

**DEPARTMENT OF TRANSPORT  
AND REGIONAL SERVICES**

**ANNUAL REPORT  
2001–02**

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SECRETARY



The Hon. John Anderson, MP  
Minister for Transport and Regional Services  
Parliament House  
CANBERRA ACT 2600

Dear Minister

It is my pleasure to present to you the Annual Report of the Department of Transport and Regional Services for 2001–02.

This Report has been prepared in accordance with section 63 of the *Public Service Act 1999*. Subsection 63(1) requires that I provide you with a Report after the end of the financial year, on the Department's activities to present to each House of the Parliament on or before 31 October 2001.

The Report satisfies requirements of section 29 of the *Air Navigation Act 1920*, section 20 of the *Aircraft Noise Levy Collection Act 1995*, section 8 of the *Freedom of Information Act 1982* and paragraph 5.15(2) of the Airports (Environment Protection) Regulations 1997. It also includes the audited Financial Statements of the Department as required by section 57 of the *Financial Management and Accountability Act 1997*.

The Report reflects the structure and business objectives of the Department, and has been prepared under the accrual outcomes and outputs framework.

Yours sincerely

Ken Matthews

27 September 2002

cc The Hon. Wilson Tuckey, MP  
Minister for Regional Services, Territories and Local Government

Senator the Hon. Ron Boswell  
Parliamentary Secretary to the Minister for Transport and Regional Services



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# *Guide to report*

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## **Part 1—Secretary’s overview**

The Secretary, Mr Ken Matthews, reviews the performance of the Department during 2001–02 and discusses the outlook for 2002–03.

## **Part 2—Departmental overview**

In Part 2 of the report we describe the structure of the Department and of the portfolio. The strategic overview section lists values, roles and Key Result areas, as specified in the Department’s Corporate Plan for 2001–02. We also detail the outcome and outputs framework that is outlined in the Portfolio Budget Statements 2001–02.

## **Part 3—Strategic performance reporting**

In Part 3 we report on the performance of the Department against the Key Results, Outputs and Administered Programme groups detailed in the Portfolio Budget Statements 2001–02 and the Portfolio Additional Estimates Statements 2001–02. Reporting in this section is structured around the Department’s four Key Results.

## **Part 4—Servicing our clients, stakeholders and the community**

In Part 4 we detail how the Department has interacted with our clients, stakeholders and the community in 2001–02.

## **Part 5—Management and accountability**

In Part 5 we describe the Department’s policies and provide information on:

- organisational governance
- management framework
- external scrutiny
- management of human resources.

## Part 6—Financial performance reporting

In Part 6 we detail the Department's financial position, including discussion of our financial performance for 2001–02, a summary of Departmental resources and our audited financial statements.

## Part 7—Appendices

Part 7 addresses mandatory reporting requirements in easy-to-read tabular form, including:

- Status of transport safety recommendations and safety advisory notices issued by the Australian Transport Safety Bureau in 2001–02
- Environmental reporting
- Commonwealth Disability Strategy reporting
- Consultancy services
- Advertising and market research information
- Reporting on discretionary grants.

### For more information on the Department of Transport and Regional Services

Please visit our website at [www.dotars.gov.au](http://www.dotars.gov.au)

This report is also available on our website at: [www.dotars.gov.au/dept/annrpt/](http://www.dotars.gov.au/dept/annrpt/)

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*Part One*

*S e c r e t a r y ' s o v e r v i e w*



# Part One

## Secretary's overview

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In DOTARS we are working towards a simple objective: to ensure our Department is a high performing organisation and a great place in which to work. This year in my overview I want to account for our progress towards this objective.



### A high performing department

What makes a government department a high performing organisation? Perceptions of good performance in public administration change over time. In my view there are currently four particular attributes for which the Government—our principal client—and other stakeholders are looking. These are: responsiveness; productivity; creativity; and good governance arrangements.

The year under report required DOTARS to exhibit all four attributes. It was a year when quick and ready responsiveness to an incoming Government following an election was essential. It was a year when creativity and speed was required in the Department's responses to the events of September 11 and the collapse of Ansett Airlines. It was a year when our clients and stakeholders made clear their expectations that we would maintain output and productivity—despite all the turbulence and resource constraints. It was a year when the quality of corporate governance in both the public and private sector came into very sharp focus.

