more than nine million hits during 2007–08;</li> <li>• answering more than 18,000 enquiries from people seeking information about government services through more than 15,000 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>• maintaining the Regional Entry Point website &lt;<a href="http://www.regionalaustralia.gov.au">www.regionalaustralia.gov.au</a>&gt;, which provides information about regional government programs and services; and</li> <li>• using plain English in its guidance materials.</li> </ul> <p><b>Goals and actions</b></p> <p>The Department will maintain and improve access to accurate and timely program information, through its websites and documentation.</p>



## REGULATOR

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>In 2007–08, 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>• 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> <p>The Department's regulatory responsibilities in relation to the administration of Australian territories and natural disaster relief were transferred to the Attorney-General's Department in December 2007.</p>

Performance indicator	Results for 2007–08 and goals and actions for 2008–09
<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 and 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 is publicly available in hardcopy upon request and on the departmental website.</li> </ul>





Performance indicator	Results for 2007–08 and goals and actions for 2008–09
	<p>During 2007–08 the Department commenced making improvements to its main website that will enhance accessibility for a range of users, including clients with disabilities. The improvements will consist of cleaner code, utilising style sheets which lead to smaller page sizes with greater flexibility to adjust font sizes for clients with vision impairments. The improvements will also allow access by various assistive technologies commonly used by people 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. The improvements to the departmental website will be extended to most of the Department's publicly accessible online content.</p>

## PURCHASER

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>In 2007–08 the Department administered grants, subsidies and other payments on behalf of the Australian Government totalling \$5.2 billion. These 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 also purchased a range of goods and services costing \$99.0 million in supplier expenses.</p>



**Performance indicator**      **Results for 2007–08 and goals and actions for 2008–09**

*Publicly available information on agreed purchasing specifications is available in accessible formats for people with disabilities.*

**Results**

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 <www.finance.gov.au> and <www.tenders.gov.au>.

*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.*

**Results**

The Department consulted with stakeholders, including, where applicable, people with disabilities, when managing tenders, contracts and grants.

**Goals and actions**

The Department will continue to adopt a consultative approach when purchasing goods and services with a direct impact on the lives of people with disabilities.

*Purchasing specifications and contract requirements for the purchase of goods and services are consistent with the requirements of the Disability Discrimination Act 1992.*

**Results**

All departmental contracts issued in 2007–08 were based on templates which included standard clauses relating to people with disabilities.

All suppliers who received payments from the Department were required to comply with relevant state and Commonwealth laws, including the *Disability Discrimination Act 1992*, the *Racial Discrimination Act 1975*, and the *Sex Discrimination Act 1984*.

**Goals and actions**

The Department will continue to ensure the requirements of the *Disability Discrimination Act 1992* are reflected in its purchasing specifications and contracts.

*Publicly available performance reporting against the purchase contract specifications requested in accessible formats for people with disabilities is provided.*

**Results**

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 and/or the Regional Entry Point website, and through the Australian Government Regional Information Directory. A toll-free call centre (1800 026 222) also provided information and a referral service.

The Department's annual report, which includes information on purchasing and the use of contracts, was made available for download from the website in both PDF and HTML formats and provided in hardcopy on request.

**Goals and actions**

The Department will continue to make all publicly available specifications and performance information accessible online, and to provide an information and referral service through the toll-free call centre. Improvements to the Department's website will make online information more accessible by allowing the use of assistive technologies.



Performance indicator	Results for 2007–08 and goals and actions for 2008–09
<p><i>Complaints/grievance mechanisms, including access to external mechanisms, in place to address concerns raised about the providers' performance.</i></p>	<p><b>Results</b></p> <p>The Department recognises that, regardless of whether 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 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 Centre, 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 2007–08.</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>



## PROVIDER

Description	Departmental perspective
<i>Providers deliver the services they have been contracted to provide under specified conditions.</i>	During 2007–08 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.

Performance indicator	Results for 2007–08 and goals and actions for 2008–09
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*Providers have established mechanisms for quality improvement and assurance.*

### Results

The Department reviews its guidelines and procedure manuals regularly, and uses a client service charter to explain how feedback can be provided.

The Department gathers feedback regarding its activities through the following main mechanisms:

- client surveys, where the service recipient could be identified, such as surveys involving households affected by airport noise amelioration programs;
- formal evaluations of programs, usually conducted on a three-year to five-year cycle; and
- reports submitted by the parties receiving funding, either on an agreed regular basis, or when projects passed key milestones.

### Goals and actions

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.

### Results

During 2007–08 the Department's Client Service Charter was available in printed format and available on the website at <[www.infrastructure.gov.au/departments/about/charter.aspx](http://www.infrastructure.gov.au/departments/about/charter.aspx)>. 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.

### Goals and actions

The Client Service Charter will be updated in 2008–09 to ensure it remains current and effective. As the Department's website is the most popular means of accessing the charter, the planned improvements to the website will help to ensure that all clients are able to access and understand the Department's commitment to service.

*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.*



Performance indicator	Results for 2007–08 and goals and actions for 2008–09
<p><i>Complaints/grievance mechanism, including access to external mechanisms, in place to address issues and concerns raised about performance.</i></p>	<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 Centre, 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 &lt;clientservice@infrastructure.gov.au.&gt;</li> </ul> <p>Clients are able to access external mechanisms such as the Commonwealth Ombudsman, the Human Rights and Equal Opportunity Commission (HREOC) or the Administrative Appeals Tribunal, if they are not satisfied with the Department's handling of a matter.</p> <p>One complaint was lodged and resolved with HREOC in 2007–08. The downward trend in complaints to the Commonwealth Ombudsman continued, with a 14 per cent decrease from 41 in 2006–07 to 35 in 2007–08.</p> <p><b>Goals and actions</b></p> <p>The Client Service Charter will be updated in 2008–09 to ensure it remains current and directs people with concerns about the work of the Department, or the level of service it has provided, to the most appropriate, responsive channels.</p>



## APPENDIX E—REPORT ON ECOLOGICALLY SUSTAINABLE DEVELOPMENT

Chapter 1 ('Year in Review') briefly commented on the Department's environmental performance during 2007–08. This appendix expands on that summary and reports on our 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 total life quality, in the short term and the long term.

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

- how our activities accord with the five principles of ESD identified in the Act (that is, the integration, precautionary, intergenerational, biodiversity and valuation principles);
- how we administer legislation in accordance with the ESD principles;
- how the outcomes we work towards, and are appropriated resources against, contribute to ESD;
- how our activities affect the environment and how we minimise harm to it; and
- how we review and increase the effectiveness of measures to minimise harm.

### How our activities accord with ESD principles

The Department's awareness of and response to environmental issues, and its contribution to positive environmental management, have increased over the past few years. The Department undertakes a range of activities, from corporate initiatives to departmental policies, programs and procedures, in accordance with ESD principles. The following sections provide examples of how the Department implemented each of the five ESD principles in 2007–08.

#### The integration principle

To integrate both long-term and short-term environmental, social, economic and equitable considerations into decision making, the Department:

- through the Infrastructure Investment Division, worked in partnership with state and territory transport agencies to develop the AusLink 2 funding program. States and territories were required to prepare project proposal reports that considered environmental, congestion, safety and amenity issues, as well as economic, market and infrastructure considerations. In developing and approving infrastructure investments, the Department views the environment as an essential factor, the community as a key stakeholder and feedback as an important means of measuring performance.
- through the Aviation and Airports Division:
  - assessed the environmental, social, and economic impacts of all master plans, major development plans and Airport Environment Strategies (AES) which airport lessee companies were required, by the *Airports Act 1996*, to prepare and submit to the Minister for approval. The Department provided advice to the Minister on the extent to which these documents met the requirements of legislation, including assessment of environmental impacts and plans for dealing with them. The Department also continued to review the Airports (Environment Protection) Regulations 1997 to ensure an enhanced focus on ESD;
  - continued to develop software to assist airports and communities to monitor and manage the environmental impacts of aircraft noise. In January 2008 David Southgate from the Department received a Public Service Medal in the Australia Day Honours list, for his contribution to the management of sensitive aviation environment issues, including his role in the development of the Transparent Noise Information Package software. The software (available on the Department's website) enables communities to access easily understood information on aircraft operations and has been adopted by key airports in Europe and the United States. In 2007–08 the Department also commenced working on a software tool to calculate aircraft emissions;



- organised and hosted two Asia–Pacific Economic Cooperation (APEC) seminars on aviation emissions, in Singapore (August 2007) and Malaysia (April 2008). Interest generated by the workshops led to the establishment of an Aviation Emissions Task Force under the APEC Transportation Working Group (refer Case Study: ‘APEC Aviation Emissions Taskforce’ page 147), which brings together industry and governments in the region. The task force will be an important conduit in sharing information on best practice and collaborating to address the issue of aviation and climate change;
- through the Infrastructure and Surface Transport Policy Division:
  - led the development of three pieces of Australian legislation enacted during 2007–08 to 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;
  - contributed to the development of a draft Protocol to the International Convention for Damage in Connection with the Carriage of Hazardous and Noxious Substances by Sea and a draft International Convention for the Safe and Environmentally Sound Recycling of Ships, and the implementation 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 (MARPOL Convention); and
- through the Local Government and Regional Development Division, funded Sustainable Regions and the Regional Partnerships projects to assist communities to make structural adjustments in regions affected by economic, social or environmental change. The Department supported projects that were assessed as important to the socioeconomic and environmental wellbeing of their communities.

### The precautionary principle

Lack of full scientific certainty is not used as a reason for postponing measures to prevent environmental degradation. In 2007–08, the Department:

- through the Aviation and Airports Division:
  - ensured the precautionary principle was embodied in the AES for each of the leased federal airports;
  - supported Australia’s participation as one of 15 countries participating on the International Civil Aviation Organization (ICAO) Group on International Aviation and Climate Change, which is developing a program of action to recommend to a high-level meeting of ICAO in 2009. Despite a lack of scientific certainty about some aspects of the environmental impacts caused by aviation emissions, participation in the group is based on an immediate need to identify and implement measures to address the growth in greenhouse gas emissions from the aviation sector;
- through the Local Government and Regional Development Division:
  - undertook research and provided policy advice on the regional implications of a range of environmental issues, including the efficient use of water resources, the effects of drought and the adoption of alternative energy sources such as biofuels; and
  - advised other government agencies on their analysis of social, economic, governance and environmental factors for the purposes of completing Regional Australia Impact Statements for proposed projects.

### The intergenerational principle

To ensure that the health, diversity and productivity of the environment is maintained or enhanced for the benefit of future generations, the Department:

- through the Infrastructure and Surface Transport Policy Division:
  - played a key role in improving mechanisms to protect the marine environment for future generations by contributing to the development of international standards and instruments in



the areas of marine pollution and air quality, as well as administering the annual Australian contributions to the International Maritime Organization and the International Oil Pollution Compensation Funds;

- maintained and updated the popular website <[www.greenvehicleguide.gov.au](http://www.greenvehicleguide.gov.au)>, which provides environmental performance ratings on all new light vehicles. The website was upgraded to include additional information on fuel consumption, based on the new fuel consumption labelling that will appear on the windscreens of new cars from October 2008. Together with the website's new fuel consumption calculator, this information will enable consumers to better estimate their annual fuel consumption and carbon dioxide equivalent emissions;
- through the Aviation and Airports Division, assessed the extent to which each AES met the legislative requirement to include measures to prevent, control or reduce the environmental impacts associated with airport operations. Where appropriate, the Department recommended conditional approvals of major development plans to the Minister to ensure developments were managed in a manner which protected the environment for future generations. For example, a number of the conditions of approval for the Perth Airport brickworks were concerned with protecting the health of future generations.
- through the Local Government and Regional Development Division, ensured that applicants for project funding under the Sustainable Regions and Regional Partnerships programs obtained all required approvals, including, where necessary, approvals that were related to the environment and heritage. These requirements significantly reduced the risk that projects would be implemented that threatened or caused irreversible environmental damage or negative impact on the environment for future generations.

### **The biodiversity principle**

Including the conservation of biodiversity and ecological integrity issues as a fundamental consideration in its decision making, the Department:

- in cases where the Australian Transport Safety Bureau (ATSB) controlled access to an accident site under section 44 of the *Transport Safety Investigation Act 2003*, required investigators to make the relevant authorities aware of any hazards (including known environmental hazards) identified during the on-site phase of an investigation. The ATSB's officers are always mindful of the environmental and health implications related to the unintentional release of chemicals and hazardous materials at accident sites;
- through the Aviation and Airports Division, assessed the extent to which master plans, major development plans and AESs took into account biodiversity and ecological integrity issues, and worked with airports to ensure the biodiversity principle was respected. For example, the Department continued to work with Jandakot Airport Holdings to ensure its development plans adequately protected the Grand Spider orchid.

### **The valuation principle**

Continuing to improve its valuation, pricing and incentive mechanisms to ensure that the true cost 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 economic measures, through the Infrastructure and Surface Transport Policy Division.

### **How we administer legislation in accordance with ESD principles**

While administering legislation, the Department:

- through the Infrastructure Investment Division, required states and territories to minimise negative environmental impacts and implement mitigation measures in instances where the environmental impacts of AusLink projects were subject to both national and state/territory environmental legislation;
- through the Infrastructure and Surface Transport Policy Division, was involved in developing





international instruments to protect the marine environment from any potential negative environmental effects resulting from domestic and international sea transport, and developed and implemented corresponding Australian legislation;

- through the Bureau of Infrastructure, Transport and Regional Economics, published high-quality research, including findings on economic, environmental and social equity costs and benefits, to inform decision-making processes and increase the knowledge base available to government and other stakeholders; and
- through the Aviation and Airports Division, 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. This was monitored through such mechanisms as the Annual Environment Report submitted to the Secretary by each airport lessee company, and through the work of Airport Environment Officers and Airport Building Controllers.

### How our outcomes contribute to ESD

ESD is integral to the Department's three outcomes (refer Figure 2.2 on page 23):

By linking transport performance outcomes to projected economic growth and sustainable development, the Department transformed the way the development and maintenance of major road and rail system infrastructure is funded in Australia. For more information on how the Department achieved this in 2007–08, 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 2007–08, 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 2007–08, see Chapter 5.

### How our activities affect the environment and how we minimise harm

While the Department's activities in 2007–08 often had a positive impact on the environment, its day-to-day operations used resources—such as electricity, water, fuel and paper—and created waste. The Department continued to seek ways to minimise the environmental impact of its operations.

Through its active and ongoing work on its environmental management system (EMS) and the Green Lease Schedule (GLS), the Department maintained a strong focus on environmental outcomes. This commitment was evident in actions such as:

- maintaining staff environmental awareness, through information sessions held as part of the Department's induction program;
- ensuring that major cleaning and waste removal contracts contained clauses requiring specific reporting on volumes sent to landfill and diverted from landfill;
- contributing to the Online System for Comprehensive Reporting (OSCAR), a tool designed to report energy use under the Energy Efficiency in Government Operations policy;
- using electrical check meters to monitor major computer room facilities, to allow more specific and accurate reporting;
- 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 2008, by shutting down power for an hour in the Canberra and regional offices.

No breaches of environmental laws or licences by the Department were reported during 2007–08.



## How we review and increase 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)>). The most recent report covered data for 2006–07, as shown in Table E.1.

In 2006–07:

- Although there were increases in the Department's staff numbers (13 per cent) and floor area occupied (9 per cent), the Department achieved reductions in both total electricity use (2 per cent) and electricity use per person (13 per cent).
- Departmental passenger vehicle energy consumption and distance travelled by employees decreased by 19 per cent to 3,710 GJ and 976,424 km respectively.

The Department's EMS is compliant with ISO 14001:2004, the international standard for environmental management systems, and is focused on its office-based activities in the National Office, with initiatives being applied at territory and state levels where appropriate.

**Table E.1 Trends in departmental energy consumption, 2002–03 to 2006–07**

	2002–03	2003–04	2004–05	2005–06	2006–07
<b>Buildings and electricity</b>					
<b>Office buildings</b>					
Area occupied	29,159 m <sup>2</sup>	25,864 m <sup>2</sup>	28,235 m <sup>2</sup>	30,080 m <sup>2</sup>	34,273 m <sup>2</sup>
Occupants <sup>a</sup>	1,128	1,114	1,326	1,531	1,734
Area per person	25.9 m <sup>2</sup>	23.2 m <sup>2</sup>	21.3 m <sup>2</sup>	19.7 m <sup>2</sup>	18.9 m <sup>2</sup>
Electricity used	10,785 GJ	11,041 GJ	12,259 GJ	14,887 GJ	14,662 GJ
Electricity used per person <sup>b</sup>	9,561 MJ	9,911 MJ	9,254 MJ	9,723 MJ	8,431 MJ
Electricity used by area	370 MJ/m <sup>2</sup>	427 MJ/m <sup>2</sup>	434 MJ/m <sup>2</sup>	495 MJ/m <sup>2</sup>	476 MJ/m <sup>2</sup>
Electricity sourced from renewable sources	not reported	not reported	3.5%	3.0%	8.0%
<b>Other buildings</b>					
Area occupied	1,306 m <sup>2</sup>	1,306 m <sup>2</sup>	1,306 m <sup>2</sup>	1,306 m <sup>2</sup>	1,306 m <sup>2</sup>
Electricity used	101 GJ	91 GJ	118 GJ	68 GJ	72.5 GJ
Electricity used by area	77.7 MJ/m <sup>2</sup>	69.7 MJ/m <sup>2</sup>	90 MJ/m <sup>2</sup>	51.8 MJ/m <sup>2</sup>	55.2 MJ/m <sup>2</sup>



	2002-03	2003-04	2004-05	2005-06	2006-07
<b>Transport<sup>c</sup></b>					
<b>Passenger vehicles</b>					
Total petrol used	122,828 L	135,269 L	124,425 L	126,999 L	69,231L
Average fuel economy/100 km	10.3 L	8.8 L	11.1 L	11.0 L	11.0L
Total fuel used	4,201 GJ	4,657 GJ	4,267 GJ	4,598 GJ	3,710 GJ
Vehicle fleet compliance with green vehicle guide	n/a	n/a	35.0%	20.0%	18.5%
<b>Other transport</b>					
Total automotive diesel used	4,233 L	0 L	0 L	0 L	0 L
Total petrol used	2,656 L	0 L	0 L	0 L	0 L
Total fuel used	254 GJ	0 GJ	0 GJ	0 GJ	0 GJ
<b>Total of the above</b>					
Direct energy consumed	15,342 GJ	15,789 GJ	16,644 GJ	19,553 GJ	20,018 GJ
Greenhouse gas emissions (carbon dioxide equivalents)	not reported	not reported	3,777 t	4,736 t	5,000 t

GJ = gigajoules L = litres MJ = megajoules

- a Occupants may include contractors and employees of contracted service providers as well as staff.
- b The Australian Government's energy consumption target is no more than 10,000 MJ per person per year.
- c Transport statistics include senior executive vehicles and other departmental vehicles, but do not include vehicles that staff receive in lieu of remuneration under salary packaging.



## APPENDIX F—REPORT UNDER THE FOI ACT

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 our 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 engage 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 we have in place for outside participation. Detailed information about the FOI Act is available on the website of the Department of the Prime Minister and Cabinet, <[www.pmc.gov.au/foi/annual\\_reports.cfm](http://www.pmc.gov.au/foi/annual_reports.cfm)>.

Table F.1 gives trend information for Freedom of Information (FOI) requests.

**Table F.1 Trends in Freedom of Information (FOI) requests**

	2003–04	2004–05	2005–06	2006–07	2007–08
<b>Volume of FOI requests handled</b>					
Requests on hand at 1 July (A)	9	15	13	11	12
New requests received (B)	68	69	74	39	34
Requests withdrawn (C)	24	21	38	11	15
Requests on hand at 30 June (D)	15	13	11	12	5
Total FOI requests resolved (A + B – C – D)	38	50	38	27	26
<b>Timeliness of responses to FOI requests<sup>a</sup></b>					
Resolved in < 30 days	9	10	15	10	15
Resolved in 31-60 days	13	27	13	6	4
Resolved in 61-90 days	8	8	5	5	4
Resolved in > 90 days	8	5	5	6	3
Total FOI requests resolved	38	50	38	27	26

<sup>a</sup> *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 Freedom of Information request

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.

It may not be possible to obtain access to all of the documents sought in an FOI request. Access is limited by exemptions that protect essential public interests, and private and business affairs of other parties.

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, Transport, Regional Development and Local Government  
GPO Box 594, CANBERRA ACT 2601

The Department usually imposes additional processing charges. The *Freedom of Information Act 1982* Schedule of Fees and Charges sets out rates for the time spent searching for and retrieving relevant documents, decision-making time, photocopying and other costs. Where charges are imposed, applicants are provided with an estimate of the processing charges and their agreement is sought before continuing.

## What records we hold

Like many other Australian Government agencies, the Department holds records such as:

- briefing papers and submissions prepared for Ministers, Parliamentary Secretaries, Cabinet and Executive Council (noting that these are generally classified documents);
- business papers, briefing notes and meeting records for committees and conferences which we service or in which we participate;
- codes of practice;
- documents prepared by international agencies;
- documents relating to the development of legislation;
- environmental impact statements;
- internal administration documents;
- international treaties, memoranda 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 we hold is available at [www.privacy.gov.au/government/digest](http://www.privacy.gov.au/government/digest). This information is updated annually.



## Functions and decision-making powers

Our organisation and functions are described throughout this report.

Certain officers exercise decision-making powers and advise our ministers on the exercise of their powers under portfolio legislation and other matters. These responsibilities are as set out in the Administrative Arrangements Order (AAO) for the Commonwealth of Australia and relate to:

- infrastructure planning and coordination;
- transport safety, including investigations;
- land transport;
- civil aviation and airports;
- transport security;
- delivery of regional and rural specific 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 legislation set out in the AAO relating to the subject matters listed above 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 we use 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

We consult widely to gain the views of our stakeholders and clients about future policy directions and program delivery. This includes consulting with other Australian state and territory government departments and agencies as appropriate and with foreign governments, particularly in the context of transport security, safety and aviation policy. The other key external bodies we consulted in 2007–08 are as listed in Table F.2. For particular policy issues we may also contact a very broad range of stakeholders. However, space does not permit us to list all organisations contacted.



Table F.2 External bodies consulted by the Department in 2007–08

Body	Main contact point(s) within the Department								
	Category of body	Local Government and Regional Development	Australian Transport Safety Bureau	Office of Transport Security	Aviation and Airports	Infrastructure Investment	Infrastructure and Surface Transport Policy	National Transport Strategy	Bureau of Infrastructure, Transport and Regional Economics
International body 									
Ministerial body 									
Other national body 									
Regionally based body 									
Accredited Air Cargo Agents (AACAs)				✓					
Accessible Public Transport National Advisory Committee							✓		
Aerial Agricultural Association of Australia < <a href="http://www.aerialag.com.au">www.aerialag.com.au</a> >			✓	✓	✓				
Aircraft Owners and Pilots Association of Australia < <a href="http://www.aopa.com.au">www.aopa.com.au</a> >			✓	✓	✓				
Airspace Consultative Forum					✓				
All Australian National Ports			✓						✓
American Public Transit Association < <a href="http://www.apta.com">www.apta.com</a> >				✓					
Area Consultative Committees < <a href="http://www.acc.gov.au">www.acc.gov.au</a> >		✓							✓
Asia–Pacific Economic Cooperation Maritime Security Experts Group < <a href="http://www.apec-tpwg.org.cn/new/Modal-Expert-Groups/Maritime/maritime-index.htm">www.apec-tpwg.org.cn/new/Modal-Expert-Groups/Maritime/maritime-index.htm</a> >				✓	✓				
Asia–Pacific Economic Cooperation Aviation Security Experts Group < <a href="http://www.apec-tpwg.org.cn/new/Modal-Expert-Groups/Aviation/aviation-index.htm">www.apec-tpwg.org.cn/new/Modal-Expert-Groups/Aviation/aviation-index.htm</a> >				✓	✓				
Asia–Pacific Economic Cooperation Transportation Working Group < <a href="http://www.apec-tpwg.org.cn/">www.apec-tpwg.org.cn/</a> >				✓	✓	✓			✓



Table F.2 continued

Body	Main contact point(s) within the Department								
	Category of body	Local Government and Regional Development	Australian Transport Safety Bureau	Office of Transport Security	Aviation and Airports	Infrastructure Investment	Infrastructure and Surface Transport Policy	National Transport Strategy	Bureau of Infrastructure, Transport and Regional Economics
International body 									
Ministerial body 									
Other national body 									
Regionally based body 									
Asia–Pacific Economic Cooperation - Aviation Emissions Taskforce < <a href="http://www.apec-tpwtg.org.cn//new/Aviation%20Emissions%20Taskforce/Aviation%20Emissions%20Taskforce.htm">www.apec-tpwtg.org.cn//new/Aviation%20Emissions%20Taskforce/Aviation%20Emissions%20Taskforce.htm</a> >					✓				
Australasian College of Road Safety < <a href="http://www.acrs.org.au">www.acrs.org.au</a> >			✓				✓		
Australasian Flight Safety Council			✓	✓					
Australasian Railway Association < <a href="http://www.ara.net.au">www.ara.net.au</a> >			✓			✓		✓	✓
Australasian Road Rescue Association < <a href="http://www.arro.org.au">www.arro.org.au</a> >			✓						
Australasian Traffic Policing Forum			✓						
Australia–Indonesia Development Area Transport Working Group							✓		✓
Australian Airports Association < <a href="http://www.aal.com.au">www.aal.com.au</a> >			✓	✓	✓				
Australian Automobile Association < <a href="http://www.aaa.asn.au">www.aaa.asn.au</a> >			✓			✓	✓		✓
Australian Ballooning Federation < <a href="http://www.abf.net.au">www.abf.net.au</a> >			✓		✓				
Australian Business Aircraft Association < <a href="http://www.abaa.com.au">www.abaa.com.au</a> >					✓				
Australian Conservation Foundation < <a href="http://www.acfonline.org.au">www.acfonline.org.au</a> >		✓							





















Body	Main contact point(s) within the Department						
	Category of body	Local Government and Regional Development	Australian Transport Safety Bureau	Office of Transport Security	Aviation and Airports	Infrastructure Investment	Infrastructure and Surface Transport Policy
International body 							
Ministerial body 							
Other national body 							
Regionally based body 							
		Local Government and Regional Development	Australian Transport Safety Bureau	Office of Transport Security	Aviation and Airports	Infrastructure Investment	Infrastructure and Surface Transport Policy
							National Transport Strategy
							Bureau of Infrastructure, Transport and Regional Economics
Australian and International Pilots Association <www.aipa.org.au>			✓	✓	✓		
Australian Bicycle Council <www.austroroads.com.au/abc/>			✓			✓	
Australian Consortium for Social and Political Research Incorporated <www.acspri.org.au/?page=home>							✓
Australian Coroners Society Inc.			✓				
Australian Council of Trade Unions <www.actu.asn.au/>				✓			
Australian Driver Trainers Association <www.adta.com.au>			✓				✓
Australian Federation of Air Pilots <www.afap.org.au>			✓	✓	✓		
Australian Federation of International Forwarders <www.afif.asn.au>				✓			
Australian Fisheries Management Authority <www.afma.gov.au>							✓
Australian Freight Councils Network <www.freightcouncils.com.au>				✓			✓
Australian Institute of Marine & Power Engineers <www.aimpe.sitesuite.com.au>			✓	✓			
Australian Institute of Marine Surveyors <www.aimsurveyors.com.au>							✓
Australian Institute of Petroleum <www.aip.com.au>				✓			✓