Following the return of the Government, the co-location within the portfolio of transport and regional services functions was reaffirmed. In addition, the Department was enhanced by the integration of new natural disaster and regional-related staff and programmes which joined us from the Department of Finance and Administration, and the former Department of Employment, Workplace Relations and Small Business.

To ensure the Department was fully responsive to the Ministers' incoming priorities, I initiated a fundamental reorganisation of the structure of the Department. For the first time the transport area of the Department has been structured along lines other than by mode of transport (roads, rail, sea and air). Instead, the new organisational concept is based on grouping together like functions, for example, all policy functions; all programme delivery functions; all regulatory functions; and all investigatory functions. The exception is in aviation policy where the rate of change is currently so rapid that I judged now was not the time to make a significant change to departmental organisational arrangements.

Similarly, in the area of the Department responsible for regional, Territory and local government functions, most programme functions have been co-located and most policy functions have been brought together.

A special feature of the new organisation—designed to encourage creativity—is the introduction of the highly successful 'Group Executive Teams' which draw together people from different areas of the Department to work on shared policy challenges. Their task is to develop fresh perspectives for our Ministers, to advance new ideas, and to develop original policy advice which transcends organisational boundaries.

A valuable initiative towards creativity during the year was the initiation in the Department of the 'DOTARS in 5 Years' project. This project sought to develop thinking about the policy and programme environment which the portfolio will be facing five years from now. Together with another initiative on major policy issues, these led to a variety of fresh ideas which were put to the incoming Ministers after the November 2001 election.

The tragic events of September 11 presented enormous challenges for the Department. In addition to developments in international aviation and security, the collapse of Ansett Airlines meant that the rate of change of aviation policy was more intense this year than had been the case for many years past. Staff of the Department worked extraordinary hours to develop creative responses to the rapid changes to domestic aviation, including ensuring the continuation of regional aviation services. I am proud of the Department's responses in these areas and feedback from stakeholders has been very positive.

The Department also broke new policy ground in the new area of war risk insurance following the disruption to the insurance market as a consequence of September 11. Again, this work has reflected well on the Department, both in Australia and abroad. The Australian Transport Safety Bureau has continued its involvement in a range of high profile aviation, marine and rail investigations and road safety work. It also completed an investigation into the Hyshot space launch accident at Woomera.

These demanding challenges needed to be dealt with in the same timeframe as the Government was selling Sydney Airport—a sale which became the largest single trade sale to date by an Australian Government.

In the course of the year, the Department also worked closely with Minister Anderson to develop a fundamentally new approach to land transport decision-making and funding in Australia. These radically new policy concepts became known as AusLink—A National Land Transport Plan. In essence, it is proposed that the Government will develop a national transport infrastructure plan and invite competitive proposals from the States, Territories, local government and the private sector and other groups to advance the objectives of the national plan. Again, this is a radical departure from the way things have been done for many years and again the Department is proud of its contribution to the Minister's new approach.

A major piece of Departmental work this year was the Government's *Stronger Regions, A Stronger Australia* Regional Policy Statement. This statement was released on 29 August 2001 and provides a whole of government framework for the range of regional initiatives and programmes in this and other portfolios. It has led to a number of innovative and creative approaches to regional issues including:

- Continuing collaborative work with other agencies on the More Accessible Government project
- Application of the 'locational approach' to regional policy through the innovative Sustainable Regions Programme
- Establishing the Standing Committee on Regional Development in preparation for the first meeting of the Regional Development Council of Commonwealth, State and Territory Ministers
- Development of the Commonwealth Regional Information Service and *The Commonwealth Regional Information Book— a Short Guide to Key Commonwealth Programmes and Services*.

External Territories have been an area of focussed and innovative activity, particularly with the arrival of the Tampa, provisioning for unauthorised boat arrivals and the construction of an immigration processing centre on Christmas Island, as well as the Government's decision to assist with the development of a space centre on Christmas Island. Ongoing support for local government in service delivery and regional development has also involved consideration of innovative new approaches to funding services.