Table F.2 continued

Body	Main contact point(s) within the Department								
	Category of body	Local Government and Regional Development	Australian Transport Safety Bureau	Office of Transport Security	Aviation and Airports	Infrastructure Investment	Infrastructure and Surface Transport Policy	National Transport Strategy	Bureau of Infrastructure, Transport and Regional Economics
International body 									
Ministerial body 									
Other national body 									
Regionally based body 									
Australian Institute of Professional Marine Engineers			✓						
Australian Licensed Aircraft Engineers Association <www.alaea.asn.au>			✓	✓	✓				
Australian Liquefied Petroleum Gas Association <www.lpgaaustralia.com.au/>							✓		
Australian Local Government Association <www.alga.asn.au>		✓	✓	✓		✓	✓		✓
Australian Logistics Council <www.austlogistics.com.au >				✓		✓	✓	✓	✓
Australian Maritime College <www.amc.edu.au/>							✓		
Australian Maritime Group							✓		
Australian Marine Industries Federation Ltd <www.amif.asn.au>							✓		
Australian Maritime Officers Union <www.amou.com.au>			✓				✓		
Australian Marine Pilots Association <www.ampa.asn.au/>			✓						
Australian Mayoral Aviation Council					✓				
Australian Motor Vehicle Certification Board							✓		
Australian and New Zealand Regional Science Association International									✓






Body	Main contact point(s) within the Department						
	Category of body	Local Government and Regional Development	Australian Transport Safety Bureau	Office of Transport Security	Aviation and Airports	Infrastructure Investment	Infrastructure and Surface Transport Policy
International body 							
Ministerial body 							
Other national body 							
Regionally based body 							
Australian Peak Shippers Association Inc						✓	
Australian Petroleum Production and Exploration Association < <a href="http://www.appea.com.au">www.appea.com.au</a> >				✓			✓
Australian Research Council Key Centre for Human Factors and Applied Cognitive Psychology < <a href="http://www.humanfactors.edu.au">www.humanfactors.edu.au</a> >			✓				
Australian Research Council Research Network in Spatially Integrated Social Science < <a href="http://www.siss.edu.au/home">www.siss.edu.au/home</a> >							✓
Aviation Safety Foundation of Australasia (ASFA) < <a href="http://aviationsafety.org.au/">http://aviationsafety.org.au/</a> >			✓				
Australian Services Union (ASU) < <a href="http://www.asu.asn.au/">www.asu.asn.au/</a> >				✓			✓
Australian Shipbuilders Association < <a href="http://www.shipbuilders.com.au">www.shipbuilders.com.au</a> >						✓	
Australian Shipowners Association < <a href="http://www.asa.com.au">www.asa.com.au</a> >			✓	✓		✓	✓
Australian Ship Repairers Group < <a href="http://www.asrg.asn.au">www.asrg.asn.au</a> >						✓	
Australian Sports Aviation Confederation (ASAC) < <a href="http://www.asac.asn.au">www.asac.asn.au</a> >					✓		
Australian Strategic Air Traffic Management Group (ASTRA) < <a href="http://www.astra.aero">www.astra.aero</a> >					✓		
Australian Transport Council < <a href="http://www.atcouncil.gov.au">www.atcouncil.gov.au</a> >		✓	✓	✓		✓	✓



Table F.2 continued

Body	Main contact point(s) within the Department								
	Category of body	Local Government and Regional Development	Australian Transport Safety Bureau	Office of Transport Security	Aviation and Airports	Infrastructure Investment	Infrastructure and Surface Transport Policy	National Transport Strategy	Bureau of Infrastructure, Transport and Regional Economics
International body 									
Ministerial body 									
Other national body 									
Regionally based body 									
Australian Trucking Association <www.atatruck.net.au>			✓	✓		✓	✓		✓
Australian Ultralight Federation (see Recreational Aviation Australia)			✓						
Australian Warbirds Association <www.australianwarbirds.com.au>			✓		✓				
Australian Women Pilots Association <www.awpa.org.au/>			✓						
Australian Workers Union (AWU) <www.awu.net.au/>				✓					
Austroads Council <www.austroads.com.au>			✓			✓	✓		✓
Aviation Security Identification Card (ASIC) Issuing Bodies				✓					
Aviation Security Training Advisory Group (ASTAG)				✓					
Board of Airline Representatives of Australia			✓	✓	✓				
Bus Industry Confederation <www.bic.asn.au/OzeBusHome>				✓			✓	✓	✓
Cape York Land Council <www.cylc.org.au>		✓							
Cargo Working Group				✓					
Charles Darwin University <www.cdu.edu.au>		✓							
City of Wodonga <www.wodonga.vic.gov.au/>									✓




































Body	Main contact point(s) within the Department								
	Category of body	Local Government and Regional Development	Australian Transport Safety Bureau	Office of Transport Security	Aviation and Airports	Infrastructure Investment	Infrastructure and Surface Transport Policy	National Transport Strategy	Bureau of Infrastructure, Transport and Regional Economics
International body 									
Ministerial body 									
Other national body 									
Regionally based body 									
Civil Air < <a href="http://www.civilair.asn.au">www.civilair.asn.au</a> >			✓		✓				
Commercial Vessel Association of NSW							✓		
Commonwealth Fisheries Association							✓		
Committee to Advise on Recall and Safety							✓		
Commonwealth/State/Local Government Joint Officers Group		✓							
Commonwealth/State Planning Officials Group		✓							
Communications, Electrical and Plumbing Union (CEPU) < <a href="http://www.cepu.asn.au">www.cepu.asn.au</a> >				✓					
Competitive Carriers Coalition < <a href="http://www.ccc.asn.au">www.ccc.asn.au</a> >									✓
Conference of Asia–Pacific Express Carriers < <a href="http://www.capec.org">www.capec.org</a> >				✓					
ConocoPhillips Energy < <a href="http://www.conocophillipsenergy.com">www.conocophillipsenergy.com</a> >							✓		
Construction and Property Services Industry Skills Council < <a href="http://www.cpsisc.com.au">www.cpsisc.com.au</a> >				✓					
Council of Australian Governments < <a href="http://www.coag.gov.au">www.coag.gov.au</a> >		✓	✓	✓	✓	✓	✓	✓	✓
Council of Capital City Lord Mayors < <a href="http://www.lordmayors.org">www.lordmayors.org</a> >									✓

Table F.2 continued

Body	Main contact point(s) within the Department								
	Category of body	Local Government and Regional Development	Australian Transport Safety Bureau	Office of Transport Security	Aviation and Airports	Infrastructure Investment	Infrastructure and Surface Transport Policy	National Transport Strategy	Bureau of Infrastructure, Transport and Regional Economics
International body 									
Ministerial body 									
Other national body 									
Regionally based body 									
Critical Infrastructure Protection Working Group				✓					✓
Customs Brokers and Forwarders Council of Australia <www.cbfa.com.au>				✓					✓
Deakin University <http://deakin.edu.au/>				✓					
Development Assessment Forum <www.daf.gov.au>		✓							
Environs Kimberley <www.environskimberley.org.au/>		✓							
Fatigue Management Pilot Working Group			✓						
Federal Chamber of Automotive Industries <www.fcmai.com.au/>			✓				✓		
Flag State Implementation Subcommittee of the International Maritime Organization			✓				✓		
Flight Attendants Association of Australia <www.faaa.net>			✓		✓				
Flight Safety Forums			✓						
Flinders University <www.flinders.edu.au>							✓		✓
Gliding Federation of Australia <www.gfa.org.au>			✓						
Guild of Air Pilots and Navigators (GAPAN) <www.gapan.org/>			✓						
Gulf Savannah Development Inc <www.gulf-savannah.com.au>		✓							























Body	Main contact point(s) within the Department								
	Category of body	Local Government and Regional Development	Australian Transport Safety Bureau	Office of Transport Security	Aviation and Airports	Infrastructure Investment	Infrastructure and Surface Transport Policy	National Transport Strategy	Bureau of Infrastructure, Transport and Regional Economics
International body 									
Ministerial body 									
Other national body 									
Regionally based body 									
Heavy Vehicle Driver Fatigue Advisory Panel and Regulation Reference Group			✓				✓		
Heavy Vehicle Safety Strategy Task Force			✓				✓		
Helicopter Industry Association			✓						
High Level Group on Aviation Security				✓					
Human Factors Advisory Group			✓	✓					
Indigenous Road Safety Working Group < <a href="http://www.infrastructure.gov.au/roads/safety/indigenous_road_safety/index.aspx">www.infrastructure.gov.au/roads/safety/indigenous_road_safety/index.aspx</a> >			✓				✓		
Industry Consultative Meeting (Aviation Security)				✓					
Institute of Public Works Engineering Australia < <a href="http://www.ipwea.org.au">www.ipwea.org.au</a> >		✓							
Intelligent Transport Systems-Australia < <a href="http://www.its-australia.com.au">www.its-australia.com.au</a> >							✓		✓
International Transport Forum < <a href="http://www.internationaltransportforum.org">www.internationaltransportforum.org</a> >							✓		✓
International Transportation Safety Association < <a href="http://www.itsasafety.org">www.itsasafety.org</a> >			✓						
International Air Transport Association < <a href="http://www.iata.org">www.iata.org</a> >			✓	✓	✓				
International Civil Aviation Organization < <a href="http://www.icao.int">www.icao.int</a> >			✓	✓	✓				



Table F.2 continued

Body	Main contact point(s) within the Department						
	Category of body	Local Government and Regional Development	Australian Transport Safety Bureau	Office of Transport Security	Aviation and Airports	Infrastructure Investment	Infrastructure and Surface Transport Policy
International body 							
Ministerial body 							
Other national body 							
Regionally based body 							
International Maritime Organization <www.imo.org>			✓	✓			✓
International Oil Pollution Compensation Funds <www.iopcfund.org/>							✓
Joint Agencies Maritime Advisory Group				✓			
Kimberley Development Commission <www.kdc.wa.gov.au>		✓					
Kimberley Land Council <www.klc.org.au>		✓					
Land Transport Environment Committee <www.ephc.gov.au/ltec>							✓
Legal Committee of the International Maritime Organization							✓
Liquor, Hospitality and Miscellaneous Union (LHMU) <www.lhmu.org.au/>				✓			
Local Government and Planning Ministers Council <www.lgpmcouncil.gov.au>		✓					
Local Government Managers' Association <www.lgma.org.au>		✓					
Long-term Operating Plan Implementation Monitoring Committee					✓		✓
Marine Accident Investigators International Forum <http://maiif.org/>			✓				
Marine Coastal Community Network <www.mccn.org.au>						✓	










Body	Main contact point(s) within the Department								
	Category of body	Local Government and Regional Development	Australian Transport Safety Bureau	Office of Transport Security	Aviation and Airports	Infrastructure Investment	Infrastructure and Surface Transport Policy	National Transport Strategy	Bureau of Infrastructure, Transport and Regional Economics
International body 							✓		
Ministerial body 									
Other national body 									
Regionally based body 									
Marine Environment Protection Committee of the International Marine Organization							✓		
Maritime Industry Security Consultative Forum				✓					
Maritime Safety Committee of the International Maritime Organization			✓	✓					
Maritime Security Identification Card Working Group				✓					
Maritime Security Identification Card (MSIC) Issuing Bodies				✓					
Maritime Union of Australia < <a href="http://www.mua.org.au">www.mua.org.au</a> >			✓	✓			✓		✓
Minerals Council of Australia < <a href="http://www.minerals.org.au">www.minerals.org.au</a> >		✓		✓					
Motorcycle Safety Consultative Committee			✓				✓		
National Advisory Facilitation Committee					✓				✓
National Aquaculture Council < <a href="http://www.australian-aquacultureportal.com/nac/index.html">www.australian-aquacultureportal.com/nac/index.html</a> >							✓		
National Awards for Innovation in Local Government – judging panel		✓							
National Bulk Commodities Group							✓		
National Farmers Federation < <a href="http://www.nff.org.au">www.nff.org.au</a> >		✓							



Table F.2 continued

Body	Main contact point(s) within the Department								
	Category of body	Local Government and Regional Development	Australian Transport Safety Bureau	Office of Transport Security	Aviation and Airports	Infrastructure Investment	Infrastructure and Surface Transport Policy	National Transport Strategy	Bureau of Infrastructure, Transport and Regional Economics
International body 									
Ministerial body 									
Other national body 									
Regionally based body 									
National Road Safety Strategy Panel			✓				✓		
National Tourism and Aviation Advisory Committee				✓	✓				✓
National Transport Commission <www.ntc.gov.au/>			✓			✓	✓	✓	✓
NatRoads <www.natroad.com.au/>							✓		
National Union of Workers (NUW) <www.nuw.org.au/>				✓					
Northern Advanced Manufacturing Industry Group									✓
North West Shelf Shipping Service Company <www.nwssc.com>							✓		
Northern Australia Indigenous Land and Sea Management Alliance (NAILSMA) <www.nailsma.org.au>		✓							
Northern Gulf Resource Management Group <www.northerngulf.com.au>		✓							
Northern Land Council <www.nlc.org.au>		✓							
Ord Irrigation Cooperative <www.ordirrigation.com.au>		✓							
Organisation for Economic Co-operation and Development <www.oecd.org>		✓							✓
Oil and Gas Security Forum				✓					
Overnight Air Operators Association				✓	✓				




























Body	Main contact point(s) within the Department								
	Category of body	Local Government and Regional Development	Australian Transport Safety Bureau	Office of Transport Security	Aviation and Airports	Infrastructure Investment	Infrastructure and Surface Transport Policy	National Transport Strategy	Bureau of Infrastructure, Transport and Regional Economics
International body 									
Ministerial body 									
Other national body 									
Regionally based body 									
Pacific National < <a href="http://www.pacificnational.com.au/">www.pacificnational.com.au/</a> >									✓
Pedestrian Council of Australia < <a href="http://www.walk.com.au/pedestriancouncil/">www.walk.com.au/pedestriancouncil/</a> >			✓				✓		
Planning Institute of Australia < <a href="http://www.planning.org.au">www.planning.org.au</a> >		✓							
Plastics and Chemicals Industry Association < <a href="http://www.pacia.org.au/">www.pacia.org.au/</a> >							✓		
Ports Australia < <a href="http://www.portsaustralia.com.au">www.portsaustralia.com.au</a> >			✓	✓			✓		✓
Queensland Marine Board							✓		
Queensland Rail < <a href="http://www.qr.com.au/">www.qr.com.au/</a> >									✓
Queensland Seafood Industry Association < <a href="http://www.qsia.com.au">www.qsia.com.au</a> >							✓		
Queensland University of Technology < <a href="http://www.qut.edu.au/">www.qut.edu.au/</a> >				✓					
Rail Corp NSW < <a href="http://www.railcorp.nsw.gov.au/">www.railcorp.nsw.gov.au/</a> >									✓
Rail, Tram and Bus Union < <a href="http://rtbu-nat.asn.au/">http://rtbu-nat.asn.au/</a> >			✓	✓					
Recreational Aviation Australia < <a href="http://www.auf.asn.au">www.auf.asn.au</a> >			✓		✓				
Regional Airspace and Procedures Advisory Committee					✓				
Regional Aviation Association of Australia < <a href="http://www.raaa.com.au">www.raaa.com.au</a> >			✓	✓	✓				



Table F.2 continued































Body	Category of body	Main contact point(s) within the Department							
		Local Government and Regional Development	Australian Transport Safety Bureau	Office of Transport Security	Aviation and Airports	Infrastructure Investment	Infrastructure and Surface Transport Policy	National Transport Strategy	Bureau of Infrastructure, Transport and Regional Economics
International body 									
Ministerial body 									
Other national body 									
Regionally based body 									
Regional Development Council < <a href="http://www.rdcouncil.gov.au/index.aspx">www.rdcouncil.gov.au/index.aspx</a> >		✓							✓
Regional Maritime Program International Organisation < <a href="http://www.spc.int/maritime/index.php">www.spc.int/maritime/index.php</a> >				✓					
Regional Women's Advisory Council < <a href="http://www.infrastructure.gov.au/regional/councils/rwac/index.aspx">www.infrastructure.gov.au/regional/councils/rwac/index.aspx</a> >		✓							✓
Registered Air Cargo Agents (RACAs)	OB/ RB			✓					
Registered Air Cargo Agents Quality Assurance Systems (RACAQAS)				✓					
Remote Areas Consultative Group							✓		
Research Coordination Advisory Group			✓				✓	✓	
Road Safety Black Spot Program Consultative Panels						✓			
Road Safety Marketing and Public Education Forum			✓				✓		
Royal Australasian College of Surgeons < <a href="http://www.surgeons.org">www.surgeons.org</a> >			✓				✓		
Safeskies Australia < <a href="http://www.safeskiesaustralia.org">www.safeskiesaustralia.org</a> >			✓		✓				
Screening Improvement Group				✓					
Secretariat of the Pacific Community International Organisation < <a href="http://www.spc.int/corp/">www.spc.int/corp/</a> >				✓					











Body	Main contact point(s) within the Department								
	Category of body	Local Government and Regional Development	Australian Transport Safety Bureau	Office of Transport Security	Aviation and Airports	Infrastructure Investment	Infrastructure and Surface Transport Policy	National Transport Strategy	Bureau of Infrastructure, Transport and Regional Economics
International body 									
Ministerial body 									
Other national body 									
Regionally based body 									
Shipping Australia Ltd <www.shippingaustralia.com.au>			✓	✓			✓		
Shire of Christmas Island <www.Christmas.shire.gov.cx>				✓					
Shire of Cocos (Keeling) Islands <www.shire.cc>				✓					
Shire of Wyndham–East Kimberley <www.thelastfrontier.com.au>		✓							
South Australian Freight Council <www.safreightcouncil.com.au>							✓		
Sports Aircraft Association of Australia <www.saaa.com>			✓						
Standing Committee on Regional Development		✓							✓
Standing Committee on Transport				✓		✓	✓		✓
Standing Committee on Transport -Transport Security Working Group				✓					
State Training Authorities				✓					
Sustainable Regions Advisory Committees <www.sustainableregions.gov.au>		✓							
Sydney Airport Community Forum <www.sacf.infrastructure.gov.au>					✓				✓
Technical Liaison Group							✓		
Technology Working Group				✓					



Table F.2 continued

Body	Main contact point(s) within the Department								
	Category of body	Local Government and Regional Development	Australian Transport Safety Bureau	Office of Transport Security	Aviation and Airports	Infrastructure Investment	Infrastructure and Surface Transport Policy	National Transport Strategy	Bureau of Infrastructure, Transport and Regional Economics
International body 									
Ministerial body 									
Other national body 									
Regionally based body 									
Tourism and Transport Forum < <a href="http://www.ttf.org.au">www.ttf.org.au</a> >									
Transport and Logistics Industry Skills Council < <a href="http://www.tlisc.com.au/">www.tlisc.com.au/</a> >									
Transport Emissions Liaison Group									
Transport Security Administration (US) - Department of Homeland Security < <a href="http://www.tsa.gov/">www.tsa.gov/</a> >									
Transport Security Working Group									
Transport Workers Union < <a href="http://twu.com.au/">http://twu.com.au/</a> >									
Truck Industry Council < <a href="http://truck-industry-council.org/">http://truck-industry-council.org/</a> >									
Trusted Information Sharing Network < <a href="http://www.tisn.gov.au/">www.tisn.gov.au/</a> >									
TT-Line Company									
United Nations Economic Commission for Europe < <a href="http://www.unece.org/trans/danger/danger.htm">www.unece.org/trans/danger/danger.htm</a> >									
University of Tasmania < <a href="http://www.utas.edu.au/">www.utas.edu.au/</a> >									
US Engine Manufacturers Association < <a href="http://www.enginemanufacturers.org/">www.enginemanufacturers.org/</a> >									
US Environment Protection Agency < <a href="http://www.epa.gov/">www.epa.gov/</a> >	N/A								

Body	Main contact point(s) within the Department							
	Category of body	Local Government and Regional Development	Australian Transport Safety Bureau	Office of Transport Security	Aviation and Airports	Infrastructure Investment	Infrastructure and Surface Transport Policy	National Transport Strategy Bureau of Infrastructure, Transport and Regional Economics
International body  Ministerial body  Other national body  Regionally based body 								
Victorian Transport Association <a href="http://www.vta.com.au">www.vta.com.au</a>				✓				
Virgin Blue Airlines Pty Ltd <a href="http://www.virginblue.com.au/">www.virginblue.com.au/</a>								✓
Woodside Petroleum Ltd <a href="http://www.woodside.com.au">www.woodside.com.au</a>				✓				
WWF Australia <a href="http://www.wwf.org.au">www.wwf.org.au</a>		✓						



## APPENDIX G—LIST OF DISCRETIONARY GRANTS PROGRAMS

This appendix addresses the requirement for us to report details of the ongoing discretionary grants program we administer.

A discretionary grant is a payment where a minister or agency has discretion in determining whether a particular applicant receives funding and what, if any, conditions are imposed on the payment.

**Table G.1 Discretionary grants programs**

Program name	More information	Details of grant recipients
<b>Outcome 2—Transport</b>		
Road Safety Research Grants		For information about grant recipients, see < <a href="http://www.infrastructure.gov.au/roads/safety/research_grants_program/index.aspx">www.infrastructure.gov.au/roads/safety/research_grants_program/index.aspx</a> >.
ATSB Aviation Safety Research Grants		
<b>Outcome 3—Regional Development and Local Government</b>		
Regional Partnerships	page 196	For information about grant recipients, see < <a href="http://www.regionalpartnerships.gov.au/partnerships/index.aspx">www.regionalpartnerships.gov.au/partnerships/index.aspx</a> >.
Sustainable Regions	page 201	For information about grant recipients see, < <a href="http://www.sustainableregions.gov.au">www.sustainableregions.gov.au</a> >.
Regional and Rural Research and Development Grants <sup>a</sup>	page 195	

*Note: Responsibility for Services to Indian Ocean Territories – state type grants – transferred to the Attorney-General’s Department as a consequence of the Administrative Arrangements Order of 3 December 2007.*

*a On 1 July 2005 the Regional and Rural Development Grants and Regional and Rural Research Information and Data programs were merged into the Regional and Rural Research and Development Grants Program.*





## APPENDIX H—ADDITIONAL HUMAN RESOURCE STATISTICS

This appendix addresses the requirement for us to publish a range of human resource statistics. It includes:

- a profile of our workforce by classification and location;
- a profile of our workforce by gender, tenure and hours of work;
- the salary scales available by classification; and
- details of the extra salary payments made to non-Senior Executive Service (SES) staff on Australian Workplace Agreements (AWAs) in 2007–08.

These statistics include non-ongoing staff as at 30 June 2007 and 2008, but exclude inoperative and casual staff unless noted otherwise.

**Table H.1 Workforce profile 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 <sup>a</sup>	
	06-07	07-08	06-07	07-08	06-07	07-08	06-07	07-08	06-07	07-08	06-07	07-08	06-07	07-08
<b>Employees and public office holders</b>														
ACT	196	177	337	337	280	291	193	175	44	40	1	3	1,057	1,023
NSW	8	6	35	38	11	10	1	1	-	-	-	-	55	55
Vic.	3	3	27	32	10	8	1	2	-	-	-	-	41	45
Qld	2	3	34	35	13	12	6	6	-	-	-	-	55	56
SA	1	-	12	14	5	6	4	4	-	-	-	-	22	24
WA	5	3	26	17	13	10	5	3	-	-	-	-	49	33
Tas.	-	-	3	3	1	1	-	-	-	-	-	-	4	4
NT	1	-	5	5	3	2	-	-	-	-	1	-	10	7
Norfolk Island	-	-	-	-	1	-	-	-	-	-	1	-	2	-
<b>Total</b>	<b>216</b>	<b>192</b>	<b>479</b>	<b>481</b>	<b>337</b>	<b>340</b>	<b>210</b>	<b>191</b>	<b>44</b>	<b>40</b>	<b>3</b>	<b>3</b>	<b>1,289</b>	<b>1,247</b>

APS = Australian Public Service, EL = Executive level, SEC = Secretary

Note: 'Equivalent' staff include employees performing legal, public affairs, transport safety investigation or other specialist duties.

a As part of machinery-of-government changes, 65 staff transferred to the Attorney-General's Department during 2007–08.



**Table H.2 Workforce gender profile by tenure and hours of work**

	Female		Male		Total	
	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08
<b>Employees other than Indian Ocean Territories staff</b>						
Holder of public office	1	1	2	2	3	3
Ongoing full-time	477	471	657	651	1128	1122
Ongoing part-time	67	60	13	14	80	74
Non-ongoing full-time	29	18	30	18	59	36
Non-ongoing part-time	8	5	11	7	19	12
<b>Total</b>	<b>582</b>	<b>555</b>	<b>707</b>	<b>692</b>	<b>1,289</b>	<b>1,247</b>

**Table H.3 Salary ranges (\$) for departmental employees by classification**

	30 June 2005 (\$)	30 June 2006 (\$)	30 June 2007 (\$)	30 June 2008 (\$)
APS1	31,202-34,369	33,748-37,174	33,748-37,174	35,098-38,661
APS2	35,337-43,534	38,221-42,197	38,221-42,197	39,750-43,885
Graduate	37,600-37,600	43,608-43,608	43,608-43,608	45,353-45,353
APS3	40,318-52,881	43,608-63,257	43,608-47,086	45,353-48,969
APS4	44,671-52,881	48,316-54,996	48,316-52,502	50,249-54,602
APS5	49,871-59,263	53,941-64,337	53,941-64,099	56,098-59,850
APS6	54,072-85,627	58,484-89,052	58,484-80,902	60,824-84,138
EL1	69,267-93,987	74,920-97,746	74,920-112,975	77,916-117,494
EL2	79,571-122,557	86,064-150,000	86,064-156,000	89,507-162,240
SES1	134,906-178,433	130,977-175,000	130,000-175,500	135,200-182,520
SES2	174,115-178,433	152,246-185,000	170,000-200,000	156,000-208,000
SES3	214,626-214,626	182,471-195,000	186,000-210,000	187,200-218,400
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 staff, junior staff and non-ongoing employees engaged in intermittent or irregular duties. For more information, please see the Department's collective agreement for 2006-09 <[www.infrastructure.gov.au/department/about/agreement.aspx](http://www.infrastructure.gov.au/department/about/agreement.aspx)>.*



**Table H.4** Details of performance pay for non-SES staff on AWAs in 2007-08

Classification	Number of people paid	Total cost of payments (\$)	Average payment (\$)	Range of payments (\$)
EL2 and equivalent	3	18,253	6,084	5,000-7,628

*Notes: The table shows the actual performance pay paid in the 2007-08 financial year.*

*Equivalent staff may include employees performing legal, public affairs, transport safety investigation or other specialist duties*



## 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 Output 2.3.3.

### **I.1 Airport lease review meetings**

The Department conducts annual lease reviews of the 22 leased federal airports to ensure compliance with the terms of their leases.

### **I.2 Airport insurance reviews**

The airport leases and original sale documents require that the airports insure against a number of events. The Department assesses the adequacy of airport insurance cover each year.

### **I.3 Environmental authorisations**

The Department may authorise an airport to undertake an action that may result in environmental emission limits being exceeded where the emissions will be no more damaging to the environment than if the limits were met.

### **I.4 Timeliness of airport expenditure plans and audit reports**

The Department monitors airport expenditure obligations under the airport leases and based on the Australian National Audit Office and Joint committee on Public Accountability reporting recommendations.

### **I.5 Approved major development plans**

A major development plan is required for each major development at an airport as defined in section 89 of the *Airports Act 1996*.



Table I.1 Airport lease review meetings

Airport	2006 lease review meeting held	2007 lease review meeting held	2008 lease review meeting held
Adelaide	22-Jun-06	25-May-07	21-May-08
Alice Springs	24-Aug-06	20-Jul-07	23-Jul-08
Archerfield	19-Jul-06	27-Jun-07	30-May-08
Bankstown	29-Mar-06	9-May-07	21-May-08
Brisbane	23-May-06	31-May-07	28-May-08
Camden	29-Mar-06	9-May-07	21-May-08
Canberra	16-Jun-06	1-Jun-07	13-May-08
Darwin	24-Aug-06	20-Jul-07	23-Jul-08
Essendon	5-May-06	17-May-07	29-May-08
Gold Coast	18-Jul-06	1-Jun-07	08-May-08
Hobart	5-Apr-06	4-Jul-07	12-Jun-08
Hoxton Park	29-Mar-06	9-May-07	21-May-08
Jandakot	26-Sep-06	9-Jul-07	19-May-08
Launceston	28-Jun-06	16-May-07	26-May-08
Melbourne	22-Aug-06	15-Jun-07	27-May-08
Moorabbin	4-May-06	18-May-07	24-Apr-08
Mount Isa	18-Jul-06	1-Jun-07	08-May-08
Parafield	22-Jun-06	25-May-07	21-May-08
Perth	25-Sep-06	10-Jun-07	20-May-08
Sydney	29-Mar-06	25-Jun-07	16-May-08
Tennant Creek	24-Aug-06	20-Jul-07	23-Jul-08
Townsville	18-Jul-06	1-Jun-07	08-May-08



**Table I.2 Airport insurance reviews**

Airport	Adviser's report received by Department	Date of Department's first follow-up with airport	Date final documents received from airport	Date of final letter to airport
Adelaide/Parafield	04-Dec-07	02-Jan-08	18-Jan-08	25-Jan-08
Archerfield	23-Aug-07	17-Oct-07	26-Oct-07	12-Dec-07
Bankstown/ Hoxton Park/ Camden	23-Aug-07	14-Dec-07	18-Dec-07	07-Jan-08
Brisbane	04-Dec-07	02-Jan-08	18-Jan-08	22-Jan-08
Canberra	17-Oct-07	23-Nov-07	23-Nov-07	11-Dec-07
Darwin/Alice Springs/ Tennant Creek	17-Oct-07	02-Nov-07	22-Nov-07	05-Dec-07
Essendon	23-Aug-07	11-Jan-08	11-Jan-08	22-Jan-08
Gold Coast/Townsville/ Mt Isa	04-Dec-07	10-Jan-08	05-Feb-08	20-Feb-08
Hobart	23-Aug-07	16-Oct-07	12-Nov-07	05-Dec-07
Jandakot	23-Aug-07	10-Oct-07	22-Oct-07	09-Nov-07
Melbourne/Launceston	17-Oct-07	16-Nov-07	07-Jan-08	22-Jan-08
Moorabbin	23-Aug-07	02-Nov-07	15-Nov-07	05-Dec-08
Perth	17-Oct-07	26-Nov-07	16-Jan-08	22-Jan-08
Sydney	23-Aug-07	31-Aug-07	18-Sep-08	07-Dec-07

*Note: The renewal periods of insurance policies vary across airports. Therefore, the information reflected above may not necessarily reflect financial year outcomes.*

**Table I.3 Environmental authorisations**

Airport	AEO	Authorisation holder	Date approved	Period of validity	Nature of authorisation	Gazetted? (date/issue)
No authorisations were issued in 2007–08	–	–	–	–	–	–



**Table I.4 Timeliness of airport expenditure plans and audit reports.**

<b>Expenditure plans (due 1 July each year)</b>			
	2005-06	2006-07	2007-08
On time	0	1	1
Late	5	2	0
Not received	–	0	0
No. required	5	3	1
<b>Audited reports (due September each year for previous financial year)</b>			
On time	3	2	4
Late	5	2	0
Not received	–	–	0
No. required	8	4	4

*Note: As at September 2007, all airports have advised that they have met their Schedule 11 commitments. However, Canberra Airport is still to provide the Department its final audited report.*

**Table I.5 Approved major development plans**

<b>Airport</b>	<b>Development</b>	<b>Approval date</b>
<b>2008</b>		
Canberra	15 Lancaster Place – office complex	18-Apr-08
<b>2007</b>		
Hobart	Outlet Centre and Bulky Goods/Homemaker Centre	08-Oct-07
Brisbane	Federal office building	28-Sep-07
Brisbane	Hotel Precinct – No. 1 Airport Drive	28-Sep-07
Brisbane	Parallel runway	18-Sep-07
Gold Coast	Terminal expansion	10-Sep-07
Perth	Linfox warehouse and distribution centre	8-Aug-07
Melbourne	DHL Danzas freight facility (MDP minor variation)	25-Jul-07
Melbourne	Mixed use development	13-Jul-07
Canberra	Southern office complex	26-May-07
Brisbane	Convenience centre	27-Mar-07
Hobart	Checked baggage screening facility	12-Feb-07



Airport	Development	Approval date
<b>2006</b>		
Brisbane	Northern access roads project	27-Sep-06
Brisbane	Gateway upgrade project	13-Sep-06
Brisbane	International terminal/concourse extension	5-Sep-06
Perth	Clay Manufacturing Plant	15-Aug-06
Perth	Coles Myer Distribution Centre	24-Jul-06
Brisbane	Multi-level car park	20-Jun-06
Canberra	Factory Outlet Centre	26-Apr-06
Canberra	Runway extension, minor variation	4-Apr-06
Melbourne	Reject Shop Distribution Centre	1-Mar-06
Melbourne	DHL Danzas Air and Ocean Freight Facility	1-Mar-06
Gold Coast	Tugun bypass	20-Feb-06
<b>2005</b>		
Essendon	Bulla Road, minor variation	13-Oct-05
Sydney KSA	Car park – international precinct	13-Apr-05
Adelaide	IKEA store	1-Feb-05
Parafield	Cross Keys works	19-Jan-05
<b>2004</b>		
Essendon	Bulla Road commercial – retail development	16-Dec-04
Melbourne	Office development	12-Nov-04
Gold Coast	Runway works	8-Nov-04
Canberra	Runway works	25-Aug-04
Brisbane	Direct factory outlet	25-Jun-04
Melbourne	International mail sorting facility	16-Jun-04
Brisbane	Virgin Blue hangar	11-May-04
<b>2003</b>		
Perth	Woolworths warehousing and distribution park	14-Nov-03
Canberra	Terminal expansion	4-Nov-03





# APPENDIX J—INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT PORTFOLIO BODIES

The Infrastructure, Transport, Regional Development and Local Government portfolio, in addition to the Department of Infrastructure, Transport, Regional Development and Local Government, includes the following bodies.

## Joint Commonwealth–state bodies

Australian Transport Council <[www.atcouncil.gov.au](http://www.atcouncil.gov.au)>

Austrroads Incorporated <[www.austrroads.com.au](http://www.austrroads.com.au)>

Local Government and Planning Ministers' Council <[www.lgpmcouncil.gov.au](http://www.lgpmcouncil.gov.au)>

National Marine Safety Committee <[www.nmsc.gov.au](http://www.nmsc.gov.au)>

Regional Development Council <[www.rdcouncil.gov.au](http://www.rdcouncil.gov.au)>

Standing Committee on Regional Development

Standing Committee on Transport <[www.aph.gov.au/house/committee/trs/index.htm](http://www.aph.gov.au/house/committee/trs/index.htm)>

## Authorities and commissions

Airservices Australia <[www.airservicesaustralia.com](http://www.airservicesaustralia.com)>

Australian Maritime Safety Authority <[www.amsa.gov.au](http://www.amsa.gov.au)>

Civil Aviation Safety Authority <[www.casa.gov.au](http://www.casa.gov.au)>

International Air Services Commission <[www.iasc.gov.au](http://www.iasc.gov.au)>

Marine Council

National Capital Authority<sup>a</sup> <[www.nationalcapital.gov.au](http://www.nationalcapital.gov.au)>

## Corporations and companies

Australian Road Research Board <[www.arrb.org.au](http://www.arrb.org.au)>

Australian Rail Track Corporation <[www.artc.com.au](http://www.artc.com.au)>

Maritime Industry Finance Company Limited<sup>b</sup>

National Transport Commission <[www.ntc.gov.au](http://www.ntc.gov.au)>

Transport Certification Australia Ltd <[www.tca.gov.au](http://www.tca.gov.au)>

## Territory administrations

Administrator of Norfolk Island<sup>c</sup>

Northern Territory Administrator<sup>d</sup>

Office of the Indian Ocean Territories Administrator<sup>e</sup>

## Advisory bodies

Australian Bicycle Council <[www.austrroads.com.au/abc](http://www.austrroads.com.au/abc)>

Area Consultative Committees <[www.acc.gov.au](http://www.acc.gov.au)>

Infrastructure Australia<sup>f</sup> <[www.infrastructureaustralia.gov.au](http://www.infrastructureaustralia.gov.au)>

Australian Logistics Council <[www.austlogistics.com.au](http://www.austlogistics.com.au)>

Regional Women's Advisory Council

Sustainable Regions Advisory Committees <[www.sustainableregions.gov.au](http://www.sustainableregions.gov.au)>



Tasmanian Freight Equalisation Scheme Review Authority

Technical Liaison Group

**Other bodies**

Australian Maritime College<sup>e</sup> <[www.amc.edu.au](http://www.amc.edu.au)>

Infrastructure Coordinator<sup>h</sup> <[www.infrastructureaustralia.gov.au](http://www.infrastructureaustralia.gov.au)>

Inspector of Transport Security <[www.ministers.infrastructure.gov.au](http://www.ministers.infrastructure.gov.au)>

Registrar of Liner Shipping

- a The National Capital Authority was transferred from the Portfolio to the Attorney-General's Portfolio following the Administrative Arrangements Order on 3 December 2008.*
- b The Maritime Industry Finance Company Limited was deregistered 24 April 2008.*
- c The administration of the Territories transferred from the Portfolio to the Attorney-General's Portfolio following the Administrative Arrangements Order on 3 December 2008.*
- d The administration of the Territories transferred from the Portfolio to the Attorney-General's Portfolio following the Administrative Arrangements Order on 3 December 2008.*
- e The administration of the Territories transferred from the Portfolio to the Attorney-General's Portfolio following the Administrative Arrangements Order on 3 December 2008.*
- f Infrastructure Australia was established by the Infrastructure Australia Act 2008 on 9 April 2008.*
- g The Maritime College Act 1978 was repealed on 1 January 2008 and the College merged with the University of Tasmania.*
- h The Infrastructure Coordinator was established by the Infrastructure Australia Act 2008 on 9 April 2008.*



## APPENDIX K—PERFORMANCE INDICATORS MODIFIED OR NEW SINCE THE 2007-08 PORTFOLIO BUDGET STATEMENTS

The following table shows the performance indicators that have been modified or are new since the tabling of the 2007-08 Portfolio Budget Statements (PBS). Refer to the program summary of performance in the applicable output for details of the origin of the modified or new performance indicators.

**Table K.1 Performance indicators modified or new since the 2007-08 PBS**

Program/ applicable Output	Original 2007-08 PBS Performance Indicator	Modified/new performance indicator appearing in the 2007-08 Annual Report
AusLink Strategic Regional – supplementary (Output 1.1.1)	None	<p><b>Effectiveness</b></p> <p><i>Local councils and states and territory governments on behalf of unincorporated areas use funds to develop regional land transport infrastructure supporting industry, tourism and economic development.</i></p> <p><b>Quality</b></p> <p><i>Projects eligible for approval by the responsible Minister under Part 6 of the AusLink (National Land Transport) Act 2005.</i></p> <p><b>Quantity</b></p> <p><i>Approximately 700 councils and state and territory governments on behalf of unincorporated areas are eligible for funding.</i></p>
Funding for road projects other than under the <b>AusLink (National Land Transport) Act 2005</b> (Output 1.1.1)	<p><b>Effectiveness</b></p> <p><i>A detailed assessment of options to address transport and other problems at the intersection of Whitehorse and Springvale roads is produced</i></p> <p><b>Quality</b></p> <p><i>A preferred option for addressing the problems is agreed</i></p>	<p><b>Effectiveness</b></p> <p><i>Freight and logistics infrastructure connecting with the AusLink National Network and export facilities are maintained and enhanced to support freight flows.</i></p> <p><b>Quality</b></p> <p><i>Land transport infrastructure projects, identified and developed in consultation with asset owners, improve land transport linkages including with the AusLink National Network.</i></p> <p><i>Projects are administered in line with relevant legislation.</i></p> <p><b>Quantity</b></p> <p><i>Various land transport infrastructure projects identified and developed in consultation with asset owners.</i></p>



Program/ applicable Output	Original 2007-08 PBS Performance Indicator	Modified/new performance indicator appearing in the 2007-08 Annual Report
Australian Maritime College – marine research funding project  (Output 2.3.1)	None	<p><b>Effectiveness</b></p> <p><i>Enhanced maritime research capability through capital investment to upgrade the Australian Maritime College's Cavitation Tunnel and Ship Simulator.</i></p> <p><b>Quality</b></p> <p><i>Payments are made against expenditure in line with funding agreement.</i></p> <p><b>Location</b></p> <p><i>Launceston, Tasmania.</i></p>
keys2drive  (Output 2.3.2)	None	<p><i>Facilitate development and delivery of the keys2drive education program for learner drivers.</i></p>
Seatbelts on regional school buses  (Output 2.3.2)	None	<p><b>Effectiveness</b></p> <p><i>The provision of seatbelts on regional school buses is increased.</i></p> <p><b>Quality</b></p> <p><i>Eligible bus operators are able to apply for funding for buses used on eligible routes.</i></p> <p><b>Quantity</b></p> <p><i>Up to \$25,000 is available per bus to a maximum of \$9.4 million (applications are prioritised if the program is oversubscribed).</i></p> <p><b>Location</b></p> <p><i>Open to applicants in rural and regional areas.</i></p>



Program/ applicable Output	Original 2007-08 PBS Performance Indicator	Modified/new performance indicator appearing in the 2007-08 Annual Report
<b>Better Regions</b> (Output 3.1.1)	None	<p><b>Effectiveness</b></p> <p><i>The Better Regions election commitments will benefit communities by providing local infrastructure for a variety of economic and social needs.</i></p> <p><b>Quality</b></p> <p><i>Program processes and procedures are in place in line with government legislative requirements.</i></p> <p><b>Quantity</b></p> <p><i>Agreed regional election commitments.</i></p> <p><b>Location</b></p> <p><i>The projects are based across Australia.</i></p>
<b>Young District Medical Centre</b> (Output 3.1.1)		<p><b>Effectiveness</b></p> <p><i>The Young District Medical Centre is able to better service its patients and medical students.</i></p> <p><b>Quality</b></p> <p><i>Increased availability of access to medical services for the community.</i></p> <p><i>Improved education and training for medical students.</i></p> <p><b>Location</b></p> <p><i>Young, New South Wales</i></p>
<b>Local government amalgamation – plebiscites in Queensland</b> (Output 3.2.1)		<p><b>Effectiveness</b></p> <p><i>Funding to Australian Electoral Commission for conduct of plebiscites.</i></p> <p><b>Quality</b></p> <p><i>Payments made within agreed timelines.</i></p> <p><b>Location</b></p> <p><i>Queensland.</i></p>



# APPENDIX L—PREVIOUS AND CURRENT OUTCOME AND OUTPUT STRUCTURES

**Figure L.1: Current outcome and output structure (as published in the 2008-09 PBS)**

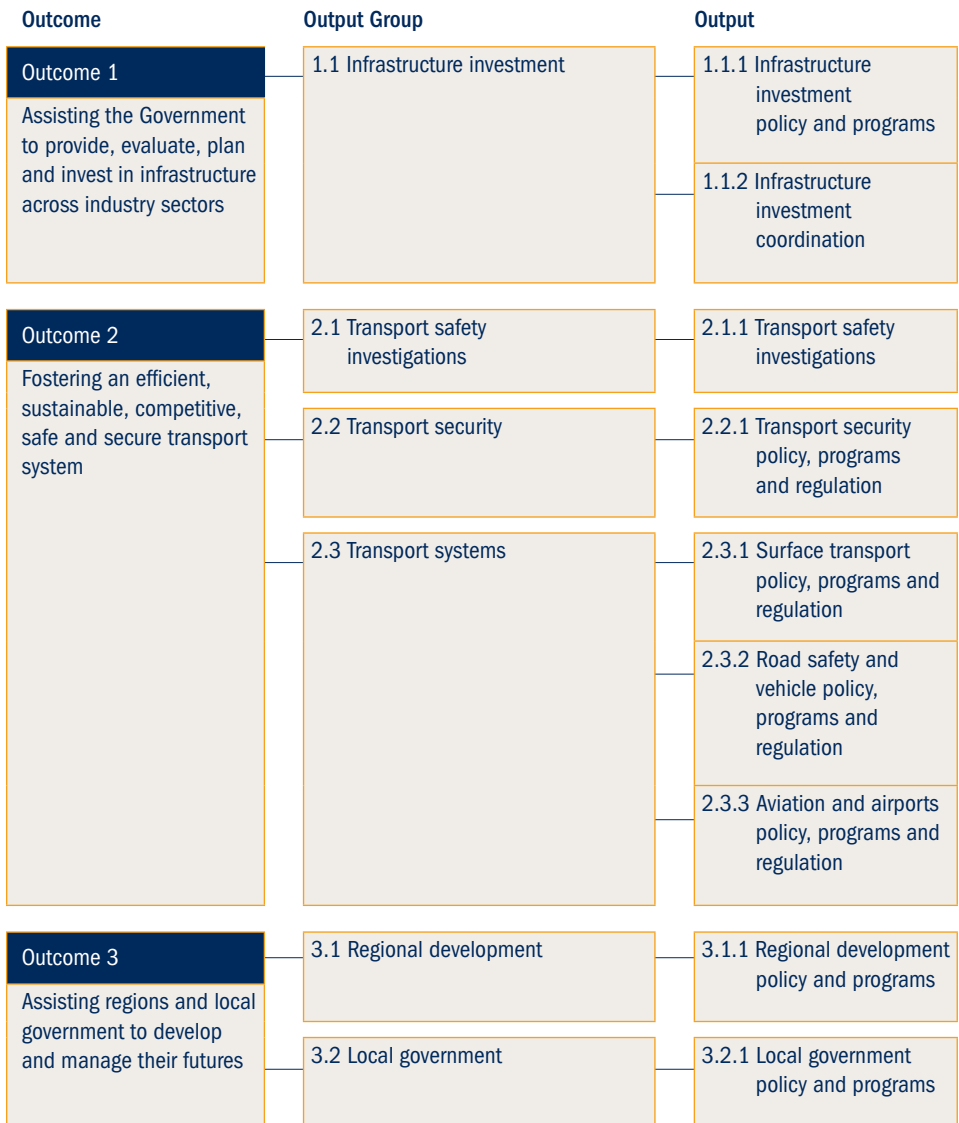
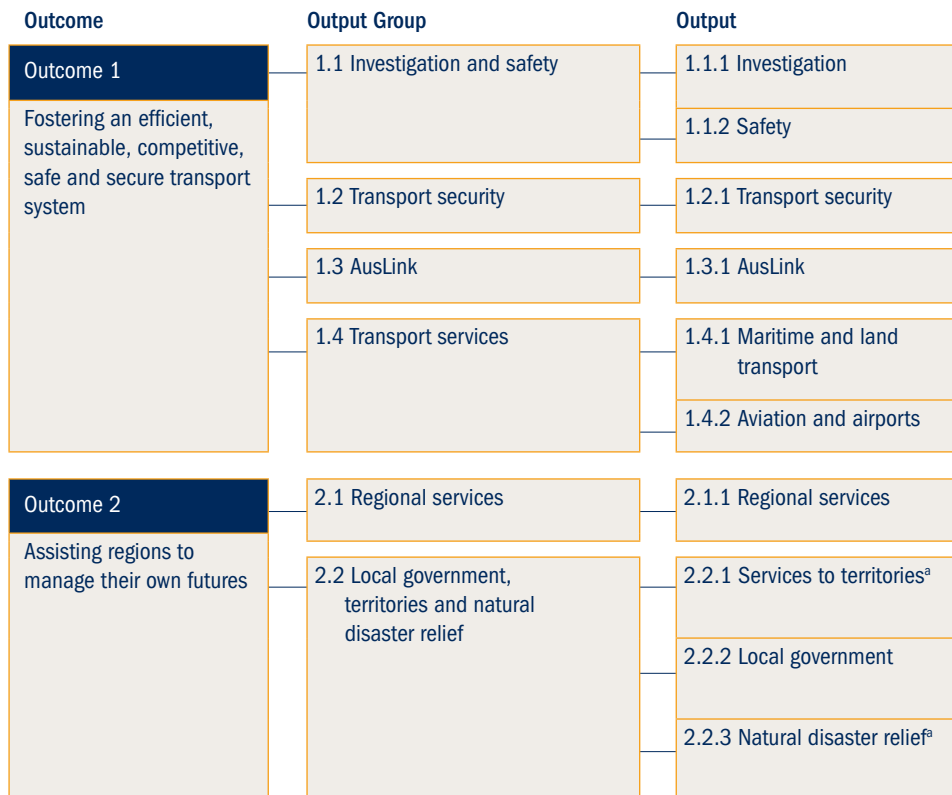


Figure L.2: Previous outcome and output structure (as published in the 2007-08 PAES)



<sup>a</sup> Following the change in government and the issuing of the Administrative Arrangements Order of 3 December 2007, the Department transferred responsibility for services to territories and natural disaster relief functions (Outputs 2.2.1 and 2.2.3) and associated administered programs to the Attorney-General's Department.



## APPENDIX M—RESOURCING BY OUTCOME AND OUTPUT—CURRENT AND PREVIOUS OUTCOME STRUCTURES

The following tables show, for comparison purposes, the resourcing for 2007-08 in both the current three outcome and the previous two outcome structures. These tables are presented in the same format as the resourcing tables for Outcome 1 (Table 3.1), Outcome 2 (Table 4.1) and Outcome 3 (Table 5.1), except that administered expenses are aggregated. Refer to Tables 3.1, 4.1 and 5.1 for details of the cost of individual administered programs. The three outcome structure was first published in the 2008-09 Portfolio Budget Statements (PBS), while the two outcome structure is as published in the 2007-08 Portfolio Additional Estimates Statements (PAES), noting that Outputs 2.2.1 Services to territories, and 2.2.3 Natural disaster relief have not been included as the functions associated with these outputs, and the associated administered programs, were transferred to the Attorney-General's Department in accordance with the Administrative Arrangements Order of 3 December 2007.

**Table M.1-Resource allocation 2007-08 current three outcome structure**

Outcome and Output	Budget	Actual	Variance
	2007-08	2007-08	per cent
<b>Outcome 1 – Assisting the Government to provide, evaluate, plan and invest in infrastructure across industry sectors</b>			
<b>Price of Departmental Outputs</b>			
Output 1.1.1 – Infrastructure investment policy and programs	19,195	19,479	1.5
Output 1.1.2 – Infrastructure investment coordination	3,307	946	-71.4
<b>Total price of departmental outputs</b>	<b>22,502</b>	<b>20,425</b>	<b>-9.2</b>
<b>Less receipts from independent sources</b>	<b>177</b>	<b>128</b>	<b>-27.7</b>
<b>Net price to government</b>	<b>22,325</b>	<b>20,297</b>	<b>-9.1</b>
<b>Cost of Administered Expenses</b>			
Administered expenses	3,246,638	2,979,836	-8.2
Plus depreciation, writedown of assets etc.	0	0	0
<b>Total administered operating expenses</b>	<b>3,246,638</b>	<b>2,979,836</b>	<b>-8.2</b>
<b>Less administered revenues</b>	<b>263</b>	<b>264</b>	<b>0.4</b>
<b>Net cost to government</b>	<b>3,246,375</b>	<b>2,979,572</b>	<b>-8.2</b>
<b>Total for Outcome 3</b>			
(Total Net Price of Outputs and Cost of Administered Expenses)	3,268,700	2,999,869	-8.2
<b>Average staffing level</b>	<b>103</b>	<b>109</b>	<b>6.0</b>





Outcome and Output	Budget	Actual	Variance
	2007-08	2007-08	per cent
<b>Outcome 2 – Fostering an efficient, sustainable, competitive, safe and secure transport system</b>			
<b>Price of Departmental Outputs</b>			
Output 2.1.1 – Transport safety investigations	23,800	23,792	0.0
Output 2.2.1 – Transport security policy, programs and regulation	80,264	77,537	-3.4
Output 2.3.1 – Surface transport policy, programs and regulation	17,411	16,695	-4.1
Output 2.3.2 – Road safety and vehicle policy, programs and regulation	16,623	14,520	-12.7
Output 2.3.3 – Aviation and airports policy, programs and regulation	34,666	33,649	-2.9
<b>Total price of departmental outputs</b>	<b>172,764</b>	<b>166,193</b>	<b>-3.8</b>
<b>Less receipts from independent sources</b>	<b>3,996</b>	<b>4,373</b>	<b>9.4</b>
<b>Net price to government</b>	<b>168,768</b>	<b>161,820</b>	<b>-4.1</b>
<b>Cost of Administered Expenses</b>			
Administered Expenses	309,705	281,133	-9.2
Plus depreciation, writedown of assets etc.	1,064	1,066	0.2
Total administered operating expenses	310,769	282,199	-9.2
Less administered revenues	226,036	227,724	0.7
Net cost to government	84,733	54,475	-35.7
<b>Total for Outcome 2</b>			
(Total net price of outputs and cost of administered expenses)	253,501	216,295	-14.7
<b>Average staffing level</b>	<b>853</b>	<b>823</b>	<b>-3.5</b>



<b>Outcome and Output</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
	<b>2007-08</b>	<b>2007-08</b>	<b>per cent</b>
<b>Outcome 3 – Assisting regions and local government to develop and manage their futures</b>			
<b>Price of Departmental Outputs</b>			
Output 3.1.1 – Regional development policy and programs	40,631	41,675	2.6
Output 3.2.1 – Local government policy and programs	2,606	4,383	68.2
<b>Total price of departmental outputs</b>	<b>43,237</b>	<b>46,058</b>	<b>6.5</b>
<b>Less receipts from independent sources</b>	<b>701</b>	<b>601</b>	<b>-14.3</b>
<b>Net price to government</b>	<b>42,536</b>	<b>45,457</b>	<b>6.9</b>
<b>Cost of Administered Expenses</b>			
Administered Expenses	1,906,667	1,882,039	-1.3
Plus depreciation, writedown of assets etc.	0	0	0
<b>Total administered operating expenses</b>	<b>1,906,667</b>	<b>1,882,039</b>	<b>-1.3</b>
<b>Less administered revenues</b>	<b>4923</b>	<b>4931</b>	<b>0.2</b>
<b>Net cost to government</b>	<b>1,901,744</b>	<b>1,877,108</b>	<b>-1.3</b>
<b>Total for Outcome 3</b>			
(Total Net Price of Outputs and Cost of Administered Expenses)	1,944,280	1,922,565	-1.1
<b>Average staffing level</b>	<b>243</b>	<b>271</b>	<b>11.4</b>
<b>Totals for Outcomes 1, 2 and 3</b>			
<b>Total Price of Departmental Outputs (Outcomes 1, 2 and 3)</b>	<b>233,629</b>	<b>227,574</b>	<b>-2.6</b>
<b>Total Cost of Administered Expenses (Outcomes 1, 2 and 3)</b>	<b>5,232,852</b>	<b>4,911,155</b>	<b>-6.1</b>
<b>Total Price and Cost (Outcomes 1, 2 and 3)</b>	<b>5,466,481</b>	<b>5,138,729</b>	<b>-6.0</b>
<b>Total Average Staffing Level (Outcomes 1, 2 and 3)</b>	<b>1,199</b>	<b>1,203</b>	<b>0.3</b>



Table M.2 -Resource allocation 2007-08 previous two outcome structure

Outcome and Output	Budget	Actual	Variance
	2007-08	2007-08	per cent
<b>Outcome 1 - Fostering an efficient, sustainable, competitive, safe and secure transport system.</b>			
<b>Price of Departmental Outputs</b>			
Output 1.1.1 - Investigation	23,807	23,940	0.6
Output 1.1.2 - Safety	17,519	15,384	-12.2
Output 1.2.1 - Transport security	80,484	77,866	-3.3
Output 1.3.1 - AusLink	23,434	22,390	-4.5
Output 1.4.1 - Maritime and land transport	16,080	14,012	-12.9
Output 1.4.2 - Aviation and Airports	33,942	33,026	-2.7
Total price of departmental outputs	195,266	186,618	-4.4
Less receipts from independent sources	4,173	4,501	7.9
Net price to government	191,093	182,117	-4.7
<b>Cost of Administered Expenses</b>			
Administered Expenses	3,556,343	3,258,057	-8.4
Plus depreciation, writedown of assets etc.	1,064	3,978	273.9
Total administered operating expenses	3,557,407	3,262,035	-8.3
Less administered revenues	226,299	227,988	0.7
Net cost to government	3,331,108	3,034,047	-8.9
<b>Total for Outcome 1</b>			
(Total Net Price of Outputs and Cost of Administered Expenses)	3,522,201	3,216,164	-8.7
Average staffing level	956	932	-2.5



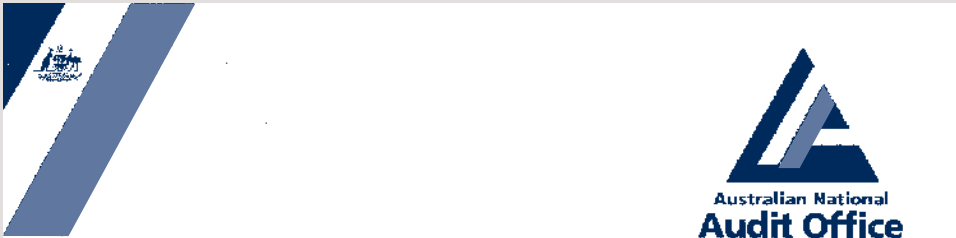
<b>Outcome and Output</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
	<b>2007-08</b>	<b>2007-08</b>	<b>per cent</b>
<b>Outcome 2 - Assisting regions to manage their own futures.</b>			
<b>Price of Departmental Outputs</b>			
Output 2.1.1 - Regional services	40,631	41,675	2.6
Output 2.2.2 - Local government	2,606	4,383	68.2
Total price of departmental outputs	43,237	46,058	6.5
Less receipts from independent sources	701	601	-14.3
Net price to government	42,536	45,457	6.9
<b>Cost of Administered Expenses</b>			
Administered Expenses	1,906,667	1,882,039	-1.3
Plus depreciation, writedown of assets etc.	0	0	0.0
Total administered operating expenses	1,906,667	1,882,039	-1.3
Less administered revenues	4,923	4,931	0.2
Net cost to government	1,901,744	1,877,108	-1.3
<b>Total for Outcome 2</b>			
Total Net Price of Outputs and Cost of Administered Expenses	1,944,280	1,922,565	-1.1
Average staffing level	243	271	11.4
<b>Totals for Outcomes 1 and 2</b>			
Total Price of Departmental Outputs (Outcomes 1 and 2)	233,629	227,574	-2.6
Total Cost of Administered Expenses (Outcomes 1 and 2)	5,232,852	4,911,155	-6.1
Total Price and Cost (Outcomes 1 and 2)	5,466,481	5,138,729	-6.0
Total Average Staffing Level (Outcomes 1 and 2)	1,199	1,203	0.3





# FINANCIAL STATEMENTS

For the Year Ended 30 June 2008



**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 2008, which comprise: a statement by the Chief Executive and Chief Financial Officer; income statement; balance sheet; statement of changes in equity; cash flow statement; schedules of commitments, contingencies and administered items; a summary of significant accounting policies; and other explanatory notes.