## A great place to work

In addition to our goal of high performance, the second element of the Department's management objective is to make DOTARS a great place in which to work.

The Department recently completed a comprehensive staff survey. It was gratifying that over 90 per cent of all staff members participated in the survey. Overall, the survey results showed a statistically significant improvement in our people's perceptions of most areas of the Department's performance and in our 'corporate health'. To our staff the top two drivers of job satisfaction are the sense of citizenship within DOTARS and learning and development.

For that reason, the Department was delighted to receive re-accreditation as an Investor in People. This accreditation is an international standard affirming the quality and integrity of DOTARS' approach to people management. DOTARS is one of very few government agencies to have qualified for the standard. It has become an important part of the Department's self-identity.

One of the areas which is currently making an important contribution to the corporate health of the Department is DOTARS' flagship people development programme 'Leading in DOTARS'. This three-day course which is available to all staff at all levels in the Department aims to assist staff members in their personal and professional development. It also aims to provide awareness of the changing management and policy directions of the Department and to encourage creativity and wider participation in corporate affairs. As Secretary, I join most courses for an informal evening discussion of where the Department is going in both management and policy areas. Over half of the total membership of the Department has now been through the programme in groups of twenty at a time.

## Corporate governance

I am pleased that DOTARS had been attending to the vital issue of corporate governance long before it became the public issue it has recently become. Last year, DOTARS initiated an external review of its corporate governance arrangements by the National Institute of Governance, based at University



of Canberra. A range of improvements flowing from that review has been implemented this year.

These improvements have centred around measures to reinforce the APS Values throughout our corporate governance arrangements. For example, a process is in train to review the full set of Chief Executive's Instructions to ensure observance of the APS Values and the more specific set of DOTARS corporate values. This process is being extended to the full suite of other corporate documentation. Already the Corporate Plan and the Departmental People Charter reiterate the APS Values. The recently completed 'People and Workplace' Survey gave particular attention to the place of values within the DOTARS working culture and governance environment. Key Departmental training and communications programmes, including induction programmes, our flagship 'Leading in DOTARS' programme, and my six monthly reports to staff give special emphasis to the APS Values. Opportunities are taken through staff communications and even computer screensavers to remind staff of the central place of the APS Values within our corporate governance arrangements.

In addition to these governance improvement measures, the Department has now articulated clearly the roles, responsibilities and inter-relationships of all internal committee machinery. It has also specified for the first time the roles and inter-relationships of other agencies outside the Department but inside the portfolio. In addition, to tighten up the Department's governance arrangements, the Department has issued a 'legislation directory' which provides an overview of each of the 112 pieces of portfolio legislation, summarises each Act's intended purpose, the Minister's roles and responsibilities, provides details of any reporting requirements and identifies a designated departmental division and contact officer so that accountability arrangements within the Department are clear.

Further, in its work towards improved corporate governance, the Department this year completed market testing of its legal, finance and human resources, property and security, and office services. I have decided to enter into contract negotiations with a view to outsourcing property and security services and office services, but to retain in-house legal services and finance and human resources. Further efficiencies will be gained through the Certified Agreement negotiated during the year including initiatives in work level classification, introduction of a travelcard and savings from accommodation co-location.

Good corporate governance also requires good corporate planning. In the past year DOTARS has again completed and issued—on time—its Departmental Corporate Plan and Divisional Business Plans for each Division and Bureau.

These plans were issued on 1 July in conjunction with Divisional Budgets so that, on the day that the planning year commenced, all members of the Department were aware of the tasks expected of them, and the resources available to do the job.

Finally, I want to publicly and sincerely thank my colleagues at all levels in DOTARS for their commitment and tireless efforts over the year. Our shared aspiration to be a high performing organisation that is a great place in which to work can only be achieved through professional commitment and hard work. The staff of DOTARS deliver just that for the taxpayer—year in, year out.