***The Responsibility of the Chief Executive for the Financial Statements***

The Department's Chief Executive 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* and the Australian Accounting Standards (including 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. My audit has been conducted in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing 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.

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



100 Ross Street, ANR, 1000 ACT 2601  
19 National Circuit, ANR, 1000 ACT 2600  
Phone (02) 6293 7300 Fax (02) 6293 7277

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 Chief Executive, 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*, and the Australian Accounting Standards (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 2008 and its financial performance and its cash flows for the year then ended.

Australian National Audit Office



Alan Foster  
Executive Director  
Delegate of the Auditor-General  
Canberra  
1 August 2008

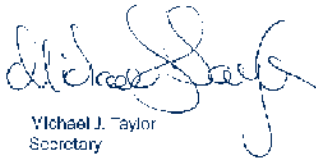




**Australian Government**  
**Department of Infrastructure, Transport,**  
**Regional Development and Local Government**

**STATEMENT BY THE CHIEF EXECUTIVE AND CHIEF FINANCIAL OFFICER**

In our opinion, the attached financial statements for the year ended 30 June 2008 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.



Michael J. Taylor  
Secretary

31 July 2008



Paul Wood  
Chief Financial Officer

31 July 2008



FINANCIAL  
STATEMENTS



**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT,  
REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT**

**INCOME STATEMENT**

for the period ended 30 June 2008

	Notes	2008 \$'000	2007 \$'000
<b>INCOME</b>			
<b>Revenue</b>			
Revenue from Government	3A	239,773	213,257
Sale of goods and rendering of services	3B	4,175	3,901
Rental income	3C	367	217
<i>Total revenue</i>		<u>244,315</u>	<u>217,375</u>
<b>Gains</b>			
Resources received free of charge	3D	520	365
Reversals of previous asset write-downs	3D	48	150
Cost recoveries and refunds	3D	37	584
<i>Total gains</i>		<u>605</u>	<u>1,099</u>
<b>Total Income</b>		<u>244,920</u>	<u>218,474</u>
<b>EXPENSES</b>			
Employee benefits	4A	121,421	117,831
Suppliers	4B	99,046	90,377
Grants	4C	1,404	2,365
Depreciation and amortisation	4D	13,576	11,833
Finance costs	4E	269	350
Write-down and impairment of assets	4F	3,375	467
<b>Total Expenses</b>		<u>239,091</u>	<u>223,223</u>
<b>Surplus/(deficit) attributable to the Australian Government</b>		<u>5,829</u>	<u>(4,749)</u>

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 2008

	Notes	2008 \$'000	2007 \$'000
<b>ASSETS</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	5A	3,926	6,197
Trade and other receivables	5B	94,216	85,718
Accrued revenue	5C	419	298
<b>Total financial assets</b>		<b>98,561</b>	<b>92,213</b>
<b>Non-Financial Assets</b>			
Land and buildings	6A/6D	32,689	22,981
Infrastructure, plant and equipment	6B/6D	2,647	4,993
Artworks	6C/6D	179	162
Intangibles	6E	22,378	23,954
Inventories	6F	5	4
Other non-financial assets	6G	6,983	5,558
Assets held for sale	7H	-	-
<b>Total non-financial assets</b>		<b>64,881</b>	<b>57,652</b>
<b>Total Assets</b>		<b>163,442</b>	<b>149,865</b>
<b>LIABILITIES</b>			
<b>Payables</b>			
Suppliers	7A	2,614	4,000
Other payables	7B	13,626	11,254
Tax liabilities	8B	-	-
<b>Total payables</b>		<b>16,240</b>	<b>15,254</b>
<b>Interest Bearing Liabilities</b>			
Leases	8A	373	2,278
<b>Total interest bearing liabilities</b>		<b>373</b>	<b>2,278</b>
<b>Provisions</b>			
Employee provisions	9A	34,096	34,318
Other provisions	9B	3,965	3,248
<b>Total provisions</b>		<b>38,061</b>	<b>37,566</b>
<b>Total Liabilities</b>		<b>54,674</b>	<b>55,098</b>
<b>Net Assets</b>		<b>108,768</b>	<b>94,767</b>
<b>EQUITY</b>			
Contributed equity		(121,520)	(127,735)
Asset revaluation reserve		16,431	13,479
Retained earnings		213,857	209,023
<b>Total Equity</b>		<b>108,768</b>	<b>94,767</b>
<b>Current Assets</b>		<b>102,619</b>	<b>94,844</b>
<b>Non-Current Assets</b>		<b>60,823</b>	<b>55,021</b>
<b>Current Liabilities</b>		<b>40,271</b>	<b>43,048</b>
<b>Non-Current Liabilities</b>		<b>14,403</b>	<b>12,050</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**

as at 30 June 2008

	Retained Earnings		Asset Revaluation Reserve		Contributed Equity/Capital		Total Equity	
	2008	2007	2008	2007	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening Balance</b>								
Balance carried forward from previous period	209,023	209,188	13,479	17,052	(127,735)	(108,496)	94,767	117,744
<b>Adjusted Opening Balance</b>	<b>209,023</b>	<b>209,188</b>	<b>13,479</b>	<b>17,052</b>	<b>(127,735)</b>	<b>(108,496)</b>	<b>94,767</b>	<b>117,744</b>
<b>Income and Expense</b>								
Revaluation adjustment	-	-	3,401	1,011	-	-	3,401	1,011
Revaluation adjustment - provision	-	-	(449)	-	-	-	(449)	-
<b>Sub-total income and expenses recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>2,952</b>	<b>1,011</b>	<b>-</b>	<b>-</b>	<b>2,952</b>	<b>1,011</b>
Surplus / (Deficit) for the period	5,829	(4,749)	-	-	-	-	5,829	(4,749)
<b>Total Income and Expense</b>	<b>5,829</b>	<b>(4,749)</b>	<b>2,952</b>	<b>1,011</b>	<b>-</b>	<b>-</b>	<b>8,781</b>	<b>(3,738)</b>
<b>Transactions with Owners</b>								
<i>Distribution to owners</i>								
Restructuring (Note 10)	(899)	-	-	-	-	-	(899)	-
<i>Contributions by owners</i>								
Appropriation (equity injection)	-	-	-	-	6,215	2,866	6,215	2,866
Restructuring (Note 10)	(96)	4,584	-	(4,584)	-	(22,105)	(96)	(22,105)
<b>Sub-total transactions with owners</b>	<b>(995)</b>	<b>4,584</b>	<b>-</b>	<b>(4,584)</b>	<b>6,215</b>	<b>(19,239)</b>	<b>5,220</b>	<b>(19,239)</b>
<b>Closing balance at 30 June</b>	<b>213,857</b>	<b>209,023</b>	<b>16,431</b>	<b>13,479</b>	<b>(121,520)</b>	<b>(127,735)</b>	<b>108,768</b>	<b>94,767</b>
<b>Effect of correction of error in previous year</b>								
Deficit as reported in the 2006-07 financial statements	-	(8,893)	-	-	-	-	-	(8,893)
Correction of error (Note 6G)	-	4,144	-	-	-	-	-	4,144
Restated deficit	-	(4,749)	-	-	-	-	-	(4,749)

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 period ended 30 June 2008

	Notes	2008 \$'000	2007 \$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Appropriations		227,979	225,727
Goods and services		5,090	3,430
Rents		367	217
Interest		-	-
Net GST received		9,776	11,287
Other cash received		34	736
Total cash received		<u>243,246</u>	<u>241,397</u>
<b>Cash used</b>			
Employees		120,201	118,323
Suppliers		113,327	105,070
Total cash used		<u>233,528</u>	<u>223,393</u>
<b>Net cash from operating activities</b>	11	<u>9,718</u>	<u>18,004</u>
<b>INVESTING ACTIVITIES</b>			
<b>Cash used</b>			
Purchase of property, plant and equipment and intangibles		18,204	20,908
Total cash used		<u>18,204</u>	<u>20,908</u>
<b>Net cash used by investing activities</b>		<u>(18,204)</u>	<u>(20,908)</u>
<b>FINANCING ACTIVITIES</b>			
<b>Cash received</b>			
Appropriations - contributed equity		6,215	6,635
Total cash received		<u>6,215</u>	<u>6,635</u>
<b>Net cash from financing activities</b>		<u>6,215</u>	<u>6,635</u>
Net increase / (decrease) in cash held		<u>(2,271)</u>	<u>3,731</u>
Cash and cash equivalents at the beginning of the reporting period		<u>6,197</u>	<u>2,466</u>
<b>Cash and cash equivalents at the end of the reporting period</b>	5A	<u>3,926</u>	<u>6,197</u>

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 2008

	2008 \$'000	2007 \$'000
<b>BY TYPE</b>		
<b>Commitments receivable</b>		
GST recoverable on commitments	(17,236)	(14,358)
<i>Total commitments receivable</i>	<u>(17,236)</u>	<u>(14,358)</u>
<b>Capital commitments</b>		
Land and buildings <sup>1</sup>	11,288	19,485
Intangibles <sup>2</sup>	78	-
<i>Total capital commitments</i>	<u>11,366</u>	<u>19,485</u>
<b>Other commitments</b>		
Operating leases <sup>3</sup>	136,458	97,554
Project commitments	155	467
Goods and services commitments <sup>4</sup>	41,613	40,437
<i>Total other commitments</i>	<u>178,226</u>	<u>138,458</u>
<b>Net commitments by type</b>	<u>172,356</u>	<u>143,585</u>
<b>BY MATURITY</b>		
<b>Commitments receivable</b>		
<b>GST recoverable on commitments</b>		
One year or less	(4,524)	(5,013)
From one to five years	(7,428)	(5,442)
Over five years	(5,284)	(3,903)
<i>Total commitments receivable</i>	<u>(17,236)</u>	<u>(14,358)</u>
<b>Commitments payable</b>		
<b>Capital commitments</b>		
One year or less	11,366	15,965
From one to five years	-	3,520
Over five years	-	-
<i>Total capital commitments</i>	<u>11,366</u>	<u>19,485</u>
<b>Operating lease commitments</b>		
One year or less	18,646	12,459
From one to five years	59,691	42,161
Over five years	58,121	42,934
<i>Total operating lease commitments</i>	<u>136,458</u>	<u>97,554</u>
<b>Project and goods and services commitments</b>		
One year or less	19,753	26,726
From one to five years	22,015	14,178
Over five years	-	-
<i>Total other commitments</i>	<u>41,768</u>	<u>40,904</u>
<b>Net commitments by maturity</b>	<u>172,356</u>	<u>143,585</u>

This schedule should be read in conjunction with the accompanying notes.

Note: Commitments are GST inclusive where relevant.



**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT,  
REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT**

**SCHEDULE OF COMMITMENTS (continued)**

as at 30 June 2008

<sup>1</sup> Land and buildings commitments include leasehold improvements.

<sup>2</sup> Intangibles commitments relate to contracted payments for asset management 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 related 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 dependant 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 2008

Contingent Assets	Claims for		Total	
	damages/costs			
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
Balance from previous period	-	100	-	100
New	-	-	-	-
Re-measurement	-	(100)	-	(100)
Assets crystallised	-	-	-	-
Expired	-	-	-	-
<b>Total Contingent Assets</b>	-	-	-	-
Contingent Liabilities	Claims for		Total	
	damages/costs			
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
Balance from previous period	20,000	3,737	20,000	3,737
New	-	20,000	-	20,000
Re-measurement	-	(3,737)	-	(3,737)
Liabilities crystallised	-	-	-	-
Obligations expired	-	-	-	-
<b>Total Contingent Liabilities</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>
<b>Net Contingent Liabilities (Assets)</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>

Details of each class of contingent liabilities and assets, including those not included above because they cannot be quantified or are considered remote, are disclosed in Note 12: Contingent Liabilities and Assets.

The above schedule should be read in conjunction with the accompanying notes.



**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT,  
REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT**
**SCHEDULE OF ADMINISTERED ITEMS**

	Notes	2008 \$'000	2007 \$'000
<b>Income Administered on Behalf of Government</b>			
<i>for the period ended 30 June 2008</i>			
<b>Revenue</b>			
<b>Taxation revenue</b>			
Levies, fees and fines	16A	<b>80,728</b>	77,093
<i>Total taxation revenue</i>		<b>80,728</b>	77,093
<b>Non-taxation revenue</b>			
Rendering of services	16B	<b>74,366</b>	69,021
Interest	16C	<b>5,119</b>	10,162
Dividends	16D	<b>66,600</b>	65,300
Contributions	16E	<b>2,967</b>	16,492
Royalties	16F	<b>643</b>	1,483
Rental income	16G	<b>4,134</b>	5,165
Other revenue	16H	<b>241</b>	704
<i>Total non-taxation revenue</i>		<b>154,070</b>	168,327
<b>Total revenues administered on behalf of Government</b>		<b>234,798</b>	245,420
<b>Gains</b>			
Sale of assets	16I	<b>148</b>	-
Other gains	16J	<b>7,597</b>	564
<b>Total gains administered on behalf of Government</b>		<b>7,745</b>	564
<b>Total income administered on behalf of Government</b>		<b>242,543</b>	245,984
<b>Expenses Administered on Behalf of Government</b>			
<i>for the period ended 30 June 2008</i>			
Grants	17A	<b>4,966,632</b>	4,319,832
Subsidies	17B	<b>142,369</b>	127,985
Employee benefits	17C	<b>4,556</b>	7,172
Suppliers	17D	<b>38,192</b>	71,229
Depreciation and amortisation	17E	<b>13,499</b>	25,218
Write-down and impairment of assets	17F	<b>80</b>	6,676
Sale of assets	17G	<b>66,513</b>	4,965
Other expenses	17H	<b>944</b>	2,378
<b>Total expenses administered on behalf of Government</b>		<b>5,232,785</b>	4,565,455

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)**

	Notes	2008 \$'000	2007 \$'000
<b>Assets Administered on Behalf of Government</b>			
<i>as at 30 June 2008</i>			
<b>Financial assets</b>			
Cash and cash equivalents	18A	125	240
Receivables	18B	55,806	192,830
Investments accounted for using the equity method	18C	1,910,954	1,735,539
Accrued revenues	18D	7,196	8,644
<i>Total Financial Assets</i>		<b>1,974,081</b>	1,937,253
<b>Non-Financial assets</b>			
Land and buildings	18E	64,000	187,476
Infrastructure, plant and equipment	18F	-	145,119
Heritage and cultural	18G	7,550	53,615
Intangibles	18H	-	1,771
Inventories	18I	-	1,953
Prepayments	18J	1,387,967	2,069,429
<i>Total Non-Financial Assets</i>		<b>1,459,517</b>	2,459,363
<b>Total Assets Administered on Behalf of Government</b>		<b>3,433,598</b>	4,396,616
<b>Liabilities Administered on Behalf of Government</b>			
<i>as at 30 June 2008</i>			
<b>Provisions</b>			
Employee provisions	19A	-	1,187
Asbestos removal provision	19B	-	10,426
Phosphate mine rehabilitation provision	19C	-	2,848
Other provisions	20D	-	-
<i>Total Provisions</i>		-	14,461
<b>Payables</b>			
Suppliers	19D	994	5,775
Subsidies	19E	1,379	578
Grants	19F	27,966	10,683
Unearned income	20G	-	-
<i>Total Payables</i>		<b>30,339</b>	17,036
<b>Total Liabilities Administered on Behalf of Government</b>		<b>30,339</b>	31,497
<b>Current Assets</b>		<b>999,011</b>	2,660,520
<b>Non-Current Assets</b>		<b>2,434,587</b>	1,736,096
<b>Current Liabilities</b>		<b>30,339</b>	23,230
<b>Non-Current Liabilities</b>		-	8,267

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)**

	Notes	2008 \$'000	2007 \$'000
<b>Administered Cash Flows</b>			
<i>for the period ended 30 June 2008</i>			
<b>OPERATING ACTIVITIES</b>			
<b>Cash Received</b>			
Levies, fees and fines		81,448	82,845
Rendering of services		21,623	26,131
Interest		5,218	10,463
Dividends		66,600	65,300
Net GST received		13,369	17,177
Other		5,631	24,600
<i>Total Cash Received</i>		<u>193,889</u>	<u>226,516</u>
<b>Cash Used</b>			
Grant payments		4,283,108	4,257,116
Subsidies paid		142,155	129,563
Suppliers		50,734	73,830
Employees		4,431	7,320
Other		1,191	2,388
<i>Total Cash Used</i>		<u>4,481,619</u>	<u>4,470,217</u>
<b>Net Cash Flows Used by Operating Activities</b>		<u>(4,287,730)</u>	<u>(4,243,701)</u>
<b>INVESTING ACTIVITIES</b>			
<b>Cash Received</b>			
Repayments of loans		4,871	10,177
Proceeds from sale of property, plant and equipment		451	463
<i>Total Cash Received</i>		<u>5,322</u>	<u>10,640</u>
<b>Cash Used</b>			
Advances and loans made		-	47,185
Purchase of property, plant and equipment		1,950	3,238
<i>Total Cash Used</i>		<u>1,950</u>	<u>50,423</u>
<b>Net Cash Flows Used by Investing Activities</b>		<u>3,372</u>	<u>(39,783)</u>
<i>Net Decrease in Cash Held</i>		<u>(4,284,358)</u>	<u>(4,283,484)</u>
Cash and cash equivalents at the beginning of the reporting period		240	222
Cash from Official Public Account for:			
- Appropriations			
Annual		2,653,986	2,705,654
Assets and liabilities		3	47,185
Special		1,767,644	1,697,699
- GST		12,740	12,868
- Special Accounts		54,496	52,498
		<u>4,488,869</u>	<u>4,515,904</u>
Cash to Official Public Account for:			
- Appropriations		(149,369)	(180,314)
- Special Accounts		(55,257)	(52,088)
		<u>(204,626)</u>	<u>(232,402)</u>
<b>Cash and cash equivalents at the end of the reporting period</b>	18A	<u>125</u>	<u>240</u>

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)**

	2008 \$'000	2007 \$'000
<b>Administered Commitments</b>		
<i>as at 30 June 2008</i>		
<b>BY TYPE</b>		
<b>Commitments Receivable <sup>1</sup></b>		
Other commitments	(10,800)	(9,010)
Project commitments	(1,730)	-
Operating leases	(9,343)	(10,790)
GST recoverable on commitments	(5,183)	(3,401)
<i>Total commitments receivable</i>	<u>(27,056)</u>	<u>(23,201)</u>
<b>Capital Commitments</b>		
Property, plant and equipment <sup>2</sup>	-	2,877
<i>Total capital commitments</i>	<u>-</u>	<u>2,877</u>
<b>Other Commitments</b>		
Operating leases <sup>3</sup>	-	606
Project commitments <sup>4</sup>	2,815,273	3,195,283
Other commitments <sup>5</sup>	52,406	268,893
<i>Total other commitments</i>	<u>2,867,679</u>	<u>3,464,782</u>
<b>Net commitments by type</b>	<u>2,840,623</u>	<u>3,444,458</u>
<b>BY MATURITY</b>		
<b>Commitments Receivable</b>		
One year or less	(9,744)	(18,559)
From one to five years	(17,312)	(4,642)
Over five years	-	-
<i>Total commitments receivable</i>	<u>(27,056)</u>	<u>(23,201)</u>
<b>Capital Commitments</b>		
One year or less	-	2,877
From one to five years	-	-
Over five years	-	-
<i>Total capital commitments</i>	<u>-</u>	<u>2,877</u>
<b>Operating Lease Commitments</b>		
One year or less	-	294
From one to five years	-	313
Over five years	-	-
<i>Total operating lease commitments</i>	<u>-</u>	<u>607</u>
<b>Other Commitments</b>		
One year or less	1,812,280	1,668,482
From one to five years	1,055,399	1,794,758
Over five years	-	935
<i>Total other commitments</i>	<u>2,867,679</u>	<u>3,464,175</u>
<b>Net administered commitments by maturity</b>	<u>2,840,623</u>	<u>3,444,458</u>

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.

<sup>2</sup> Property, plant and equipment commitments in the prior year included the waterfall water resource on Christmas Island which have been transferred to the Attorney-General's Department.

<sup>3</sup> Operating leases in the prior year included leases for commercial and residential accommodation on Christmas Island, Cocos (Keeling) Islands and the Jervis Bay Territory which have been transferred to the Attorney-General's Department.

Nature of Lease	General description of leasing arrangement
Leases for commercial and residential accommodation	The Australian Government has entered into operating leases for commercial and residential accommodation purposes. Most of these 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.

<sup>4</sup> Project commitments relate to contracts undertaken in relation to various Administered programs, including those related to the AusLink program.

<sup>5</sup> Other commitments in the prior year included service delivery arrangements.

**SCHEDULE OF ADMINISTERED CONTINGENCIES**

There are no quantifiable administered contingencies that are not remote. Details of other administered contingencies are disclosed at Note 22.

This schedule should be read in conjunction with the accompanying notes.



DEPARTMENT OF INFRASTRUCTURE, TRANSPORT,  
REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

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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) works to achieve two outcomes specified by the Australian Government:

- Outcome 1 - Fostering an efficient, sustainable, competitive, safe and secure transport system.
- Outcome 2 - Assisting regions to manage their own futures.

Department activities contributing towards these outcomes are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, revenues 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.

Departmental activities are identified under four output groups for Outcome 1, and two output groups for Outcome 2. The four output groups within Outcome 1 are: Investigations and Safety (1.1); Transport Security (1.2); AusLink (1.3) and Transport Services (1.4). The two output groups within Outcome 2 are Regional Services (2.1) and Local Government, Territories and Natural Disaster Relief (2.2).

The Territories and Natural Disaster Relief functions of the Department (output 2.2) have been transferred to the Attorney-General's Department as a result of a restructuring of Administrative Arrangements Orders of 3 December 2007 (refer to Note 10A).

On 18 April 2008, the Finance Minister approved the following outcome structure to take effect from the 2008-09 financial year.

- Outcome 1 – Assisting the Government to provide, evaluate, plan and invest in infrastructure across industry sectors.
- Outcome 2 - Fostering an efficient, sustainable, competitive, safe and secure transport system.
- Outcome 3 – Assisting regions and local government to develop and manage their futures.

The Department's output structure will also change in 2008-09. There will be one output group under Outcome 1: Infrastructure Investment (1.1), three output groups under Outcome 2: Transport Safety Investigations (2.1), Transport Security (2.1) and Transport Systems (2.3) and two output groups under Outcome 3: Regional Development (3.1) and Local Government (3.2).

The continued existence of the Department in its present form, and with its present programs, is dependent on Australian Government policy and on continuing appropriations by Parliament for the Department's administration and programs.



## 1.2 Basis of Preparation of the Financial Statements

The financial statements are required by Section 49 of Schedule 1 to the *Financial Management and Accountability Act 1997* and are a general purpose financial report.

The financial statements have been prepared in accordance with:

- Finance Minister's Orders (being the *Financial Management and Accountability Orders (Financial Statements for reporting periods ending on or after 1 July 2007)* (FMOs); and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial report has been prepared on an accrual basis and is in accordance with historical cost convention, except for certain assets and liabilities, which, as noted, are at fair value or net amortised cost. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial report is presented in Australian dollars and values are rounded to the nearest thousand dollars unless disclosure of the full amount is specifically required.

Unless alternative treatment is specifically required by an Accounting Standard, assets and liabilities are recognised in the Balance Sheet when and only when it is probable that future economic benefits will flow 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 unrealised are reported in the Schedule of Commitments and the Schedule of Contingencies (other than unquantifiable or remote contingencies, which are reported at Note 12).

Unless alternative treatment is specifically required by an Australian Accounting Standard, revenues and expenses are recognised in the Income Statement when and only when the flow or consumption or loss of economic benefits has occurred and can be reliably measured.

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 Department items, except where otherwise stated at Note 1.20.

## 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 land at Badgerys Creek was determined using a Residual Value Approach as determined by an independent valuer. 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. Included in Note 18C.



Notes to and forming part of the Financial Statements

- The fair value of artwork owned by the Department was determined using indicative market rates as determined by an independent valuer. Included in Note 6C.

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 Statement of Compliance**

Australian Accounting Standards require a statement of compliance with International Financial Reporting Standards (IFRS) to be made where the financial report complies with these standards. Some Australian equivalents to IFRS and other Australian Accounting Standards contain requirements specific to not-for-profit entities that are inconsistent with IFRS requirements. The Department is a not-for-profit entity and has applied these requirements, so while this financial report complies with Australian Accounting Standards including Australian Equivalents to International Financial Reporting Standards (AEIFRS) it cannot make this statement.

##### **Adoption of new Australian Accounting Standard requirements**

No accounting standard has been adopted earlier than the application date as stated in the standard. The following adopted requirements have resulted in a change to the Department's accounting policies or have affected the amounts reported in the current or prior periods or are estimated to have a financial effect in future reporting periods.

##### **Financial instrument disclosure**

*AASB 7 Financial Instruments: Disclosures* is effective for reporting periods beginning on or after 1 January 2007 (the 2007-08 financial year) and amends the disclosure requirements for financial instruments. In general AASB 7 requires greater disclosure than previously required. Associated with the introduction of AASB 7 a number of accounting standards were amended to reference the new standard or remove the present disclosure requirements through 2005-10 Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]. These changes have no financial impact but will affect the disclosure presented in future financial reports.