Ken Matthews  
SECRETARY

# *Part Two*

## *D e p a r t m e n t a l o v e r v i e w*

- **Portfolio structure**
- **Departmental restructure**
- **Our Outcome achieved through four Key Results and Outputs**
- **Our values**
- **Our role**

# *Part Two*

## *Departmental overview*

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### **Portfolio structure**

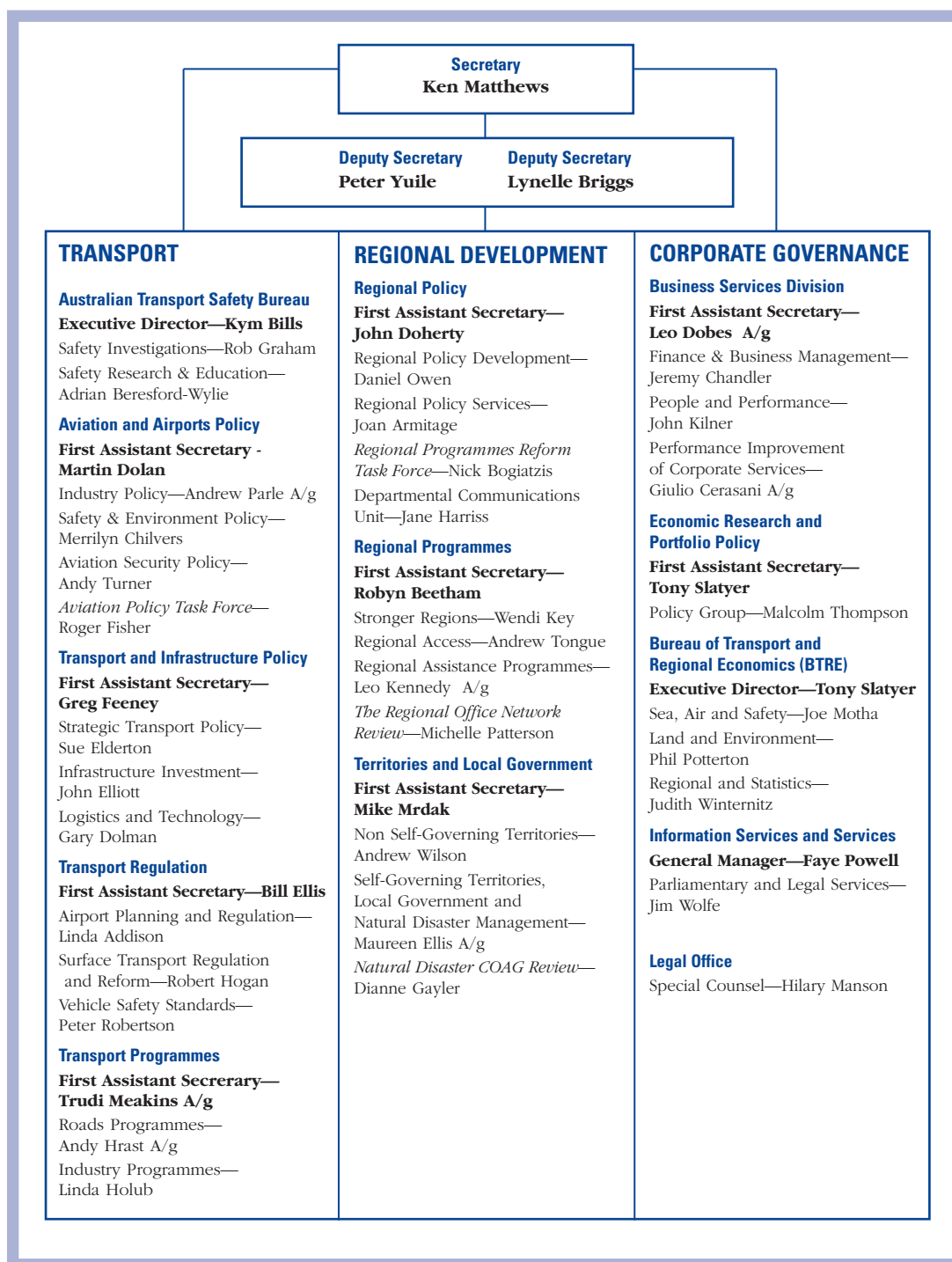
Figure 1 illustrates the structure of the Transport and Regional Services portfolio as at 30 June 2002. Our Portfolio Budget Statements 2001–02 included only those agencies predominantly funded, either directly or indirectly, by the Commonwealth Government. These were the:

- Department of Transport and Regional Services
- Civil Aviation Safety Authority
- Australian Maritime Safety Authority
- National Capital Authority.