The following new standards, amendments to standards or interpretations for the current financial year have no material impact on the Department:

*AASB 2007-4 Amendments to Australian Accounting Standards arising from ED 151 and Other Amendments and Erratum: Proportionate Consolidation;*

*AASB 2007-7 Amendments to Australian Accounting Standards; and*

*UIG Interpretation 11 AASB2 – Group and Treasury Share Transactions and AASB 2007-1 Amendments to Australian Accounting Standards arising from AASB Interpretation 11.*

##### **Future Australian Accounting Standard requirements**

The following new standards, amendments to standards or interpretations that have been issued by the AASB are effective for future reporting periods, but are not applicable to the operations of the Department.





## Notes to and forming part of the Financial Statements

It is estimated that the impact of adopting these pronouncements when effective will have no material financial impact on future reporting periods:

*AASB Interpretation 12 Service Concession Arrangements and 2007-2 Amendments to Australian Accounting Standards arising from AASB Interpretation 12;*

*AASB 8 Operating Segments and 2007-3 Amendments to Australian Accounting Standards arising from AASB 8;*

*AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123;*

*AASB Interpretation 13 Customer Loyalty Programmes; and*

*AASB Interpretation 14 AASB 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction.*

### **Other**

AASB 1049 *Whole of Government and General Government Sector Financial Reporting* has been issued but is not applicable to the operations of the Department. AASB 1049 specifies the reporting requirements for the General Government Sector, and therefore, has no effect on the Department's financial statements.

## **1.5 Revenue**

### *Revenue from Government*

Amounts appropriated for departmental outputs appropriations 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.

No appropriations are received on a reciprocal basis.

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 seller 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.



Notes to and forming part of the Financial Statements

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 relative to the estimated total costs of the transaction.

Receivables for goods and services, that have 30-day terms, are recognised at the nominal amounts due, less any provision for bad and doubtful debts. Collectability of debts is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. A provision 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.

## 1.6 Gains

### *Resources received free of charge*

Services received free of charge are recognised as gains only when a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of these resources is recognised as an expense.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another Australian Government entity 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 Owners

### *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*

The Department had three restructuring events in 2007-08. Details of these are disclosed in Notes 10 and 21. The most significant was the transfer of Territories and Natural Disaster Relief functions to the Attorney-General's Department as a result of the Administrative Arrangements Orders of 3 December 2007. The departmental restructuring took effect on 31 January 2008 and the administered restructuring took effect on 24 January 2008.



Notes to and forming part of the Financial Statements

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.

The comparatives in the financial statements include financial transactions in relation to the Territories and Natural Disaster Relief functions.

### 1.8 Employee Benefits

Liabilities for services rendered by employees are recognised at the reporting date to the extent that they have not been settled.

Liabilities for 'short-term employee benefits' (as defined in AASB 119) and termination benefits due within twelve months of balance date 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.

All other employee benefit liabilities are measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

#### *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 by employees of the Department is estimated to be not greater than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration, 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 May 2007. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation. Assurance was obtained from the AGA in March 2008 that the Department's current leave and age profile had not changed sufficiently to require an additional AGA review.

#### *Separation and redundancy*

Provision is made for separation and redundancy benefit payments only when the Department has developed a formal plan for the terminations and has informed those employees affected that it will undertake the terminations.

The Department made separation and redundancy payments in 2007-08 of \$1,623,000 (2007: \$493,000) – refer to Note 4A Employee Benefits.

#### *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.



Notes to and forming part of the Financial Statements

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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.

The Department makes employer contributions to the Australian Government at rates determined by an actuary to be sufficient to meet the cost to the Government of the superannuation entitlements of the Department's employees. The Department accounts for the contribution as if they were contributions to defined contribution plans.

From 1 July 2005, new employees are eligible to join the PSSap scheme.

The liability for superannuation recognised as at 30 June represents outstanding contributions for the final fortnight of the period.

### **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 benefits incidental to ownership of leased non-current assets. In operating leases, the lessor effectively retains substantially all such risks and benefits incidental to ownership over the life of the asset.

Where a non-current asset is acquired by means of a finance lease, the asset is capitalised at the fair value of the lease property or, if lower, the present value of minimum lease payments at the beginning of the lease term, and a liability 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.

### **1.10 Borrowing Costs**

Borrowing costs are expensed as incurred.



Notes to and forming part of the Financial Statements

### 1.11 Cash and Cash Equivalents

Cash and cash equivalents means notes and coins held and any deposits 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 ‘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 agency manages together and has recent actual pattern of short-term profit-taking; or
- are a derivative that is 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.



Notes to and forming part of the Financial Statements

#### *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. They are included in non-current assets unless management intends to dispose of the asset within 12 months of the balance sheet date.

Available-for-sale financial assets are recorded at fair value. Gains and losses arising from changes in fair value are recognised directly in the 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 for the period.

Where a reliable fair value can not be established for unlisted investments in equity instruments cost is used. The Department has no such instruments.

#### *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'. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. 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 each balance date.

*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 Income Statement.

*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 Income Statement.



*Available-for-sale 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 exactly 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 (irrespective of having been invoiced).

### 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 an existing liability or asset in respect of which settlement is not probable or the amount cannot be reliably measured.

Contingent assets are reported when settlement is probable, and contingent liabilities are recognised when settlement is greater than remote.



Notes to and forming part of the Financial Statements

### 1.15 Acquisition of Assets

Assets are recorded at cost on acquisition 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 revenues 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.

### 1.16 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 significant in total). 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 'makegood' 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 'makegood' taken up.

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:

<b>Asset Class</b>	<b>Fair value measured at:</b>
Land	Market selling price
Buildings	Market selling price
Leasehold improvements	Depreciated replacement cost
Plant and equipment	Market selling price
Heritage and cultural assets	Market selling price
Artworks	Market selling price

Following initial recognition at cost, PP&E is carried at fair value less 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 they reverse a previous revaluation decrement of the same asset class that was previously recognised through the Income Statement. Revaluation decrements for a class of assets are recognised directly through the Income Statement except to the extent that they reverse a previous revaluation increment for that class.





Notes to and forming part of the Financial Statements

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 and amortisation*

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 and amortisation rates (useful lives) 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 and amortisation rates applying to each relevant class of assets are based on the following useful lives:

	2008	2007
Buildings on freehold land	<b>15 to 60 years</b>	15 to 60 years
Leasehold improvements	<b>Shorter of lease term or expected useful economic life</b>	Shorter of lease term or expected useful economic life
Infrastructure, plant and equipment	<b>3 to 80 years</b>	3 to 80 years
Heritage and cultural assets	<b>Indefinite or 5 to 60 years</b>	Indefinite or 5 to 60 years
Artworks	<b>Indefinite</b>	Indefinite

The aggregate amount of depreciation and amortisation allocated for each class of asset during the reporting period is disclosed in Note 4D and 17E.

#### *Heritage and Cultural Assets*

In accordance with Section 37 of the FMOs, the Department has recognised heritage and cultural assets that meet the asset recognition criteria and whose value can be reliably measured. Heritage and cultural assets that are irreplaceable and whose value cannot be reliably measured are not included on the Balance Sheet.

Some heritage and cultural assets may be stored, managed, displayed, repaired and restored in ways that will maintain them over time. Where conservation, restoration and preservation activities demonstrate that an asset's service potential will be maintained for an indefinite period, these items are considered to have indefinite useful lives. In such cases these assets are not depreciated.

#### *Artworks*

The Department has disclosed artworks at their fair value. The assets are not being depreciated as their service potential will be maintained for an indefinite period.



Notes to and forming part of the Financial Statements

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### *Restricted Assets*

Restricted assets are categorised under Schedule 36 of the FMOs as those assets whose use is restricted, wholly or in part of, by regulations or other externally-imposed requirements. Where assets are restricted, the fair value ascribed to that asset should reflect those restrictions. Refer to Note 1.20 Reporting of Administered Activities.

### *Impairment*

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. All assets were assessed for impairment as at 30 June 2008.

Note 4F: Write-down and impairment of assets, discloses the impairment adjustments for the current and comparative years.

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.

### **1.17 Intangibles**

The Department's intangibles assets balance comprises the acquisition of software configured for internal use and internally developed software. These assets are carried at cost.

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the Department's software are 2 to 8 years (2007: 2 to 8 years).

All software assets were assessed for indications of impairment as at 30 June 2008.

### **1.18 Inventories**

Inventories held for sale are measured at the lower of cost and net realisable value. Inventories held for distribution are measured at the lower of cost and current replacement cost.

Costs incurred in bringing each item of inventory to its present location and conditions are assigned as follows:

- raw materials and stores – purchased cost on a first-in-first-out basis; and
- finished goods and work in progress – cost of direct materials and labour plus attributable costs that are capable of being allocated on a reasonable basis.

Inventories acquired at no cost or nominal consideration are measured at current replacement cost at the date of acquisition.



### 1.19 Taxation

The Department is exempt from all taxation except fringe benefits tax and goods and services tax (GST). Revenues, expenses and assets 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.

### 1.20 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 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 Australian 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 Australian Government. These transfers to and from the OPA are adjustments to the administered cash balance held by the Department on behalf of the Australian 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. Thus, the Schedule of Administered Items largely reflects the Australian Government's transactions, through the Department, with entities outside the Australian Government.

#### *Administered revenue*

All administered revenues are revenues relating to the core operating 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 Australian 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.



## Notes to and forming part of the Financial Statements

*Administered investments*

Administered investments in controlled entities are not consolidated because their consolidation is relevant only at the Whole of Government level.

Administered investments other than those held for sale are measured at their fair value as at 30 June 2008. Fair value has been taken to be the net assets of the entities as at balance date according to their unaudited financial statements. The audited financial statements of each controlled entity will be available from their annual report or website.

Administered investments were assessed for impairment at 30 June 2008. No indications of impairment were noted.

*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 surplus and deficit.

*Grants and subsidies*

The Department administers a number of grant and subsidy schemes on behalf of the Australian 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 Australian Government enters into an agreement to make these grants, but services have not been performed or criteria satisfied.

*Restricted assets*

Restricted assets are categorised under Section 36 of the FMOs as those assets where use is restricted, wholly or in part of, by regulations or other externally-imposed requirements. Where assets are restricted, the fair value ascribed to that asset should reflect those restrictions.

*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**

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**Note 2: Events after the Balance Sheet Date**

No events have occurred after balance date that require disclosure in the financial statements.



**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT,  
REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT**
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	<b>2008</b>	2007
	<b>\$'000</b>	\$'000
<b>Note 3: Income</b>		
<b><u>Note 3A: Revenue from Government</u></b>		
Appropriation:		
Departmental outputs	<b>239,773</b>	213,257
<i>Total revenues from Government</i>	<b>239,773</b>	213,257
<b><u>Note 3B: Sale of Goods and Rendering of Services</u></b>		
Provisions of goods - related entities	<b>6</b>	8
Provisions of goods - external entities	<b>58</b>	48
<i>Total sale of goods</i>	<b>64</b>	56
Rendering of services - related entities	<b>2,552</b>	3,168
Rendering of services - external entities	<b>1,559</b>	677
<i>Total rendering of services</i>	<b>4,111</b>	3,845
<i>Total sale of goods and rendering of services</i>	<b>4,175</b>	3,901
<b><u>Note 3C: Rental Income</u></b>		
Operating lease:		
Housing rental	<b>1</b>	3
Commercial premises rental	<b>366</b>	214
<i>Total rental income</i>	<b>367</b>	217



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	2008	2007
	\$'000	\$'000
<b>Note 3D: Other Gains</b>		
Resources received free of charge	520	365
Reversal of previous asset write-downs	48	150
Cost recoveries and refunds	37	584
<i>Total other gains</i>	<b>605</b>	1,099
<b>Note 4: Expenses</b>		
<b>Note 4A: Employee Benefits</b>		
Wages and salaries	87,219	85,257
Superannuation:		
Defined contribution plans	3,209	1,863
Defined benefit plans	13,749	15,473
Leave and other entitlements	15,026	14,051
Separations and redundancies	1,623	493
Other employee expenses	595	694
<i>Total employee benefits</i>	<b>121,421</b>	117,831
<b>Note 4B: Suppliers</b>		
Provision of goods - related entities	10	91
Provision of goods - external entities	2,412	2,814
Rendering of services - related entities	9,565	7,575
Rendering of services - external entities	73,019	68,192
Operating lease rentals:		
Minimum lease rentals	12,522	10,214
Workers compensation premiums	866	1,124
Other supplier expenses	652	367
<i>Total supplier expenses</i>	<b>99,046</b>	90,377
<b>Note 4C: Grants</b>		
Public sector:		
Australian Government entities (related entities)	223	330
State and Territory Governments	494	997
Private sector:		
Non-profit organisations	550	439
Other	137	509
Overseas	-	90
<i>Total grants</i>	<b>1,404</b>	2,365



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	2008	2007
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS	\$'000	\$'000

**Note 4D: Depreciation and Amortisation**

## Depreciation:

Infrastructure, plant and equipment	461	427
<i>Total depreciation</i>	461	427

## Amortisation:

Leasehold improvements	3,970	4,493
Leasehold makegood	664	260
Assets held under finance leases	2,370	2,412
Intangibles - computer software	6,111	4,241
<i>Total amortisation</i>	13,115	11,406

<i>Total depreciation and amortisation</i>	13,576	11,833
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The aggregate amounts of depreciation or amortisation expensed during the reporting period for each class of depreciable asset are as follows:

Leasehold improvements	3,970	4,493
Leasehold makegood	664	260
Infrastructure, plant and equipment	461	427
Assets held under finance leases	2,370	2,412
Computer software	6,111	4,241
<i>Total depreciation and amortisation</i>	13,576	11,833

**Note 4E: Finance costs**

Finance leases	88	178
Lease incentives	-	231
Unwinding of discount	181	(59)
<i>Total finance costs expense</i>	269	350

**Note 4F: Write-down and impairment of assets**

Impairment of financial assets	11	62
Impairment of plant and equipment	17	7
Impairment of intangibles	3,136	129
Impairment of leasehold improvements	211	-
Leasehold improvements - revaluation decrement	-	269
<i>Total write-down and impairment of assets</i>	3,375	467





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	2008	2007
	\$'000	\$'000
<b>Note 5: Financial Assets</b>		
<b>Note 5A: Cash and cash equivalents</b>		
Departmental bank accounts	3,926	6,197
<i>Total cash and cash equivalents</i>	<b>3,926</b>	6,197
<b>Note 5B: Trade and other receivables</b>		
Goods and services	535	1,630
Appropriations receivable		
for existing outputs	91,745	82,760
GST receivable from the Australian Taxation Office	1,915	1,423
Other receivables	30	35
<i>Total trade and other receivables (gross)</i>	<b>94,225</b>	85,848
Less allowance for doubtful debts:		
Goods and services	-	(116)
Other receivables	(9)	(14)
<i>Total trade and other receivables (net)</i>	<b>94,216</b>	85,718
Receivables balance are represented by:		
Current	94,216	85,718
Non-current	-	-
<i>Total trade and other receivables (net)</i>	<b>94,216</b>	85,718
Receivables (gross) are aged as follows:		
Not overdue	94,030	85,475
Overdue by:		
Less than 30 days	123	83
30 to 60 days	9	55
61 to 90 days	4	4
More than 90 days	59	231
<i>Total receivables (gross)</i>	<b>94,225</b>	85,848
The allowance for doubtful debts is aged as follows:		
Not overdue	-	-
Overdue by:		
Less than 30 days	-	-
30 to 60 days	-	-
61 to 90 days	-	-
More than 90 days	(9)	(130)
<i>Total impairment allowance</i>	<b>(9)</b>	(130)



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**Reconciliation of the impairment allowance account:**

Movements in relation to 2008

	Goods and services	Other receivables	Total
	<b>2008</b>	<b>2008</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Opening balance	116	14	130
Amounts written off	(116)	(1)	(117)
Amounts recovered and reversed	-	(13)	(13)
Increase/decrease recognised in net surplus	-	9	9
<b>Closing balance</b>	-	9	9

Movements in relation to 2007

	Goods and services	Other receivables	Total
	2007	2007	2007
	\$'000	\$'000	\$'000
Opening balance	118	112	230
Amounts written off	-	(5)	(5)
Amounts recovered and reversed	(2)	(107)	(109)
Increase/decrease recognised in net surplus	-	14	14
<b>Closing balance</b>	116	14	130



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	2008	2007
	\$'000	\$'000
<b>Note 5C: Accrued Revenue</b>		
Related entities	419	283
External entities	-	15
<i>Total accrued revenue</i>	<u>419</u>	<u>298</u>

**Note 6: Non-Financial Assets**

**Note 6A: Land and Buildings**

Leasehold improvements:		
- work in progress	9,458	1,323
- gross carrying value (at fair value)	20,912	22,194
- accumulated amortisation	(1,392)	(2,617)
<i>Total leasehold improvements</i>	<u>28,978</u>	<u>20,900</u>
Leasehold make good		
- gross carrying value (at fair value)	3,946	3,246
- accumulated amortisation	(235)	(1,165)
<i>Total leasehold make good</i>	<u>3,711</u>	<u>2,081</u>
<i>Total land and buildings (non-current)</i>	<u>32,689</u>	<u>22,981</u>

No indicators of impairment were found for land and buildings.

**Note 6B: Infrastructure, plant and equipment**

Infrastructure, plant and equipment		
- gross carrying value (at fair value)	11,345	11,367
- accumulated depreciation	(8,698)	(6,374)
	<u>2,647</u>	<u>4,993</u>
<i>Total Infrastructure, plant and equipment (non-current)</i>	<u>2,647</u>	<u>4,993</u>

**Note 6C: Artworks**

Artworks - gross carrying value (at fair value)	<u>179</u>	<u>162</u>
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All revaluations are conducted in accordance with the revaluation policy stated at Note 1.

In 2007-08, independent valuer PrestonRowePaterson NSW Pty Ltd conducted the valuations with the exception of the leasehold makegood assets which were revalued internally based on current market bases.

Revaluation increments for leasehold improvements of \$1,234,386 (2007: \$401,384), leasehold makegood of \$2,183,674 (2007: \$460,606) and artworks of \$11,136 (2007: \$0) were credited, and revaluation decrements for plant and equipment of \$27,190 (2007: increment of \$148,904) and leasehold makegood provision of \$449,870 (2007: \$0) were debited to the asset revaluation reserve by asset class and included in the equity section of the Balance Sheet.





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**Note 6D: Analysis of Property, Plant and Equipment**

Table A - Reconciliation of the opening and closing balances of property, plant and equipment - (2007-08)

	Buildings - Leasehold Improvements	Buildings - Leasehold Make good	Buildings Total	Other Infrastructure, Plant & Equipment	Artworks	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2007</b>						
Gross book value	23,517	3,246	26,763	11,367	162	38,292
Accumulated depreciation/amortisation and impairment	(2,617)	(1,165)	(3,782)	(6,374)	-	(10,156)
<b>Net book value 1 July 2007</b>	<b>20,900</b>	<b>2,081</b>	<b>22,981</b>	<b>4,993</b>	<b>162</b>	<b>28,136</b>
Additions:						
by purchase	11,001	135	11,136	441	6	11,583
by finance lease	-	-	-	88	-	88
Revaluations and impairments through equity	1,234	2,183	3,417	(27)	11	3,401
Depreciation/amortisation expense	(3,970)	(664)	(4,634)	(2,831)	-	(7,465)
Write back of accumulated depreciation	-	-	-	-	-	-
Impairments recognised in the operating result	(187)	(24)	(211)	(17)	-	(228)
Other Movements						
Reclassifications	-	-	-	-	-	-
Disposals:						
From disposal of entities or operations (including restructuring)	-	-	-	-	-	-
Other disposals	-	-	-	-	-	-
<b>Net book value 30 June 2008</b>	<b>28,978</b>	<b>3,711</b>	<b>32,689</b>	<b>2,647</b>	<b>179</b>	<b>35,515</b>
<b>Net book value as of 30 June 2008 represented by:</b>						
Gross book value	30,370	3,946	34,316	11,345	179	45,840
Accumulated depreciation/amortisation and impairment	(1,392)	(235)	(1,627)	(8,698)	-	(10,325)
	28,978	3,711	32,689	2,647	179	35,515

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**Note 6D: Analysis of Property, Plant and Equipment (Continued)**

Table A - Reconciliation of the opening and closing balances of property, plant and equipment - (2006-07) (continued)

	Land	Buildings on Freehold Land	Buildings - Leasehold Improvements	Buildings - Leasehold Makegood	Land & Buildings Total	Other Infrastructure, Plant & Equipment	Artworks	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2006</b>								
Gross book value	3,610	10,362	18,337	1,833	34,142	16,299	162	50,603
Accumulated depreciation/amortisation and impairment	-	(1)	(1,100)	(1,015)	(2,116)	(3,246)	-	(5,362)
<b>Net book value 1 July 2006</b>	<b>3,610</b>	<b>10,361</b>	<b>17,237</b>	<b>818</b>	<b>32,026</b>	<b>13,053</b>	<b>162</b>	<b>45,241</b>
Additions:								
by purchase	-	-	8,013	1,073	9,086	1,691	-	10,777
by finance lease	-	-	-	-	-	1,430	-	1,430
Revaluations and impairments through equity	-	-	401	461	862	149	-	1,011
Depreciation/amortisation expense	-	-	(4,493)	(260)	(4,753)	(2,840)	-	(7,593)
Write back of accumulated depreciation	-	-	-	-	-	-	-	-
Impairments recognised in the operating result	-	-	(258)	(11)	(269)	(7)	-	(276)
Other Movements								
Assets first recognised	-	-	-	-	-	-	-	-
Disposals:								
From disposal of entities or operations (including restructuring)	(3,610)	(10,361)	-	-	(13,971)	(8,483)	-	(22,454)
Other disposals	-	-	-	-	-	-	-	-
<b>Net book value 30 June 2007</b>	<b>-</b>	<b>-</b>	<b>20,900</b>	<b>2,081</b>	<b>22,981</b>	<b>4,993</b>	<b>162</b>	<b>28,136</b>
<b>Net book value as of 30 June 2007 represented by:</b>								
Gross book value	-	-	23,517	3,246	26,763	11,367	162	38,292
Accumulated depreciation/amortisation and impairment	-	-	(2,617)	(1,165)	(3,782)	(6,374)	-	(10,156)
	-	-	20,900	2,081	22,981	4,993	162	28,136

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	2008	2007
	\$'000	\$'000
<b>Note 6E: Intangibles</b>		
Computer software at cost:		
Internally developed - in progress (non-current)	4,323	6,756
Internally developed - in use (non-current)	29,941	24,024
Accumulated amortisation	(11,964)	(7,332)
Accumulated impairment write-down	(425)	-
Total computer software internally developed	21,875	23,448
Externally acquired - in use (non-current)	1,155	997
Accumulated amortisation	(652)	(491)
Total computer software purchased	503	506
Total Intangibles	22,378	23,954

**Table A - Reconciliation of opening and closing balances of intangibles (2007-08)**

Item	Computer software internally developed	Computer software purchased
	\$'000	\$'000
As at 1 July 2007		
Gross book value	30,780	997
Accumulated amortisation and impairment	(7,332)	(491)
<b>Net book value 1 July 2007</b>	<b>23,448</b>	<b>506</b>
Additions:		
by purchase or internally developed	7,545	126
Reclassifications	(32)	32
Amortisation	(5,950)	(161)
Write-down of intangible assets not in use	(2,711)	-
Impairments recognised due to change in useful lives	(425)	-
Other movements		
Disposals		
from disposals of entities or operations (including restructuring)	-	-
other disposals	-	-
<b>Net book value 30 June 2008</b>	<b>21,875</b>	<b>503</b>
<b>Net book value as of 30 June 2008 represented by:</b>		
Gross book value	34,264	1,155
Accumulated amortisation and impairment	(12,389)	(652)
	21,875	503



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Table A - Reconciliation of opening and closing balances of intangibles (2006-07)

Item	Computer software internally developed	Computer software purchased
	\$'000	\$'000
As at 1 July 2006		
Gross book value	20,473	1,016
Accumulated amortisation and impairment	(3,353)	(635)
<b>Net book value 1 July 2006</b>	<b>17,120</b>	<b>381</b>
Additions:		
by purchase or internally developed	10,400	422
Reclassifications	(57)	57
Amortisation	(3,979)	(261)
Impairments recognised in the operating result	(36)	(93)
Other movements	-	-
Disposals		
from disposals of entities or operations (including restructuring)	-	-
other disposals	-	-
<b>Net book value 30 June 2007</b>	<b>23,448</b>	<b>506</b>
<b>Net book value as of 30 June 2007 represented by:</b>		
Gross book value	30,780	997
Accumulated amortisation and impairment	(7,332)	(491)
	<b>23,448</b>	<b>506</b>

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	<b>2008</b>	2007
	<b>\$'000</b>	\$'000
<b>Note 6F: Inventories</b>		
Inventories held for sale		
Finished goods	<b>5</b>	4
Total inventories held for sale	<b>5</b>	4
<i>Total inventories</i>	<b>5</b>	4

During 2007-08, \$9,055 held for sale was recognised as an expense (2006-07: \$11,190).

All inventories are current assets. No inventory is recognised at fair value less costs to sell.

**Note 6G: Other non-financial assets**

Prepayments	<b>2,057</b>	1,504
Lease incentive asset	<b>4,926</b>	4,054
<i>Total other non-financial assets</i>	<b>6,983</b>	5,558

Other non-financial assets are represented by:

Current	<b>4,053</b>	2,628
Non-current	<b>2,930</b>	2,930
<i>Total other non-financial assets</i>	<b>6,983</b>	5,558

AASB108 *Accounting Policies, Changes in Accounting Estimates and Errors* states that prior period errors should be corrected by retrospective restatement except to the extent that it is impracticable to determine either the period specific effects or the cumulative effect of the error. In preparing the 2007-08 financial statements, the Department identified that the methodology used to account for lease incentives was incorrect for some leases in 2006-07. The Department has corrected this error, and now initially recognises a liability and a matching asset on first recognition of a lease incentive, and expenses the asset over the period in which the lease incentive is received or utilised. 2006-07 comparative values have been adjusted as follows: Lease incentive asset increased by \$4,054,749, lease incentive liability (Note 7B) increased by \$789,670, and operating lease rental expense (Note 4B) decreased by \$3,265,079.

**Note 7: Payables**
**Note 7A: Suppliers**

Trade creditors	<b>293</b>	2,622
Operating lease rentals	<b>2,321</b>	1,378
<i>Total supplier payables</i>	<b>2,614</b>	4,000

Supplier payables are represented by:

Current	<b>416</b>	2,683
Non-current	<b>2,198</b>	1,317
<i>Total supplier payables</i>	<b>2,614</b>	4,000

In preparing the 2007-08 financial statements, the Department identified that the operating lease rental payable was overstated due to the incorrect straight-lining of minimum lease payments relating to one operating lease. 2006-07 comparative values have been adjusted as follows: operating lease rental payable decreased by \$880,366 and rendering of services - external (Note 4B) decreased by \$880,366.





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	2008	2007
	\$'000	\$'000

**Note 7B: Other Payables**

Unearned revenue	251	375
Accrued expenses	7,805	6,747
Lease incentives	5,570	4,132
<i>Total other payables</i>	<u>13,626</u>	<u>11,254</u>

Other payables are represented by:

Current	8,811	7,639
Non-current	4,815	3,615
<i>Total other payables</i>	<u>13,626</u>	<u>11,254</u>

**Note 8: Interest Bearing Liabilities**

**Note 8A: Leases**

Finance lease	373	2,278
<i>Total finance leases</i>	<u>373</u>	<u>2,278</u>

Payable:

Within one year		
Minimum lease payments	239	2,020
Deduct: future finance charges	(16)	(85)
	<u>223</u>	<u>1,935</u>
In one to five years		
Minimum lease payments	157	363
Deduct: future finance charges	(7)	(20)
	<u>150</u>	<u>343</u>

*Finance lease recognised on the balance sheet*

	<u>373</u>	<u>2,278</u>
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Finance leases exist in relation to certain office equipment assets and in relation to assets provided under the Department's IT service agreement.

The IT service agreement lease is non-cancellable and for a fixed term of 48 months from 1 July 2004 to 30 June 2008. The interest rate implicit in the lease is 6.09% (2007: 6.09%). There are no contingent rentals.

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% (2007: 6.10%). There are no contingent rentals.

Lease liability is represented by:

Current	223	1,935
Non-current	150	343
<i>Net lease liability</i>	<u>373</u>	<u>2,278</u>



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	2008 \$'000	2007 \$'000
<b>Note 9: Provisions</b>		
<b>Note 9A: Employee Provisions</b>		
Salaries and wages	1,061	781
Leave	31,267	33,341
Superannuation	292	196
Separations and redundancies	1,331	-
Other	145	-
<i>Total employee provisions</i>	<b>34,096</b>	34,318
Employee provisions are recognised by:		
Current	30,364	30,599
Non-current	3,732	3,719
<i>Total employee provisions</i>	<b>34,096</b>	34,318

The classification of current includes amounts for which there is not an unconditional right to defer settlement by one year, hence in the case of employee provisions the above classification does not represent the amount expected to be settled within one year of reporting date. Employee provisions expected to be settled in twelve months from the reporting date is \$13,582,000 (2007: \$11,299,000), in excess of one year \$20,514,000 (2007: \$23,019,000). These estimations were based on historical leave taken over a period of three years.

**Note 9B: Other Provisions**

Provision for makegood	3,965	3,248
<i>Total other provisions</i>	<b>3,965</b>	3,248

Other provisions are recognised by:

Current	457	191
Non-current	3,508	3,057
<i>Total other provisions</i>	<b>3,965</b>	3,248

	Makegood provision \$'000
<b>Carrying amount at beginning of period</b>	<b>3,248</b>
Additional provisions made	584
Amounts used	(48)
Amounts reversed	-
Unwinding of discount and change in discount rate	181
<b>Amount owing at end of period</b>	<b>3,965</b>

**Provision for makegood**

The Department currently has 21 agreements (2007: 18) 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.



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**Note 10: Restructuring**

**Note 10A: Departmental Restructuring**

As a result of a restructuring of Administrative Arrangements Orders of 3 December 2007, the Department of Infrastructure, Transport, Regional Development and Local Government relinquished its responsibility for the Territories and Natural Disaster Relief programs to the Attorney-General's Department. The transfer took effect from 31 January 2008.

The net book value of the assets and liabilities relinquished were:

	2008
Notes	\$'000
<b>Net Assets Relinquished</b>	
<b>Financial Assets</b>	
Cash	(58)
<i>Total financial assets</i>	(58)
<b>Total assets relinquished</b>	(58)
<b>Net Liabilities Relinquished</b>	
<b>Provisions</b>	
Employee provisions	1,560
<i>Total provisions</i>	1,560
<b>Total liabilities relinquished</b>	1,560
<i>Net liabilities relinquished</i>	10C 1,502

As a result of a restructuring of Administrative Arrangements Orders of 3 December 2007, the Department of Infrastructure, Transport, Regional Development and Local Government assumed responsibility for the Major Projects Facilitation from the former Department of Industry, Tourism and Resources. The transfer took effect from 14 January 2008.

The net book value of the assets and liabilities recognised were:

<b>Total net assets recognised</b>	-
<b>Net Liabilities recognised</b>	
Employee provisions	(96)
<b>Total liabilities recognised</b>	(96)
<i>Net liabilities recognised</i>	10C (96)



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	2008 \$'000
<b>Note 10A: Departmental Restructuring (continued)</b>	
<b>Major Projects Facilitation Expenses</b>	
Recognised by the Department of Innovation, Industry, Science and Research	164
Recognised by the Department of Infrastructure, Transport, Regional Development and Local Government	138
<b>Total Expenses</b>	<b>302</b>

The Department of Infrastructure, Transport, Regional Development and Local Government assumed responsibility for the Northern Australia Futures Taskforce from the Department of the Environment, Water, Heritage and the Arts as a result of a Government decision made 4 March 2008.

The net book value of the assets and liabilities recognised were:

	2008 \$'000
Net assets recognised	-
Net liabilities recognised	-
<i>Net assets/liabilities recognised</i>	-

**Northern Australia Futures Taskforce**
**Revenues**

Recognised by the Department of the Environment, Water, Heritage and the Arts	596
Recognised by the Department of Infrastructure, Transport, Regional Development and Local Government	130
<b>Total Revenues</b>	<b>726</b>

**Expenses**

Recognised by the Department of the Environment, Water, Heritage and the Arts	467
Recognised by the Department of Infrastructure, Transport, Regional Development and Local Government	84
<b>Total Expenses</b>	<b>551</b>

Following a decision of the Australian Government on 1 November 2005, the provision of services to the Jervis Bay Territory (JBT) and the administration expenses for Norfolk Island (NI) moved from Departmental Outputs to Administered Programmes. In addition to the assets and liabilities relinquished below, a reduction in the asset revaluation reserve of \$4.584m has also been recognised. The transfer took effect from 1 July 2006.

	2007 \$'000
The amounts relinquished and returned are as follows:	
Total assets relinquished	(22,563)
Total liabilities relinquished	458
<i>Net assets relinquished</i>	<i>(22,105)</i>



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**Note 10B: Reduction of appropriations as a result of restructuring**

At the time of the transfer of the Territories and Natural Disaster Relief functions, the Department had an appropriation receivable representing prior years' unspent appropriations. Under the FMOs, the Department was required to account for the transfer of prior year appropriations against equity.

	2008
	\$'000
Appropriation receivable	2,401

At the time of the transfer of provision of services to the Jervis Bay Territory (JBT) and administration expenses for Norfolk Island (NI) from Departmental Outputs to Administered Programmes, the Department had an appropriation receivable relating to outputs it delivered at JBT and NI in its departmental accounts. Under the Australian Government's appropriation framework, these amounts cannot be transferred from departmental outputs to administered items. Accordingly, the Minister for Finance and Administration lapsed \$3.614m of Departmental appropriations.

	2007
	\$'000
<b>Financial assets lapsed</b>	(3,614)
Appropriation receivable	(3,614)
<b>Total financial assets lapsed</b>	

**Note 10C: Transactions with owners as a result of restructuring**

		2008
	Notes	\$'000
<b>Distributions to owners</b>		
Net assets relinquished to Attorney-General's Department	10A	1 502
Prior year appropriation receivable	10B	(2,401)
<b>Total distribution to owners</b>		(899)
<b>Contributions by owners</b>		
Liabilities acquired from the Department of Innovation, Industry, Science and Research	10A	(96)
<b>Total contributions to owners</b>		(96)



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	<b>2008</b>	2007
	<b>\$'000</b>	\$'000
<b>Note 11: Cash Flow Reconciliation</b>		
<b>Reconciliation of cash and cash equivalents per Balance Sheet to Cash Flow Statement</b>		
<b>Report cash and cash equivalents as per:</b>		
Cash Flow Statement	<b>3,926</b>	6,197
Balance Sheet	<b>3,926</b>	6,197
<b>Reconciliation of operating result to net cash from operating activities:</b>		
Operating result	<b>5,829</b>	(4,749)
Depreciation and amortisation	<b>13,576</b>	11,833
Net write-down of non-financial assets	<b>3,363</b>	467
Restructuring	<b>(995)</b>	-
	<b>21,773</b>	7,551
Change in operating assets and liabilities resulting from operating activities (net of restructuring)		
(Increase)/decrease in net receivables	<b>(8,498)</b>	16,250
(Increase)/decrease in accrued revenue	<b>(121)</b>	362
(Increase)/decrease in inventories	<b>(1)</b>	(2)
(Increase)/decrease in other assets	<b>(1,425)</b>	(4,426)
Increase/(decrease) in employee provisions	<b>(222)</b>	(519)
Increase/(decrease) in supplier payables	<b>(1,386)</b>	2,630
Increase/(decrease) in unearned revenue	<b>(124)</b>	(396)
Increase/(decrease) in accrued expenses	<b>11</b>	(2,051)
Increase/(decrease) in finance leases	<b>(1,994)</b>	(1,792)
Increase/(decrease) in other provisions	<b>267</b>	759
Increase/(decrease) in other payables	<b>1,438</b>	(362)
Net cash from operating activities	<b>9,718</b>	18,004



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**Note 12: Contingent Liabilities and Assets**

Quantifiable Contingencies

*Contingent Liabilities*

The Schedule of Contingencies reports contingent liabilities in respect of claims for damages/costs of \$20m (2007: \$20m).

*Contingent Assets*

The Schedule of Contingencies reports contingent assets in respect of monies claimed for damages/costs of nil in 2008 (2007: nil).

Unquantifiable Contingencies

McLaughlin & Anor v The Commonwealth & Ors - The plaintiffs allege that they have the right of access over Commonwealth land and are seeking declaratory and injunctive relief orders for specific performance, unspecified damages and compensation in relation to the alleged interference with their right of access plus interest and costs.

Remote Contingencies

The Department has no remote contingencies.



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	2008	2007
<b>Note 13: Senior Executive Remuneration</b>		
The number of senior executives who received or were due to receive total remuneration of \$130,000 or more:		
\$130 000 to \$144 999	1	-
\$145 000 to \$159 999	1	3
\$160 000 to \$174 999	3	-
\$175 000 to \$189 999	2	7
\$190 000 to \$204 999	4	7
\$205 000 to \$219 999	9	5
\$220 000 to \$234 999	6	9
\$235 000 to \$249 999	4	3
\$250 000 to \$264 999	2	2
\$265 000 to \$279 999	1	1
\$280 000 to \$294 999	1	2
\$295 000 to \$309 999	1	1
\$310 000 to \$324 999	-	-
\$325 000 to \$339 999	-	-
\$460 000 to \$474 999	1	1
<b>Total</b>	<b>36</b>	<b>41</b>

The aggregate amount of total remuneration of senior executives shown above. **\$9,254,865**      \$9,050,344

The aggregate amount of separation and redundancy/termination benefit payments during the year to senior executives shown above. **\$105,328**      \$0

	2008	2007
	\$'000	\$'000

**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	520	365
	<b>520</b>	<b>365</b>

No other services were provided by the Auditor-General.





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Note 15: Financial Instruments

Note 15A: Categories of Financial Instruments

	Notes	2008 \$'000	2007 \$'000
<b>Financial Assets</b>			
Cash and cash equivalents			
Departmental bank accounts	5A	3,926	6,197
		<b>3,926</b>	6,197
Loans and receivables financial assets			
Trade receivables	5B	535	1,630
Other receivables	5B	30	35
Accrued revenue	5C	419	298
		<b>984</b>	1,963
<b>Carrying amount of financial assets</b>		<b>4,910</b>	8,160
<b>Financial Liabilities</b>			
At amortised cost			
Trade creditors	7A	2,614	2,622
Other payables	7B	7,805	6,747
Finance lease	8A	373	2,278
<b>Carrying amount of financial liabilities</b>		<b>10,792</b>	11,647

Note 15B: Fair Values of Financial Instruments

	Notes	2008 Carrying Amount \$'000	2008 Fair Value \$'000	2007 Carrying Amount \$'000	2007 Fair Value \$'000
<b>Departmental</b>					
<b>Financial Assets</b>					
Cash and cash equivalents	5A	3,926	3,926	6,197	6,197
Trade receivables	5B	535	535	1,630	1,630
Other receivables	5B	30	30	35	35
Accrued revenue	5C	419	419	298	298
Total financial assets		<b>4,910</b>	<b>4,910</b>	8,160	8,160
<b>Financial Liabilities (Recognised)</b>					
Trade creditors	7A	(2,614)	(2,614)	(4,000)	(4,000)
Other payables	7B	(7,805)	(7,805)	(6,747)	(6,747)
Finance lease	8A	(373)	(373)	(2,278)	(2,278)
Total financial liabilities (recognised)		<b>(10,792)</b>	<b>(10,792)</b>	(13,025)	(13,025)



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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**
**Note 15C: 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 (2008: \$1,461,000 and 2007: \$1,665,000). The Department has assessed the risk of the default on payment and has allocated \$9,000 in 2008 (2007: \$130,000) to an allowance for doubtful debts 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

	2008	2007	2008	2007
	<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	3,926	6,197	-	-
Trade receivables	340	1,292	195	373
Accrued revenue	419	298	-	-
<b>Total</b>	<b>4,685</b>	<b>7,787</b>	<b>195</b>	<b>373</b>

Ageing of financial assets that are past due but not impaired for 2008

	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 receivables	123	9	4	50	186
<b>Total</b>	<b>123</b>	<b>9</b>	<b>4</b>	<b>50</b>	<b>186</b>

Ageing of financial assets that are past due but not impaired for 2007

	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 receivables	83	55	4	101	243
<b>Total</b>	<b>83</b>	<b>55</b>	<b>4</b>	<b>101</b>	<b>243</b>



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**Note 15D: 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

	2008 On demand \$'000	2008 within 1 year \$'000	2008 1 to 5 years \$'000	2008 > 5 years \$'000	Total \$'000
<b>Other Liabilities</b>					
Trade creditors	-	293	-	-	293
Accrued expenses	-	7,805	-	-	7,805
Finance lease	-	239	157	-	396
<i>Total</i>	-	8,337	157	-	8,494

	2007 On demand \$'000	2007 within 1 year \$'000	2007 1 to 5 years \$'000	2007 > 5 years \$'000	Total \$'000
<b>Other Liabilities</b>					
Trade creditors	-	2,622	-	-	2,622
Accrued expenses	-	6,747	-	-	6,747
Finance lease	-	2,020	363	-	2,383
<i>Total</i>	-	11,389	363	-	11,752

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 15E: 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.



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	2008 \$'000	2007 \$'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	7,971	11,033
Fees	71,441	65,273
Fines	1,316	787
<i>Total levies, fees and fines</i>	<b>80,728</b>	77,093
<b>Non-taxation revenue</b>		
<b>Note 16B: Rendering of services</b>		
Rendering of services - external entities	14,846	19,803
Rendering of services - related entities	-	38
Marine Industry Fees	59,520	49,180
<i>Total rendering of services</i>	<b>74,366</b>	69,021
<b>Note 16C: Interest</b>		
Loans - State and Territory Governments	5,119	9,678
Other loans	-	484
<i>Total interest</i>	<b>5,119</b>	10,162
<b>Note 16D: Dividends</b>		
Australian Government Entities	66,600	65,300
<i>Total dividends</i>	<b>66,600</b>	65,300
<b>Note 16E: Contributions</b>		
Dairy regional assistance program reimbursements	76	47
Airport environment officers contribution	939	850
Refund previous years payments	1,813	15,561
Reimbursement of prior years' levies - International Oil Pollution Compensation Fund	139	34
<i>Total contributions</i>	<b>2,967</b>	16,492
<b>Note 16F: Royalties</b>		
Mining royalties	579	1,350
Lotteries	64	133
<i>Total royalties</i>	<b>643</b>	1,483
<b>Note 16G: Rental income</b>		
Operating lease:		
Housing rental	3,855	4,536
Land rent	35	70
Commercial rent	244	559
<i>Total rental income</i>	<b>4,134</b>	5,165
<b>Note 16H: Other revenue</b>		
Other revenue	241	704
<i>Total other revenue</i>	<b>241</b>	704
<b>Total revenues administered on behalf of Government</b>	<b>234,798</b>	245,420



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	2008	2007
	\$'000	\$'000
<b>Note 16: Income Administered on Behalf of Government - continued</b>		
<b>Gains</b>		
<b>Note 16I: Sale of assets</b>		
Land and buildings		
Proceeds from sale	10,676	-
Carrying value of asset sold	(303)	-
Selling expense	(10,225)	-
<b>Total net gain from disposal of assets</b>	<b>148</b>	<b>-</b>
<b>Note 16J: Other gains</b>		
Write-back of provision for administered loan	-	33
Write-back of doubtful debts provision	47	531
Assets first recognised	7,550	-
<b>Total other gains</b>	<b>7,597</b>	<b>564</b>
<b>Total gains administered on behalf of Government</b>	<b>7,745</b>	<b>564</b>
<b>Total income administered on behalf of Government</b>	<b>242,543</b>	<b>245,984</b>

**Note 17: Expenses Administered on Behalf of Government**

**Note 17A: Grants**

State and Territory governments	4,376,933	3,748,243
Local governments	444,129	438,999
Private Sector - non-profit organisations	104,577	116,462
Overseas	1,845	1,643
Related entities	39,148	14,485
<b>Total grants</b>	<b>4,966,632</b>	<b>4,319,832</b>

ANAO Audit Report No.18 2007-08: *Audits of the Financial Statements of Australian Government Entities for the period ended 30 June 2007* reported for the supplementary AusLink Roads to Recovery Program that no quarterly expenditure reports had been received by the Department in accordance with the funding agreement. The Department was therefore unable to provide an accurate adjustment to the program's reported prepayment balance.

In the 2007-08 financial year, expenses totalling \$125,037,837 that relate to 2006-07 annual reports were received from supplementary AusLink Roads to Recovery Program grant recipients. These have been recognised in the 2006-07 financial year. The comparatives have been adjusted to reflect this.



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	2008	2007
	\$'000	\$'000

**Note 17: Expenses Administered on Behalf of Government - continued**
**Note 17B: Subsidies**

Tasmanian Freight Equalisation Scheme	101,252	89,574
Bass Straight Passenger Vehicle Equalisation Scheme	30,103	28,412
Other	11,014	9,999
<i>Total subsidies</i>	<b>142,369</b>	127,985

**Note 17C: Employee benefits**

Wages and Salaries	2,233	3,834
Superannuation		
Defined contribution plans	289	498
Defined benefit plans	32	47
Leave and other entitlements	646	558
Separations and redundancies	3	40
Other employee expenses	1,353	2,195
<i>Total employee benefits expense</i>	<b>4,556</b>	7,172

**Note 17D: Suppliers**

Workers compensation premiums	60	81
Rendering of services - related entities	3,235	3,124
Rendering of services - external entities	34,581	67,207
Operating lease rentals:		
Minimum lease payments	316	817
<i>Total suppliers</i>	<b>38,192</b>	71,229

**Note 17E: Depreciation and Amortisation**
**Depreciation**

Buildings	7,408	12,541
Other infrastructure, plant and equipment	5,682	12,023
Heritage and cultural assets	323	501
<i>Total depreciation</i>	<b>13,413</b>	25,065

Depreciation expenses are \$42,000 higher than they would have been as a result of the re-assessment of residual values for assets that have been revalued.

**Amortisation**

Intangibles - phosphate mine lease	86	153
<i>Total amortisation</i>	<b>86</b>	153

**Total depreciation and amortisation**

	<b>13,499</b>	25,218
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**Note 17F: Write-down and impairment of assets**

Impairment of financial assets	72	6,676
Impairment of infrastructure, plant and equipment	3	-
Impairment of heritage and cultural assets	5	-
<i>Total write-down and impairment of assets</i>	<b>80</b>	6,676



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	2008	2007
	\$'000	\$'000
<b>Note 17: Expenses Administered on Behalf of Government - continued</b>		
<b>Note 17G: Sale of assets</b>		
Investments		
Proceeds from sale	-	-
Net book value of assets sale <sup>1</sup>	<b>66,513</b>	-
<i>Net loss from sale of investments</i>	<b>66,513</b>	-
Land and buildings		
Proceeds from sale	-	(461)
Net book value of assets sale	-	5,411
<i>Net loss from sale of land and buildings</i>	-	4,950
Infrastructure, plant and equipment		
Proceeds from sale	-	(2)
Net book value of assets sold	-	17
<i>Net loss from sale of infrastructure, plant and equipment</i>	-	15
Total proceeds from sale	-	(463)
Total value of assets sale and selling expenses	<b>66,513</b>	5,428
<i>Total net loss from sale of assets</i>	<b>66,513</b>	4,965
<sup>1</sup> The sale relates to the transfer of the Australian Maritime College to the University of Tasmania effective from 1 January 2008. Details of the transfer are disclosed at Note 21B.		
<b>Note 17H: Other expenses</b>		
Australian Government entities	-	30
Reimbursement of previous years' levies	<b>139</b>	367
Other	<b>805</b>	1,981
<i>Total other expenses</i>	<b>944</b>	2,378
<b>Total expenses administered on behalf of Government</b>	<b>5,232,785</b>	4,565,455

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	<b>2008</b>	2007
	<b>\$'000</b>	\$'000
<b>Note 18: Assets Administered on Behalf of Government</b>		
<b>Financial assets</b>		
<b>Note 18A: Cash and cash equivalents</b>		
Administered bank accounts	<b>125</b>	240
<i>Total cash and cash equivalents</i>	<b>125</b>	240
<b>Note 18B: Receivables</b>		
Loans:		
State and Territory Governments	<b>50,832</b>	181,189
Other governments	-	9,454
<i>Total loans</i>	<b>50,832</b>	190,643
Goods and services receivable	<b>3,772</b>	716
Less: allowance for doubtful debts	-	(84)
<i>Total goods and services</i>	<b>3,772</b>	632
Other - GST receivable from Australian Taxation Office	<b>1,202</b>	1,555
<i>Total receivables (net)</i>	<b>55,806</b>	192,830
<p>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% (2007: 8.10%). Interest payments are due on the last day of each quarter.</p>		
Receivables are aged as follows:		
Not overdue	<b>55,592</b>	192,563
Overdue by:		
Less than 30 days	<b>214</b>	213
30 to 60 days	-	-
61 to 90 days	-	11
More than 90 days	-	127
<i>Total receivables (gross)</i>	<b>55,806</b>	192,914
The allowance for doubtful debts is aged as follows:		
Not overdue	-	-
Overdue by:		
Less than 30 days	-	-
31 to 60 days	-	-
61 to 90 days	-	-
More than 90 days	-	(84)
<i>Total allowance for doubtful debts</i>	-	(84)





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Reconciliation of the allowance for doubtful debts:

Movements in relation to 2008

	Goods and services	Other receivables	Total
	2008 \$'000	2008 \$'000	2008 \$'000
Opening balance	84	-	84
Amounts written off	(3)	-	(3)
Amounts transferred to Attorney-General's	(34)	-	(34)
Amounts recovered and reversed	-	-	-
Increase/decrease recognised in net surplus	(47)	-	(47)
<b>Closing Balance</b>	-	-	-

Movements in relation to 2007

	Goods and services	Other receivables	Total
	2007 \$'000	2007 \$'000	2007 \$'000
Opening balance	432	-	432
Amounts written off	(1)	-	(1)
Amounts recovered and reversed	-	-	-
Increase/decrease recognised in net surplus	(347)	-	(347)
<b>Closing Balance</b>	84	-	84



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	2008 \$'000	2007 \$'000
<b>Note 18: Assets Administered on Behalf of Government - continued</b>		
<b>Note 18C: Investments accounted for using the equity method</b>		
Australian Government authorities:		
Australian Maritime College <sup>1</sup>	-	61,364
National Road Transport Commission	620	537
Airservices Australia	361,000	398,000
Australian Maritime Safety Authority	106,720	125,051
Civil Aviation Safety Authority	61,414	44,606
Australian Government companies:		
Australian Rail Track Corporation Limited	1,381,200	1,105,981
Total equity accounted investments	<b>1,910,954</b>	<b>1,735,539</b>

The principal activities of each of the controlled activities are disclosed at Note 24.

<sup>1</sup>The operations of the Australian Maritime College were transferred to the University of Tasmania effective from 1 January 2008. Details of the transfer are disclosed at Note 21B.

**Note 18D: Accrued Revenue**

Levies, fees and fines	5,218	6,430
Rendering of services - external entities	834	972
Interest	1,144	1,242
Total accrued revenue	<b>7,196</b>	<b>8,644</b>
<b>Total Financial Assets</b>	<b>1,974,081</b>	<b>1,937,253</b>

**Non-financial assets**
**Note 18E: Land and Buildings**

Land - at fair value	49,200	99,567
Total land	<b>49,200</b>	<b>99,567</b>
Buildings - at fair value	15,151	96,196
Accumulated depreciation	(351)	(8,287)
Total buildings	<b>14,800</b>	<b>87,909</b>
Total land and buildings (non-current)	<b>64,000</b>	<b>187,476</b>

**Note 18F: Infrastructure, plant and equipment**

Infrastructure, plant and equipment - at fair value	-	150,528
Accumulated depreciation	-	(5,409)
Total infrastructure, plant and equipment	<b>-</b>	<b>145,119</b>

**Note 18G: Heritage and Cultural Assets**

Heritage and cultural assets - at fair value	7,550	53,852
Accumulated depreciation	-	(237)
Total heritage and cultural assets	<b>7,550</b>	<b>53,615</b>

All revaluations are conducted in accordance with the revaluation policy stated at Note 1.

In 2007-08, independent valuers PrestonRowePaterson NSW Pty Ltd conducted the valuations. Revaluation decrements of \$800,000 for land (2007: \$6,782,723 increments) were debited to the asset revaluation reserve by asset class, and decrements of \$140,130 for buildings on freehold land (2007: \$2,725,133 increments) were debited to the asset revaluation reserve by asset class; no decrements were expensed.



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Note 18: Assets Administered on Behalf of Government (continued)

TABLE A - Reconciliation of the opening and closing balances of property, plant and equipment (2007-08)

	Land	Buildings on Freehold Land	Land & Buildings - Total	Other Infrastructure, Plant & Equipment	Heritage & Cultural	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2007</b>						
Gross book value	99,567	96,196	195,763	150,528	53,852	400,143
Accumulated depreciation/amortisation and impairment	-	(8,287)	(8,287)	(5,409)	(237)	(13,933)
<b>Net book value 1 July 2007</b>	<b>99,567</b>	<b>87,909</b>	<b>187,476</b>	<b>145,119</b>	<b>53,615</b>	<b>386,210</b>
Additions:						
by purchase	-	211	211	1,739	-	1,950
from acquisition of operations (including restructuring)	-	-	-	-	-	-
Revaluations and impairments through equity	(800)	140	(660)	-	-	(660)
Depreciation/amortisation expense	-	(7,408)	(7,408)	(5,682)	(323)	(13,413)
Impairments recognised in the operating result	-	-	-	(3)	(5)	(8)
Write back of accumulated depreciation	-	-	-	-	-	-
Other movements	-	-	-	-	-	-
Reclassifications	148	(577)	(429)	429	-	-
Assets first recognised	-	-	-	-	7,550	7,550
Disposals:						
from disposal of operations (including restructuring)	(49,565)	(65,322)	(114,887)	(141,555)	(53,287)	(309,729)
other disposals	(150)	(153)	(303)	(47)	-	(350)
<b>Net book value 30 June 2008</b>	<b>49,200</b>	<b>14,800</b>	<b>64,000</b>	<b>-</b>	<b>7,550</b>	<b>71,550</b>
<b>Net book value as of 30 June 2008</b>						
Gross book value	49,200	15,151	64,351	-	7,550	71,901
Accumulated depreciation/amortisation	-	(351)	(351)	-	-	(351)
	<b>49,200</b>	<b>14,800</b>	<b>64,000</b>	<b>-</b>	<b>7,550</b>	<b>71,550</b>

All revaluations are independent and are conducted in accordance with they stated at Note 1.19


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TABLE A - Reconciliation of the opening and closing balances of property, plant and equipment (2006-07)

	Land	Buildings on Freehold Land	Land & Buildings - Total	Other Infrastructure, Plant & Equipment	Heritage & Cultural	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2006</b>						
Gross book value	86,903	98,642	185,545	116,494	46,993	349,032
Accumulated depreciation/amortisation and impairment	-	(590)	(590)	(2,195)	(192)	(2,977)
<b>Net book value 1 July 2006</b>	<b>86,903</b>	<b>98,052</b>	<b>184,955</b>	<b>114,299</b>	<b>46,801</b>	<b>346,055</b>
Additions:						
by purchase	-	706	706	2,381	-	3,087
from acquisition of operations (including restructuring)	3,610	10,361	13,971	8,457	25	22,453
Revaluations and impairments through equity	6,783	2,725	9,508	28,184	7,290	44,982
Depreciation/amortisation expense	-	(12,541)	(12,541)	(12,023)	(501)	(25,065)
Impairments recognised in the operating result	-	-	-	-	-	-
Other movements						
Reclassifications	7,579	(11,291)	(3,712)	3,838	-	126
Assets first recognised	-	-	-	-	-	-
Disposals:						
from disposal of operations (including restructuring)	-	-	-	-	-	-
other disposals	(5,308)	(103)	(5,411)	(17)	-	(5,428)
<b>Net book value 30 June 2007</b>	<b>99,567</b>	<b>87,909</b>	<b>187,476</b>	<b>145,119</b>	<b>53,615</b>	<b>386,210</b>
<b>Net book value as of 30 June 2007</b>						
Gross book value	99,567	96,196	195,763	150,528	53,852	400,143
Accumulated depreciation/amortisation	-	(8,287)	(8,287)	(5,409)	(237)	(13,933)
	<b>99,567</b>	<b>87,909</b>	<b>187,476</b>	<b>145,119</b>	<b>53,615</b>	<b>386,210</b>

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	2008 \$'000	2007 \$'000
<b>Note 18H: Intangibles</b>		
Phosphate mine lease - at cost	-	6,209
Accumulated amortisation	-	(4,438)
<i>Total intangibles</i>	-	1,771

TABLE A - Reconciliation of the opening and closing balances of Intangibles (2007-08)

	Phosphate Mine Lease \$'000
<b>As at 1 July 2007</b>	
Gross book value	6,209
Accumulated amortisation and impairment	(4,438)
<b>Net book value 1 July 2007</b>	1,771
Additions:	
from acquisition of operations (including restructuring)	-
Revaluations and impairments through equity	-
Reclassifications	-
Amortisation expense	(86)
Impairments recognised in the operating result	-
Disposals:	
from disposal of entities or operations (including restructuring)	(1,685)
<b>Net book value as of 30 June 2008</b>	-
<b>Net book value as of 30 June 2008 represented by:</b>	
Gross book value	-
Accumulated amortisation and impairment	-
<b>Net book value</b>	-

TABLE A - Reconciliation of the opening and closing balances of Intangibles (2006-07)

	Phosphate Mine Lease \$'000
<b>As at 1 July 2006</b>	
Gross book value	6,209
Accumulated amortisation and impairment	(4,285)
<b>Net book value as at 1 July 2006</b>	1,924
Additions:	
from acquisition of operations (including restructuring)	-
Revaluations and impairments through equity	-
Reclassifications	-
Amortisation expense	(153)
Impairments recognised in the operating result	-
Disposals:	
from disposal of entities or operations (including restructuring)	-
<b>Net book value as of 30 June 2007</b>	1,771
<b>Net book value as of 30 June 2007 represented by:</b>	
Gross book value	6,209
Accumulated amortisation and impairment	(4,438)
<b>Net book value</b>	1,771



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	<b>2008</b>	2007
	<b>\$'000</b>	\$'000
<b>Note 18: Assets Administered on Behalf of Government - continued</b>		
<b><u>Note 18I: Inventories</u></b>		
Inventories held for distribution (cost) - current	-	1,664
Inventories held for distribution (cost) - non-current	-	289
<i>Total inventories</i>	-	1,953

During 2007-08, \$251,208 held for distribution was recognised as an expense (2006-07: \$1,336,126).

All inventories are current assets. No inventory is recognised at fair value less costs to sell.

**Note 18J: Prepayments**

Grant prepayments	<b>1,387,967</b>	2,069,429
<i>Total prepayments</i>	<b>1,387,967</b>	2,069,429

ANAO Audit Report No.18 2007-08: *Audits of the Financial Statements of Australian Government Entities for the period ended 30 June 2007* reported for the supplementary AusLink Roads to Recovery Program that no quarterly expenditure reports had been received by the Department in accordance with the funding agreement. The Department was therefore unable to provide an accurate adjustment to the program's reported prepayment balance.

In the 2007-08 financial year, expenses totalling \$125,037,837 that relate to 2006-07 annual reports were received from supplementary AusLink Roads to Recovery Program grant recipients. These have been recognised in the 2006-07 financial year. The comparatives have been adjusted to reflect this.

<b>Total Non-financial Assets</b>	<b>1,459,517</b>	2,459,363
<b>Total Assets Administered on Behalf of Government</b>	<b>3,433,598</b>	4,396,616



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	2008	2007
	\$'000	\$'000
<b>Note 19: Liabilities Administered on Behalf of Government</b>		
<b>Provisions</b>		
<b>Note 19A: Employee Provisions</b>		
Salaries and wages	-	29
Leave and other entitlements	-	1,146
Superannuation	-	4
Other	-	8
<i>Total employee provisions</i>	-	1,187
Employee provisions are represented by:		
Current	-	557
Non-current	-	630
<i>Total employee provisions</i>	-	1,187
<b>Note 19B: Asbestos Removal Provision</b>		
Asbestos removal	-	10,426
Asbestos removal provision are represented by:		
Current	-	5,637
Non-current	-	4,789
<i>Total asbestos removal provision</i>	-	10,426
<b>Note 19C: Phosphate Mine Rehabilitation Provision</b>		
Phosphate mine rehabilitation provision	-	2,848
<i>Total phosphate mine rehabilitation provision</i>	-	2,848
<b>Total provisions</b>	-	14,461



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	2008	2007
	\$'000	\$'000
<b>Payables</b>		
<b><u>Note 19D: Suppliers</u></b>		
Trade creditors	994	5,775
<i>Total suppliers</i>	<b>994</b>	<b>5,775</b>
All creditors are entities that are not part of the Australian Government. Settlement is usually made net 30 days.		
<b><u>Note 19E: Subsidies</u></b>		
Payable to external parties	1,379	578
<i>Total subsidies</i>	<b>1,379</b>	<b>578</b>
<b><u>Note 19F: Grants</u></b>		
Public sector -		
State and Territory Governments	27,065	8,908
<i>Total public sector</i>	<b>27,065</b>	<b>8,908</b>
Private sector -		
Not for profit organisations	901	1,775
<i>Total private sector</i>	<b>901</b>	<b>1,775</b>
<i>Total grants</i>	<b>27,966</b>	<b>10,683</b>
Settlement is usually made according to the terms and conditions of each grant. This is usually within 30 days of performance or eligibility. All grants are to entities that are not part of the Australian Government.		
<b>Total Payables</b>	<b>30,339</b>	17,036
<b>Total liabilities administered on behalf of Government</b>	<b>30,339</b>	31,497

All liabilities are expected to be settled within 12 months of balance date except where otherwise stated.





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	2008	2007
	Notes	\$'000
	<b>\$'000</b>	<b>\$'000</b>
<b>Note 20: Administered Reconciliation Table</b>		
<i>Opening administered assets less administered liabilities as at 1 July</i>	<b>4,365,119</b>	4,578,417
Plus: Administered income	<b>242,543</b>	245,984
Less: Administered expenses	<b>(5,232,785)</b>	(4,565,455)
	<b>(625,123)</b>	258,946
Administered transfers to/from Australian Government:		
Appropriation transfers from OPA:		
Annual appropriations administered expenses	<b>2,653,985</b>	2,705,654
Administered assets and liabilities appropriations	<b>3</b>	47,185
GST	<b>12,740</b>	12,868
Special appropriations (limited)	<b>683</b>	1,696
Special appropriations (unlimited)	<b>1,766,962</b>	1,696,003
Special Accounts	<b>54,496</b>	52,498
Transfers to OPA	<b>(204,626)</b>	(232,402)
Transfers to OPA non-cash	<b>(59,520)</b>	(49,180)
Restructuring	<b>(437,609)</b>	22,105
Administered revaluations taken to/(from) reserves	<b>(660)</b>	44,983
Administered investments - revaluations taken to/(from) reserves	<b>241,928</b>	(195,237)
<i>Closing administered assets less administered liabilities as at 30 June.</i>	<b>3,403,259</b>	4,365,119

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**Note 21: Administered Restructuring**

As a result of a restructuring of Administrative Arrangements Orders of 3 December 2007, the Department of Infrastructure, Transport, Regional Development and Local Government relinquished its responsibility for the Territories and Natural Disaster Relief programs to the Attorney-General's Department. The transfer took effect from 24 January 2008.

In respect of the functions relinquished, the following assets and liabilities were transferred by the Department:

	<b>2008</b>
	<b>\$'000</b>
<b>Assets Relinquished</b>	
<b>Financial Assets</b>	
Receivables	(135,307)
<i>Total financial assets</i>	<u>(135,307)</u>
<b>Non-Financial Assets</b>	
Land and buildings <sup>1</sup>	(114,886)
Infrastructure, plant and equipment <sup>2</sup>	(141,555)
Heritage and cultural <sup>3</sup>	(53,288)
Intangibles	(1,685)
Inventories	(2,061)
Prepayments	(451)
<i>Total non-financial assets</i>	<u>(313,926)</u>
<b>Total Assets Relinquished</b>	<u>(449,233)</u>
<b>Liabilities Relinquished</b>	
<b>Provisions</b>	
Employee provisions	1,313
Asbestos removal provision	7,276
Phosphate mine rehabilitation provision	3,034
<i>Total provisions</i>	<u>11,623</u>
<b>Payables</b>	
Suppliers	1
<i>Total payables</i>	<u>1</u>
<b>Total liabilities relinquished</b>	<u>11,624</u>
<i>Net increase / (decrease) in net assets during the year</i>	<u>(437,609)</u>

<sup>1</sup> The transfer of land and buildings also included the transfer of the associated asset revaluation reserve of \$50,796,869.

<sup>2</sup> The transfer of infrastructure, plant and equipment also included the transfer of the associated asset revaluation reserve of \$45,095,091.

<sup>3</sup> The transfer of heritage and cultural assets also included the transfer of the associated asset revaluation reserve of \$15,441,911.



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Following a decision of the Australian Government on 1 November 2005, the provision of services to the Jervis Bay Territory and the administration expenses for Norfolk Island moved from Departmental Outputs to administered programs. The net book value of the assets and liabilities were relinquished for no consideration and recognised at the date of transfer were:

	2007
	\$'000
Total assets recognised	(22,563)
Total liabilities recognised	458
<i>Net assets assumed</i>	(22,105)
<i>Net increase / (decrease) in net assets during the year</i>	(22,105)

**Note 21B: Administered Restructuring - derecognised through the income statement**

On 24 September 2007 the *Maritime Legislation Amendment Act 2007* (the integration act) received Royal Assent. This legislation integrated the operations of the Australian Maritime College into the University of Tasmania as at 1 January 2008. From January 2008 the Australian Maritime College (AMC) will operate as an institute within the University of Tasmania.

As at 1 January 2008, all of the assets and liabilities vested in the AMC became vested in the University of Tasmania. The assets included not only actual, contingent or prospective legal or equitable interests in real or personal property, but also rights, powers, privileges or immunities whether actual, contingent or prospective. The rights and liabilities include rights and liabilities under contracts or the common law.

The Finance Minister's Orders for Financial Reporting (requirements and guidance for the preparation of financial statements of Australian Government Entities for reporting periods on or after 1 July 2007), s92.5 require that all transfers of assets and liabilities from one Entity to another must be treated as giving rise to income or expenses in the financial period the transfer occurs. Accordingly the transfer of the AMC was recognised as a loss on disposal of investment (refer to Note 17G).

The assets transferred to the University of Tasmania at the date of transfer were:

	2008
	\$'000
Total assets relinquished	(66,513)



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### Note 22: Administered Contingent Liabilities

#### Quantifiable Administered Contingencies

Quantifiable Administered Contingencies that are not remote are disclosed in the Schedule of Administered Items as Quantifiable Administered Contingencies.

Code Management Company - Indemnity for the Code of Practice for the Defined Interstate Rail Network

The Code Management Company (CMC), is a company owned by the Australasian Railway Association whose members include all of Australia's major rail operators and track owners and representatives from smaller companies. The Australian Government has provided an indemnity to CMC against all loss or expense that occurred prior to the transfer of ownership from the Commonwealth relating to the correct use or application of Code of Practice for the Defined Interstate Rail Network. The Code sets out a national approach to operational and engineering practices, including uniform standards for safe working, train operations and freight loading specifications. The indemnity is limited to an aggregate of \$50 million for a period of six years from the date of transfer of ownership and expires on 15 July 2009.

#### Unquantifiable Administered Contingencies

Australian Maritime Safety Authority (AMSA) Incident Costs:

In the normal course of operation, AMSA is responsible for the provision of funds necessary to meet the clean up costs arising from ship sourced marine pollution, and in all circumstances is responsible for making appropriate efforts to recover costs of any such incidents. AMSA's liability is capped at \$10m. The Australian Government meets costs that cannot be recovered from such incidents. It is not possible to estimate the amounts of any eventual payments that maybe required in relation to these 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.

Civil Aviation Safety Authority:

Indemnity in relation to safety regulation activities.



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### Note 22: Administered Contingent Liabilities - continued

#### 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, Hobart, 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 Australian Government under Schedule 3 of the Australian National Railways Commission Sale Act 1997 assumed the residual liabilities of the Australian National Railways Commission. A writ of summons was filed in the High Court of Australia on 20 August 2004 and a statement of claim on behalf of 24 other plaintiffs was filed in District Court of South Australia on 22 September 2005. The writ sought unspecified damages for personal injuries as a result of exposure to lead and other particles from trains carrying lead and zinc ore.

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.

### Note 23: Administered Contingent Assets

The Department has no Administered contingent assets at 30 June 2008  
(30 June 2007: nil).



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**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.



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**Note 25A: Categories of Administered Financial Instruments**

	Notes	2008 \$'000	2007 \$'000
<b>Financial Assets</b>			
Cash and cash equivalents			
Administered bank accounts	18A	125	240
		<b>125</b>	<b>240</b>
Loans and receivables financial assets			
Loans to State and Territory Governments	18B	50,832	181,189
Loans to other governments	18B	-	9,454
Trade receivables	18B	3,772	716
Accrued Revenue	18D	7,196	8,644
		<b>61,800</b>	<b>200,003</b>
Available-for-sale financial assets			
Investments	18C	1,910,954	1,735,539
		<b>1,910,954</b>	<b>1,735,539</b>
<b>Carrying amount of financial assets</b>		<b>1,972,879</b>	<b>1,935,782</b>
<b>Financial Liabilities</b>			
At amortised cost			
Trade creditors	19D	994	5,775
Subsidies payable	19E	1,379	578
Grants payable	19F	27,966	10,683
		<b>30,339</b>	<b>17,036</b>
<b>Carrying amount of financial liabilities</b>		<b>30,339</b>	<b>17,036</b>

**Note 25B: Net Income and Expenses from Financial Assets**

Loans and receivables financial assets			
Interest revenue	16C	5,119	10,162
<b>Net gain loans and receivables</b>		<b>5,119</b>	<b>10,162</b>
Available-for-sale assets			
Dividend revenue	16D	66,600	65,300
Administered investments taken to/(from) reserves	20	241,928	(195,237)
<b>Net gain/(loss) available for sale</b>		<b>308,528</b>	<b>(129,937)</b>
<b>Net gain/(loss) from financial assets</b>		<b>313,647</b>	<b>(119,775)</b>



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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**
**Note 25C: Fair Values of Financial Instruments**

	Notes	2008 Carrying Amount \$'000	2008 Fair Value \$'000	2007 Carrying Amount \$'000	2007 Fair Value \$'000
<b>Administered</b>					
<b>Financial Assets</b>					
Cash and cash equivalents	18A	125	125	240	240
Loans to State and Territory Governments	18B	50,832	50,832	181,189	181,189
Loans to other governments	18B	-	-	9,454	9,454
Trade receivables	18B	55,806	55,806	192,830	192,830
Accrued Revenue	18D	7,196	7,196	8,644	8,644
Investments	18C	1,910,954	1,910,954	1,735,539	1,735,539
<i>Total financial assets</i>		<b>2,024,913</b>	<b>2,024,913</b>	2,127,896	2,127,896
<b>Financial Liabilities (Recognised)</b>					
Trade creditors	19D	(994)	(994)	(5,775)	(5,775)
Subsidies payable	19E	(1,379)	(1,379)	(578)	(578)
Grants payable	19F	(27,966)	(27,966)	(10,683)	(10,683)
<i>Total financial liabilities (recognised)</i>		<b>(30,339)</b>	<b>(30,339)</b>	(17,036)	(17,036)

**Valuation method used for determining the fair value of financial instruments**

The following table identifies for those assets and liabilities (those at fair value through profit and loss or available-for-sale) carried at fair value (above) whether fair value was obtained by reference to market prices or by a valuation technique that employs observable market transactions, or one that uses non-observable market inputs to determine a fair value.

		Valuation technique utilising			Total \$'000
		Market values \$'000	Market inputs \$'000	Non-market inputs \$'000	
<b>Administered</b>					
<b>Financial assets at fair value</b>					
<b>Held to maturity financial assets</b>					
Investments	18C	-	-	1,910,954	1,910,954
<i>Financial assets at fair value</i>		-	-	1,910,954	1,910,954





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**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	2008 \$'000	2007 \$'000
<b>Administered Financial assets</b>			
<b>Loans and receivables</b>			
Loans to State and Territory Governments	18B	50,832	181,189
Loans to other government	18B	-	9,454
Trade receivables	18B	3,772	716
<b>Held to maturity assets</b>			
Investments	18C	1,910,954	1,735,539
<i>Total</i>		<b>1,965,558</b>	<b>1,926,898</b>

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 2008 (2007: \$84,000)
Loans to State and Territory Governments	nil in 2008 (2007: nil)
Loans to other governments	nil in 2008 (2007: nil)

Credit quality of financial instruments not past due or individually determined as impaired

	2008 Not Past Due Nor Impaired \$'000	2007 Not Past Due Nor Impaired \$'000	2008 Past Due or Impaired \$'000	2007 Past Due or Impaired \$'000
<b>Loans and Receivables</b>				
Trade receivables	3,558	366	214	351
Loans to State and Territory Governments	50,832	181,189	-	-
Loans to other governments	-	9,454	-	-
<b>Held to maturity assets</b>				
Investments	1,910,954	1,735,539	-	-
<i>Total</i>	<b>1,965,344</b>	<b>1,926,548</b>	<b>214</b>	<b>351</b>

Ageing of financial assets that are past due but not impaired for 2008

	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	214	-	-	-	214
<i>Total</i>	<b>214</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>214</b>

Ageing of financial assets that are past due but not impaired for 2007

	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	213	-	11	127	351
<i>Total</i>	<b>213</b>	<b>-</b>	<b>11</b>	<b>127</b>	<b>351</b>



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**Note 25E: Liquidity Risk**

The Department's administered financial liabilities are trade creditors and 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 financial liabilities

	2008 On demand \$'000	2008 within 1 year \$'000	2008 1 to 5 years \$'000	2008 > 5 years \$'000	Total \$'000
<b>Other Liabilities</b>					
Trade creditors	-	994	-	-	994
Subsidies payable	-	1,379	-	-	1,379
Grants payable	-	27,966	-	-	27,966
<i>Total</i>	-	30,339	-	-	30,339
	2007 On demand \$'000	2007 within 1 year \$'000	2007 1 to 5 years \$'000	2007 > 5 years \$'000	Total \$'000
<b>Other Liabilities</b>					
Trade creditors	-	5,775	-	-	5,775
Subsidies payable	-	578	-	-	578
Grants payable	-	10,683	-	-	10,683
<i>Total</i>	-	17,036	-	-	17,036

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.



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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

**Note 26: Appropriations**

Note 26A: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund for Ordinary Annual Services Appropriations

Particulars	Administered Expenses				Departmental Outputs				Total	
	Outcome 1		Outcome 2		2008		2007		2008	2007
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance carried from previous period	75,692	11,537	93,298	75,564	90,380	98,183	259,370	185,284		
Adjustment of prior year overstatement of receivable determination					(408)				(408)	
Adjustment for overstatement of prior periods section 8	172								172	
Adjusted balance carried for previous period	75,864	11,537	93,298	75,564	89,972	98,183	259,134	185,284		
Appropriation Act:										
Appropriation Act (No.1)	264,723	225,619	213,036	199,208	242,947	215,332	720,706	640,159		
Appropriation Act (No.3)	15,558	7,271	20,016	15,721	3,844	1,539	39,418	24,531		
Appropriation Act (No.5)										
Other annual appropriation acts										
Administered appropriation lapsed (Appropriation Act s8)	(67,108)	(6,831)	(44,139)	(50,199)			(111,247)	(57,030)		
Departmental adjustments by the Finance Minister										
Comcover receipts (Appropriation Act s12)					5	4			5	4
Advance to the Finance Minister (Appropriation Act s11)										
Appropriation reduced by section 9 determinations (current year)					(2,000)		(2,000)			
Appropriation reduced by section 10 determination (current year)										
FMA Act:										
Appropriations to take account of recoverable GST (FMA Act s30A)	3,158	1,828	9,418	9,183	10,463	10,881	23,039	21,892		
Annotations to 'net appropriations' (FMA Act s31)			6,804	12,265	5,291	4,383	12,095	16,648		
Adjustment of appropriations on change of entity function (FMA Act s32)	(1,905)		(114,208)		(7,419)		(123,532)			
Total appropriations available for payment	290,290	239,424	184,225	261,742	343,103	326,708	817,618	827,874		
Cash payment made during the year (GST inclusive)	219,239	163,732	143,326	168,443	245,517	236,328	608,082	568,503		
Appropriations credited to special accounts (excluding GST)										
Balance of authority to draw cash from the Consolidated Revenue Fund for ordinary annual services appropriations	71,051	75,692	40,899	93,298	97,586	90,380	209,536	259,370		


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**Note 26: Appropriations**

Note 26A: - Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund for Ordinary Annual Services Appropriations (Continued)

Particulars	Administered Expenses				Departmental Outputs				Total			
	Outcome 1		Outcome 2		2007		2008		2007		2008	
	2008	2007	2008	2007	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Represented by:</b>												
Cash at bank and on hand	-	-	-	-	-	-	3,926	6,197	-	-	3,926	6,197
Receivable - departmental appropriations	-	-	-	-	-	-	91,745	82,760	-	-	91,745	82,760
Receivables - GST receivable from ATO	-	-	-	-	-	-	1,915	1,423	-	-	1,915	1,423
Undrawn, unexpired administered appropriations	71,051	75,692	40,899	93,298	71,051	75,692	-	-	93,298	93,298	111,950	168,990
<b>Total</b>	<b>71,051</b>	<b>75,692</b>	<b>40,899</b>	<b>40,899</b>	<b>71,051</b>	<b>75,692</b>	<b>97,586</b>	<b>90,380</b>	<b>97,586</b>	<b>90,380</b>	<b>209,536</b>	<b>259,370</b>

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Note 26B: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund for other than Ordinary Annual Services Appropriations

	Operating					
	Outcome 1			Outcome 2		
	Special Purpose Payments	New Additional Estimates	Special Purpose Payments	New Additional Estimates	Special Purpose Payments	New Additional Estimates
	2008	2007	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance carried from previous period	698	271	-	56,650	-	31,863
Appropriation Act:						
Appropriation Act (No.2)	2,178,830	1,974,911	-	-	188,857	167,716
Appropriation Act (No.4)	30,532	54	-	-	-	-
Appropriation Act (No.6)	75,000	244,204	-	-	-	-
Other annual appropriation acts						
Administered appropriations lapsed (Appropriation Act s7 & 8)	(698)	(271)	-	(56,146)	-	(30,294)
Reduction of appropriations (Appropriation Act s11)	-	-	-	-	-	-
Advance to the Finance Minister (Appropriation Act s12)	-	-	-	-	-	5,826
FMA, Act:						
Refunds credited (FMA Act s30)	-	-	-	-	-	-
Appropriations to take account of recoverable GST (FMA Act s30A)	-	57	-	-	145	-
Adjustment of appropriations on change of equity function (FMA Act s32)	-	-	-	-	(133,870)	-
Total appropriations available for payments	2,284,362	2,219,226	-	504	55,132	175,111
Cash payments made during the year (GST inclusive)	2,252,678	2,218,528	-	504	52,495	175,111
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	31,684	698	-	-	2,637	-
Represented by:						
Cash at bank and on hand	-	-	-	-	-	-
Appropriation receivable	-	-	-	-	-	-
GST receivable from the ATO	-	-	-	-	-	-
Formal reductions of appropriation revenue	-	-	-	-	-	-
Departmental appropriation receivable (appropriation for additional outputs)	-	-	-	-	-	-
Undrawn, unapplied administered appropriations	31,684	698	-	-	2,637	-
<b>Total</b>	<b>31,684</b>	<b>698</b>	<b>-</b>	<b>-</b>	<b>2,637</b>	<b>-</b>





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Note 26B: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund for other than Ordinary Annual Services Appropriations.

	Non-Operating						Total
	Equity		Previous Years' Outputs		Admin assets and Liabilities		
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	
Balance carried from previous period	-	3,769	-	1,338	144,404	90,361	184,252
Appropriation Act:							
Appropriation Act (No.2)	6,215	2,866	-	-	6,158	101,228	2,380,060
Appropriation Act (No.4)	-	-	-	-	-	-	30,532
Appropriation Act (No.6)	-	-	-	-	-	-	75,000
Other annual appropriation acts	-	-	-	-	-	-	244,204
Administered appropriations lapsed (Appropriation Act s7 & 8)	-	-	-	-	-	-	(698)
Reduction of appropriations (Appropriation Act s11)	-	-	-	-	-	-	-
Advance to the Finance Minister (Appropriation Act s12)	-	-	-	-	-	-	5,826
FMA Act:							
Refunds credited (FMA Act s30)	-	-	-	-	-	-	-
Appropriations to take account of recoverable GST (FMA Act s30A)	-	-	-	-	-	-	145
Adjustment of appropriations on change of equity function (FMA Act s32)	-	-	-	-	(142,659)	-	(276,529)
Total appropriations available for payments	6,215	6,635	-	1,338	7,903	191,589	2,353,612
Cash payments made during the year (GST inclusive)	6,215	6,635	-	1,338	3	47,185	2,311,391
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	-	-	-	-	7,900	144,404	145,102
Represented by:							
Cash at bank and on hand	-	-	-	-	-	-	-
Appropriation receivable	-	-	-	-	-	-	-
GST receivable from the ATO	-	-	-	-	-	-	-
Formal reductions of appropriation revenue	-	-	-	-	-	-	-
Departmental appropriation receivable (appropriation for additional outputs)	-	-	-	-	-	-	-
Undrawn, unexpired administered appropriations	-	-	-	-	7,900	144,404	145,102
Total	-	-	-	-	7,900	144,404	145,102

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**Note 26C: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund - Special Appropriations (Unlimited Amount)**

Local Government (Financial Assistance) Act 1995 - section 19	Outcome 2	
	2008 \$'000	2007 \$'000
Purpose: For payments to States, the ACT and the NT for local government purposes. All transactions under this act are recognised as administered items.		
Cash payments made during the year	1,765,848	1,685,959
Appropriations credited to Special Accounts	-	-
Refunds credited (net) (FMA Act section 30)	-	-
Total charged to appropriation	-	-
Estimated actual	1,777,769	1,687,463
Protection of the Sea (Oil Pollution Compensation Fund) Act 1993 - section 40(4)	Outcome 1	
	2008 \$'000	2007 \$'000
Purpose: For payments of contributions and late payment penalties relating to oil compensation from CRF into the International Oil Compensation Fund 1992 All transactions under this act are recognised as administered items.		
Cash payments made during the year	123	155
Appropriations credited to Special Accounts	-	-
Refunds credited (net) (FMA Act section 30)	-	-
Total charged to appropriation	-	-
Estimated actual	500	160
Interstate Road Transport Act 1985 - section 14	Outcome 1	
	2008 \$'000	2007 \$'000
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. All transactions under this act are recognised as administered items.		
Cash payments made during the year	54,529	51,334
Appropriations credited to Special Accounts	54,529	51,334
Refunds credited (net) (FMA Act section 30)	-	-
Total charged to appropriation	-	-
Estimated actual	57,530	50,430
<b>Totals for unlimited special appropriations</b>		
Estimated actual	1,835,799	1,738,053
Cash payments made during the year	1,820,500	1,737,448

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 26D: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund - Special Appropriations (Refund Provisions)**

Section 28(2) of the Financial Management and Accountability Act 1997	Outcome 2	
	2008 \$'000	2007 \$'000
Purpose: For payments required or permitted by law. All transactions under this act are recognised as administered items.		
Cash payments made during the year	991	9,889
Appropriations credited to Special Accounts	-	-
Refunds received (net) (FMA Act section 30)	-	-
Total charged to special appropriation	-	-
Budget estimate (listing each other legislative provision that refunds have been made under)	-	-
Budget estimate (FMA Act section 28)	-	-





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**Note 26E: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund - Special Appropriations (Limited Amount)**

	Outcome 1	
	2008 \$'000	2007 \$'000
Stevedoring Levy (Collection) Act 1998 - section 18(3) and 19(2)		
Purpose: For payments in connection with stevedoring industry reform All transactions under this act are recognised as administered items.		
Amounts carried forward from previous period	45,918	47,599
Appropriations to take account of recoverable GST (FMA Act s30A)	-	15
Available for payments	45,918	47,614
Cash payments made during the year (GST Inclusive)	(683)	(1,696)
Balance carried to the next period and as represented by:	45,235	45,918
Cash	-	-
Departmental appropriation receivable	-	-
Undrawn, unexpired administered appropriations	45,235	45,918
Total	45,235	45,918
	Outcome 1	
	2008 \$'000	2007 \$'000
Totals for Limited Special Appropriations		
Amounts carried forward from previous period	47,837	49,518
Appropriations to take account of recoverable GST (FMA Act s30A)	-	15
Available for payments	47,837	49,533
Cash payments made during the year (GST Inclusive)	(683)	(1,696)
Balance carried to the next period and as represented by:	47,154	47,837
Cash	-	-
Departmental appropriation receivable	-	-
Undrawn, unexpired administered appropriations	47,154	47,837
Total	47,154	47,837



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Notes to and forming the Financial Statements

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**Note 26E: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund - Special Appropriations (Limited Amount) - continued**

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 6(3) of the *Roads to Recovery Act 2000* - the balance of this appropriation is \$1,919,000

Section 27(4) of the *Sydney Airport Demand Management Act 1997* - this appropriation has a nil balance

Section 23(2) of the *Air Passenger Ticket Levy (Collection) Act 2001* - this appropriation has a nil balance

Section 67AH(4) of the *Australian National Railways Commission Sale Act 1997* - this appropriation has a nil balance.



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Note 27: Special Accounts

	2008 \$'000	2007 \$'000
<b>Interstate Road Transport</b>		
Legal Authority: Interstate Road Transport Act 1985 (Administered); s21.		
Appropriation: Financial Management and Accountability Act 1997; 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 carried from previous year	-	-
Appropriation for reporting period	54,529	51,334
GST credits (FMA Act section 30A)	-	-
Available for payments	54,529	51,334
Payments made	(54,203)	(51,334)
<b>Balance carried to next year and as represented by:</b>	<b>326</b>	<b>-</b>
Cash transferred to the OPA	326	-
<b>Total balance carried to the next year</b>	<b>326</b>	<b>-</b>

	2008 \$'000	2007 \$'000
<b>Federation Fund</b>		
Legal Authority: Financial Management and Accountability Act 1997; s20.		
Purpose : to fund projects of national significance to mark the Centenary of Federation		
This account is non interest bearing.		
Balance carried from previous year	15,000	-
Transfer from special account	-	15,000
GST credits (FMA Act section 30A)	-	-
Available for payments	15,000	15,000
Payments made	-	-
<b>Balance carried to next year and as represented by:</b>	<b>15,000</b>	<b>15,000</b>
Cash transferred to the OPA	15,000	15,000
<b>Total balance carried to the next year</b>	<b>15,000</b>	<b>15,000</b>

The Federation Fund Account was abolished on 26 July 2006 and was replaced by the Federation Fund.

The transfer of funds from the Federation Fund Account to the new Federation Fund was inadvertently omitted from the 2006-2007 financial statements. The comparatives figures have been updated to reflect the transfer of funds.



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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**
**Note 27: Special Accounts (Continued)**

	2008 \$'000	2007 \$'000
<b>Christmas Island Phosphate Mining Rehabilitation Special Account</b> Legal Authority: Financial Management and Accountability Act 1997; s20. Purpose: To manage funding provided for the rehabilitation of phosphate mine sites on Christmas Island. This account is non interest bearing.		
Balance carried from previous year	2,599	2,188
Appropriation for reporting period	728	1,164
Available for payments	3,327	3,352
Payments made	(293)	(753)
Restructure - Transferred	(3,034)	-
<b>Balance carried to next year and as represented by:</b>	-	2,599
Cash transferred to the OPA	-	2,599
<b>Total balance carried to the next year</b>	-	2,599

Responsibility for this Special Account was transferred to Attorney General's Department as a result of the updated Australian Administrative Order (AAO) released on 3 December 2007.

	2008 \$'000	2007 \$'000
<b>Services for Other Government and Non-Agency Bodies (Trust)</b> Legal Authority: 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 carried from previous year	200	224
Other receipts - goods and services	-	-
Available for payments	200	224
Payments made	(69)	(24)
Restructure - transferred	(38)	-
<b>Balance carried to next year and as represented by:</b>	93	200
Cash held by DITRD LG	93	200
<b>Total</b>	93	200

Responsibility for the Territories program component of this Special Account was transferred to Attorney General's Department as a result of the Australian Administrative Order (AAO) issued on 3 December 2007.

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**Note 27: Special Accounts (Continued)**

	2008	2007
	\$'000	\$'000
<b>Other Trust Monies Account (Trust)</b>		
Legal Authority: 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 carried from previous year	804	805
Other receipts - goods and services	89	6
Available for payments	893	811
Payments made	(69)	(7)
Restructure - transferred	(489)	-
<b>Balance carried to next year and as represented by:</b>	<b>335</b>	<b>804</b>
Cash held by DITRDG	335	804
<b>Total</b>	<b>335</b>	<b>804</b>

Responsibility for the Territories program component of this Special Account was transferred to Attorney General's Department as a result of the Australian Administrative Order (AAO) issued on 3 December 2007.

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	2008	2007
	\$	\$
<b>Note 28: Compensation and Debt Relief</b>		
<b>Administered</b>		
No 'Act of Grace' expenses were made during the reporting period, and there were no amounts owing as at year end. (2007: 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 (2007: no waivers).	-	-
No ex-gratia payments were provided for during the reporting period (2007: no payments).	-	-
<b>Departmental</b>		
No 'Act of Grace' expenses were made during the reporting period, and there were no amounts owing as at year end (2007: 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 (2007: no waivers).	-	-
No ex-gratia payments were provided for during the reporting period (2007: no payments).	-	-
No payments were made under the 'Defective Administration Scheme' during the reporting period (2007: no payments).	-	-
No payments were made under S73 of the Public Service Act 1999 during the reporting period (2007: no payments).	-	-



DEPARTMENT OF INFRASTRUCTURE, TRANSPORT,  
REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 29: Reporting of Outcomes

Note 29A: Net Cost of Outcome Delivery

Period From 1 July 2007 to 30 June 2008

	Outcome 1		Outcome 2		Total	
	2008	2007	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Expenses</b>						
Administered	3,262,033	2,510,233	1,970,752	2,055,222	5,232,785	4,565,456
Departmental	186,618	172,192	52,473	55,175	239,091	227,367
<b>Total expenses</b>	<b>3,448,651</b>	<b>2,682,425</b>	<b>2,023,225</b>	<b>2,110,397</b>	<b>5,471,876</b>	<b>4,792,823</b>
<b>Costs recovered from provision of goods and services to the</b>						
Administered	69,322	59,074	5,044	9,909	74,366	68,983
Departmental	1,204	720	413	5	1,617	725
<b>Total costs recovered</b>	<b>70,526</b>	<b>59,794</b>	<b>5,457</b>	<b>9,914</b>	<b>75,983</b>	<b>69,708</b>
<b>Other external revenue</b>						
Administered revenues						
Levies, fees and fines	79,267	74,724	1,461	2,369	80,728	77,093
Goods and services revenue from related entities	-	-	-	38	-	38
Interest	264	295	4,855	9,867	5,119	10,162
Dividends	66,600	65,300	-	-	66,600	65,300
Contributions	1,947	3,495	1,020	12,997	2,967	16,492
Royalties	-	-	643	1,483	643	1,483
Rental income	2,843	2,561	1,291	2,604	4,134	5,165
Other revenue	-	3	241	701	241	704
<b>Total administered</b>	<b>150,921</b>	<b>146,378</b>	<b>9,511</b>	<b>30,059</b>	<b>160,432</b>	<b>176,437</b>
<b>Departmental revenues</b>						
Goods and services revenue from related entities	2,558	3,046	-	130	2,558	3,176
Rents	278	158	89	59	367	217
<b>Total departmental</b>	<b>2,836</b>	<b>3,204</b>	<b>89</b>	<b>189</b>	<b>2,925</b>	<b>3,393</b>
<b>Total other external revenues</b>	<b>153,757</b>	<b>149,582</b>	<b>9,601</b>	<b>30,247</b>	<b>163,357</b>	<b>179,829</b>
<b>Net cost/(contribution) of outcome</b>	<b>3,224,369</b>	<b>2,473,049</b>	<b>2,008,167</b>	<b>2,070,236</b>	<b>5,232,536</b>	<b>4,543,285</b>

Outcomes 1 and 2 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.

Where possible revenue and expense items have been allocated directly to the output which they relate. 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.



**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT,  
REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 29B: Major Classes of Departmental Revenues and Expenses by Output Groups and Outputs**

Period From 1 July 2007 to 30 June 2008

Outcome 1	Output Group 1												Outcome 1 Total	
	Output 1.1.1		Output 1.1.2		Output 1.2.1		Output 1.3.1		Output 1.4.1		Output 1.4.2		2007	2008
	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Departmental expenses</b>														
Employees	12,728	11,120	7,882	7,982	37,383	35,788	12,183	11,230	6,574	7,292	16,988	15,522	93,738	88,934
Suppliers	8,773	6,851	5,932	6,068	35,457	35,234	8,440	6,864	6,593	5,387	14,616	11,763	79,811	72,167
Depreciation and amortisation	2,249	1,296	890	1,050	3,745	3,372	1,561	1,168	489	515	1,277	1,124	10,211	8,525
Write-down and impairment of assets	125	37	114	32	817	129	180	41	98	25	108	61	1,442	325
Finance costs	25	30	19	26	83	105	26	33	14	21	37	45	204	260
Grants	40	14	547	734	381	945	-	59	244	45	-	186	1,212	1,983
<b>Total Departmental expenses</b>	<b>23,940</b>	<b>19,348</b>	<b>15,384</b>	<b>15,892</b>	<b>77,866</b>	<b>75,573</b>	<b>22,390</b>	<b>19,395</b>	<b>14,012</b>	<b>13,285</b>	<b>33,027</b>	<b>28,701</b>	<b>186,618</b>	<b>172,194</b>
<b>Funded by:</b>														
Revenues from government	22,400	19,052	16,347	15,476	73,929	68,822	22,023	19,281	15,036	12,855	36,464	27,610	186,199	163,096
Goods and services revenue	151	90	90	111	2,084	1,713	96	70	25	119	1,316	916	3,762	3,019
Rents	34	-	26	-	114	-	35	-	19	-	51	-	278	-
Other non-taxation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Gains	49	-	54	-	184	-	57	-	35	-	82	-	461	-
<b>Total Departmental revenues</b>	<b>22,634</b>	<b>19,142</b>	<b>16,517</b>	<b>15,587</b>	<b>76,310</b>	<b>70,535</b>	<b>22,211</b>	<b>19,351</b>	<b>15,116</b>	<b>12,974</b>	<b>37,913</b>	<b>28,526</b>	<b>190,700</b>	<b>166,115</b>



DEPARTMENT OF INFRASTRUCTURE, TRANSPORT,  
REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 29B: Major Classes of Departmental Revenues and Expenses by Output Groups and Outputs - continued

Outcome 2	Output Group 2										Outcome 2 Total	
	Output 2.1.1		Output 2.2.1		Output 2.2.2		Output 2.2.3				2008	2007
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Departmental expenses</b>												
Employees	21,544	20,249	3,026	5,819	2,104	1,104	1,009	1,725	27,683	28,897		
Suppliers	15,076	15,500	1,591	4,248	2,038	972	530	1,634	19,235	22,354		
Depreciation and amortisation	2,915	2,649	174	437	217	91	58	131	3,365	3,308		
Write-down and impairment of assets	1,895	110	15	22	18	4	5	6	1,933	142		
Finance costs	52	65	5	18	6	3	2	5	65	91		
Grants	192	58	-	320	-	-	-	5	192	383		
<b>Total Departmental expenses</b>	<b>41,674</b>	<b>38,631</b>	<b>4,811</b>	<b>10,864</b>	<b>4,383</b>	<b>2,174</b>	<b>1,604</b>	<b>3,506</b>	<b>52,473</b>	<b>55,175</b>		
<b>Funded by:</b>												
Revenues from government	37,821	36,757	10,051	7,991	2,079	1,912	3,623	3,501	53,574	50,161		
Goods and services revenue	145	549	15	18	248	310	5	5	413	882		
Rents	71	1	8	216	8	-	3	-	89	217		
Other non-taxation revenue	-	-	-	-	-	-	-	-	-	-		
Net Gain from Sale of Assets	-	-	-	-	-	-	-	-	-	-		
Other Gains	115	-	11	-	14	-	4	-	144	-		
<b>Total Departmental revenues</b>	<b>38,153</b>	<b>37,307</b>	<b>10,085</b>	<b>8,225</b>	<b>2,349</b>	<b>2,222</b>	<b>3,635</b>	<b>3,506</b>	<b>54,221</b>	<b>51,260</b>		

Outcomes 1 and 2 are described in Note 1.1. Net costs include intragovernment costs that are eliminated in calculating the actual Budget outcome.





DEPARTMENT OF INFRASTRUCTURE, TRANSPORT,  
REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

**Note 29C: Major Classes of Administered Income and Expenses by Outcome**

Period From 1 July 2007 to 30 June 2008

	Outcome 1		Outcome 2		Total	
	2,008	2,007	2,008	2,007	2,008	2007
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Administered income</b>						
Levies, fees and fines	79,267	74,725	1,461	2,368	80,728	77,093
Rendering of services	69,322	59,026	5,044	9,995	74,366	69,021
Interest	264	295	4,855	9,867	5,119	10,162
Dividends	66,600	65,300	-	-	66,600	65,300
Other Revenue	4,790	6,232	3,195	17,612	7,985	23,844
Other Gains	7,745	564	-	-	7,745	564
<b>Total Administered income</b>	227,988	206,142	14,555	39,842	242,543	245,984
<b>Administered Expenses</b>						
Employee expenses	-	-	4,556	7,172	4,556	7,172
Grants	3,042,996	2,363,521	1,923,636	1,956,311	4,966,632	4,319,832
Subsidies	138,109	124,535	4,260	3,450	142,369	127,985
Suppliers	12,424	14,914	25,768	56,315	38,192	71,229
Depreciation and amortisation	1,062	1,818	12,437	23,400	13,499	25,218
Write-down and impairment of assets	-	-	80	6,676	80	6,676
Net loss on disposal of assets	66,513	3,289	-	1,676	66,513	4,965
Other expenses	929	2,156	15	222	944	2,378
<b>Total Administered expenses</b>	3,262,033	2,510,233	1,970,752	2,055,222	5,232,785	4,565,455

Outcomes 1 and 2 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.



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*a. This report has been prepared in accordance with the Requirements for Annual Reports approved by the Joint Committee of Public Accounts and Audit under subsections 63(2) and 70(2) of the Public Service Act 1999.*

*b. As per section 12(6) of the JCPAA Requirements (18 June 2008), details of consultancies valued at \$10,000 or more let in 2007-08 are available as a supplement to the online version of this annual report (refer <[www.infrastructure.gov.au/departments/annual\\_report/index.aspx](http://www.infrastructure.gov.au/departments/annual_report/index.aspx)>).*

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# GLOSSARY

**Accident** An incident where a person suffers serious or fatal injuries or where property is seriously damaged.

**Administrative Arrangements Order (AAO)** An order issued from time to time by the government and signed by the Governor-General which establishes the matters or outcomes to be dealt with by each department of state, and the Acts of parliament to be administered by each minister.

**Administered items** Revenues, expenses, assets and liabilities that the government controls, but which an agency or authority manages on the government's behalf.

**Agency Departments of State**, departments of parliaments and 'prescribed agencies' for the purpose of the *Financial Management and Accountability Act 1997*.

**Australian Workplace Agreement (AWA)** An agreement between an employer and an employee about the terms and conditions of employment, made under the *Workplace Relations Act 1996*.

**Business division** An organisational unit within the Department, which is managed by an executive director and reports to the secretary of the Department.

**Collective Agreement (CA)** A written agreement, made between the employer and the employees, which sets out terms and conditions of employment.

**Chief Executive's Instructions** Provide instructions and guidance for accountability requirements under the *Financial Management and Accountability Act 1997*.

**Competitive tendering and contracting (CTC)** The process of contracting out the delivery of government activities previously performed by an Australian Government agency to another organisation.

**Conference agreement** An unincorporated association of two or more ocean carriers providing international liner cargo shipping services.

**Equity** Also known as net assets, it is the residual interest in the assets of an entity after deduction of its liabilities.

**Incident** An occurrence that affected, or could have affected, the safety or security of an activity such as the operation of aviation and shipping. More specific definitions are set out in various Acts of parliament.

**Intermodal** The interaction of operations between transport modes (road, rail, air and sea).

**Non-ongoing employee** An Australian Public Service (APS) employee who is not an ongoing APS employee.

**Ongoing employee** A person engaged as an ongoing APS employee as mentioned in paragraph 22(2) (a) of the *Public Service Act 1999*.

**Outcomes and output structure** This structure reflects an agency's business and enables sound performance reporting to parliament. Outcomes are the results, impacts or consequences of actions by the Australian Government on the Australian community. Outputs contribute to outcomes. They are the goods and services produced by agencies on behalf of the government and are specified by price, quantity and quality.

**Portfolio Budget Statements (PBS)** These statements explain the provisions of the Appropriation Bills (Budget Bills), that is, where the appropriate funds are going to spent.

**Portfolio agencies** The different government agencies which are accountable to the Minister for Infrastructure, Transport, Regional Development and Local Government under the AAO. For a list of portfolio agencies see page 2.

**Price of outputs** The government's contribution to the Department's direct costs in producing required outputs and associated indirect costs, such as corporate overheads. It does not include, for example, revenue from independent sources.





## ACRONYMS AND ABBREVIATIONS

<b>AACA</b>	Accredited Air Cargo Agents
<b>AAPS</b>	Australian Airspace Policy Statement
<b>AAO</b>	Administrative Arrangements Order
<b>ABC</b>	Airport Building Controllers
<b>ABS</b>	Australian Bureau of Statistics
<b>ACA</b>	Airport Coordination Australia
<b>ACC</b>	Area Consultative Committee
<b>ACCC</b>	Australian Competition and Consumer Commission
<b>ACT</b>	Australian Capital Territory
<b>ADRs</b>	Australian Design Rules
<b>ADS-B</b>	Automatic Dependent Surveillance–Broadcast
<b>AEO</b>	Airport Environmental Officers
<b>AES</b>	Airport Environment Strategy
<b>AGRIS</b>	Australian Government Regional Information Service
<b>Airports Act</b>	<i>Airports Act 1996</i>
<b>ALC</b>	Australian Logistics Council
<b>ALCs</b>	airport lessee companies
<b>ALGA</b>	Australian Local Government Association
<b>AMC</b>	Australian Maritime College
<b>AMSA</b>	Australian Maritime Safety Authority
<b>AN</b>	Australian National Railways Commission
<b>ANAO</b>	Australian National Audit Office
<b>APEC</b>	Asia–Pacific Economic Cooperation
<b>APG</b>	Aviation Policy Group
<b>APS</b>	Australian Public Service
<b>APSC</b>	Australian Public Service Commission
<b>APTNAAC</b>	Accessible Public Transport National Advisory Committee
<b>ARTC</b>	Australian Rail Track Corporation
<b>ASAF</b>	Aviation Security Advisory Forum

<b>ASIC</b>	Aviation Security Identification Card
<b>ASRS</b>	Aviation Self Reporting Scheme
<b>ATC</b>	Australian Transport Council
<b>ATSA</b>	<i>Aviation Transport Security Act 2004</i>
<b>ATSB</b>	Australian Transport Safety Bureau
<b>AusLink Act</b>	<i>AusLink (National Land Transport) Act 2005</i>
<b>AWA</b>	Australian Workplace Agreement
<b>BITRE</b>	Bureau of Infrastructure, Transport and Regional Economics
<b>CASA</b>	Civil Aviation Safety Authority
<b>CBS</b>	checked baggage screening
<b>CFIT</b>	controlled flight into terrain
<b>CMRS</b>	Confidential Marine Reporting Scheme
<b>COAG</b>	Council of Australian Governments
<b>CSOs</b>	Community Service Obligations
<b>CVR</b>	cockpit voice recorder
<b>Demand Management Act</b>	<i>Sydney Airport Demand Management Act 1997</i>
<b>ECMT</b>	European Conference of Ministers of Transport
<b>EMS</b>	environmental management system
<b>EPBC Act</b>	<i>Environment Protection and Biodiversity Conservation Act 1999</i>
<b>ESD</b>	ecologically sustainable development
<b>ETD</b>	explosive trace detection
<b>FAA</b>	United States of America Federal Aviation Administration
<b>FCAI</b>	Federal Chamber of Automotive Industries
<b>FDR</b>	flight data recorder
<b>FIRS</b>	Federal Interstate Registration Scheme
<b>FMA Act</b>	<i>Financial Management and Accountability Act 1997</i>
<b>FOI</b>	freedom of information
<b>FOI Act</b>	<i>Freedom of Information Act 1982</i>
<b>FRRR</b>	Foundation for Rural and Regional Renewal
<b>GJ</b>	gigajoule (of energy)





<b>GLS</b>	Green Lease Schedule
<b>GNSS</b>	Global Navigation Satellite Systems
<b>GST</b>	goods and services tax
<b>GVG</b>	Green Vehicle Guide
<b>HREOC</b>	Human Rights and Equal Opportunity Commission
<b>IA</b>	Infrastructure Australia
<b>IAAGs</b>	Infrastructure Assurance Advisory Groups
<b>IASC</b>	International Air Services Commission
<b>ICAO</b>	International Civil Aviation Organization
<b>ICT</b>	information and communication technology
<b>ICTCG</b>	International Counter Terrorism Coordination Group
<b>IiP</b>	Investor in People
<b>IMO</b>	International Maritime Organization
<b>IOPC</b>	International Oil Pollution Compensation
<b>IRTAD</b>	International Road Traffic and Accident Database
<b>ISTP</b>	Infrastructure and Surface Transport Policy
<b>IT</b>	information technology
<b>ITS Act</b>	<i>Inspector of Transport Security Act 2006</i>
<b>ITSAP</b>	Indonesia Transport Safety Assistance Package
<b>IWG</b>	Infrastructure Working Group
<b>JCPAA</b>	Joint Committee of Public Accounts and Audit
<b>L</b>	litre
<b>LAGs</b>	liquids, aerosols and gels
<b>LEADS</b>	Leadership Excellence through Action, Development and Seminars
<b>LGA</b>	local government authority
<b>MIFCo</b>	Maritime Industry Finance Company Limited
<b>MISCF</b>	Maritime Industry Security Consultative Forum
<b>MJ</b>	megajoule (of energy)
<b>MOU</b>	memorandum of understanding
<b>MP</b>	Member of Parliament
<b>MPF</b>	Major Project Facilitation



<b>MSCC</b>	Motorcycle Safety Consultative Committee
<b>MSIC</b>	Maritime Security Identification Card
<b>NPC</b>	Newcastle Port Corporation
<b>NSW</b>	New South Wales
<b>NT</b>	Northern Territory
<b>NTC</b>	National Transport Commission
<b>NTS</b>	National Transport Strategy Division
<b>NTSC</b>	National Transportation Safety Committee (Indonesia)
<b>OECD</b>	Organisation for Economic Cooperation and Development
<b>OGSF</b>	Oil and Gas Security Forum
<b>OH&amp;S</b>	occupational health and safety
<b>OITS</b>	Office of the Inspector of Transport Security
<b>OSCAR</b>	Online System for Comprehensive Reporting
<b>OTS</b>	Office of Transport Security
<b>PAES</b>	Portfolio Additional Estimates Statements
<b>PBS</b>	Portfolio Budget Statements
<b>PEPS</b>	Project Environment Protection Strategy
<b>PSAES</b>	Portfolio Supplementary Additional Estimates Statements
<b>PSP</b>	Parking Signage Plan
<b>QAS</b>	RACA Quality Assurance Service
<b>Qld.</b>	Queensland
<b>RACA</b>	Regulated Air Cargo Agent
<b>RAI</b>	Remote Aerodrome Inspection
<b>RAIS</b>	Regional Australia Impact Statement
<b>RASP</b>	Remote Aerodrome Safety Program
<b>RASS</b>	Remote Air Services Subsidy
<b>RAWS</b>	Registered Automotive Workshop Scheme
<b>RDA</b>	Regional Development Australia
<b>RDC</b>	Regional Development Council
<b>REPCON</b>	Report Confidentially
<b>RFDS</b>	Royal Flying Doctor Service





<b>RFT</b>	request for tender
<b>RICM</b>	Regional Industry Consultative Meeting
<b>RLCIP</b>	Regional and Local Community Infrastructure Program
<b>RTC</b>	Rural Transactions Centres
<b>SA</b>	South Australia
<b>SCORD</b>	Standing Committee on Regional Development
<b>SES</b>	Senior Executive Service
<b>SESMT</b>	Senior Executive Service Management Team
<b>SEVS</b>	Specialist and Enthusiast Vehicles Scheme
<b>SIIMS</b>	Safety Investigation Information Management System
<b>SOLAS</b>	International Convention for the Safety of Life at Sea
<b>SRACs</b>	Sustainable Regions Advisory Committees
<b>Tas.</b>	Tasmania
<b>TIAAG</b>	Transport Infrastructure Assurance Advisory Group
<b>TNIP</b>	Transparent Noise Information Package
<b>TSI</b>	Transport Security Inspectors
<b>TSI Act</b>	<i>Transport Safety Investigation Act 2005</i>
<b>TSWG</b>	Transport Security Working Group
<b>UK</b>	United Kingdom
<b>ULB</b>	underwater locator beacons
<b>UNECE</b>	United Nations Economic Commission for Europe
<b>US</b>	United States of America
<b>USOAP</b>	Universal Safety Oversight Audit Program
<b>Vic.</b>	Victoria
<b>WA</b>	Western Australia

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## CORRECTIONS TO 2006-07 ANNUAL REPORT

No material errors have been identified in the 2006-07 Annual Report. However the following minor corrections apply to the printed version:

- On pages 277 and 278 of Appendix C, the dollar figures for Market Research and Advertising for 2006-07 in Figures C1 and C2 should have appeared as GST inclusive rather than GST exclusive amounts. The GST inclusive amount can be obtained by multiplying each figure by 1.1.
- On page 272 in Appendix B, the URL for the BTRE that appears at the foot of the “Case Study: Regional Research” should have appeared as [www.btre.gov.au](http://www.btre.gov.au).
- On page 149 in Table 3.39, the figure for the spending to 30 June 2006 at Canberra Airport should be \$51.3m instead of \$50.7m; accordingly, the figure for the total (all 10 airports) spending to 30 June 2006 should be \$630.6m instead of \$630.0m.