Figure 2 illustrates our Departmental structure as at 30 June 2002.

**Figure 1: Transport and Regional Services portfolio structure**

**Figure 2: Department of Transport and Regional Services organisation structure at 30 June 2002**



## Departmental restructure

Soon after the Federal election in 2001, the Minister for Transport and Regional Services, the Hon John Anderson MP indicated the need to strengthen our strategic policy agenda and stressed the importance to the Government of regional development, sound regulatory practice, good programme management and communication of government initiatives.

The Department responded with new organisational arrangements coupled with refreshed horizontal linkages and the establishment of new Group Executive Teams lead by our two Deputy Secretaries. The reorganisation, which took effect on 1 January 2002, has improved the transparency of the Department's accountability framework and internal and external reporting functions by enabling the Department to focus on the outcome we are seeking to achieve.

This initiative, together with the efforts of staff, is allowing us to:

- achieve greater emphasis on strategic policy development
- enhance our regulatory reform and safety investigation roles as well as our programme management capability
- build better linkages, communication and effective internal working relationships
- reduce the number of 'business owners' to allow effective process improvement of business systems
- align our structure more closely with our outcome and outputs framework and our business processes and provide maximum opportunity for efficiencies and possible productivity gains through more appropriate structural groupings.



## Our Outcome achieved through four Key Results and Outputs

In contributing to the Government's priorities, the Department has worked tirelessly towards achieving the portfolio's planned outcome during 2001–02:

*A better transport system for Australia and greater recognition and opportunities for local, regional and Territory communities.\**

We have aimed to do this through the four Key Results set out in the Department's Corporate Plan and the Portfolio Budget Statements 2001–02. These are:

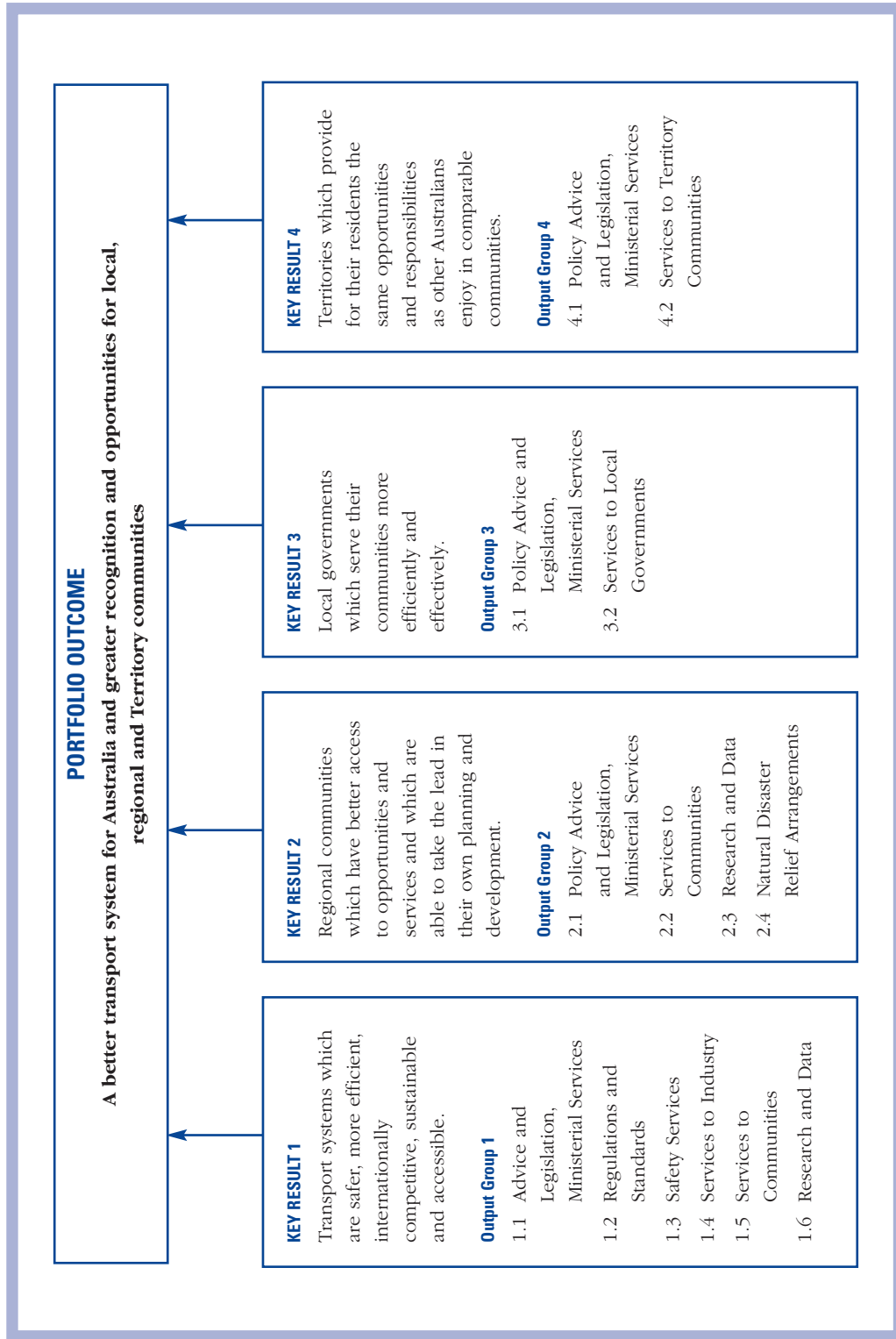
- Transport systems which are safer, more efficient, internationally competitive, sustainable and accessible.
- Regional communities which have better access to opportunities and services and which are able to take the lead in their own planning and development.
- Local governments which serve their communities more effectively and efficiently.
- Territories which provide for their residents the same opportunities and responsibilities as other Australians enjoy in comparable communities.

Figure 3 demonstrates how each of our four Key Results assists in strategically aligning the outputs produced by Divisions to build towards our goal of achieving our portfolio outcome.

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\* The Department has revised its outcome statement since 2000–01, when it was: *Linking Australia through transport and regional services*. The revised outcome statement for 2001–02 better articulates the results that the portfolio is striving to achieve for its stakeholders from the outputs and administered programmes being delivered by portfolio agencies.

Figure 3: Key Result framework and outputs, 2001–02



## Our values

In pursuing our desired outcome, the Department embraces the Australian Public Service Values and Code of Conduct, taking particular pride in achieving results through and investing in our people. As an organisation striving to continually improve in all areas of our business, we have been and continue to be:

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

## Our role

We serve Australia by working with the Government to achieve its policy goals in transport and regional development. During 2001–02 we have served our portfolio Ministers and Parliamentary Secretary through our four Key Result areas by:

- providing policy advice on transport, Territories, local government and regional development issues
- delivering transport and regional development programmes
- conducting research and providing data on transport and regional matters
- administering regulations and standards for transport
- conducting investigations into transport safety
- providing services to Territories and local governments, including administering financial assistance grants to local government
- administering relief and mitigation arrangements for natural disasters.

The role of the Department of Transport and Regional Services remains substantially unchanged from that stated in the 2001–02 Portfolio Budget Statements. However, as a result of the 2001 Administrative Arrangements Order, some functions were transferred to the Department from the Department of

Finance and Administration and the Department of Employment and Workplace Relations. These functions are:

- Natural Disaster Relief Arrangements
  - Natural Disaster Risk Management Studies Programme
  - Ex-gratia Disaster Relief Packages
  - National Disaster Memorials
  - Regional Assistance Programme
  - Dairy Regional Assistance Programme.
-



- **Introduction to performance reporting**
- **Key Result 1**
- **Key Result 2**
- **Key Result 3**
- **Key Result 4**

# *Part Three*

## *Strategic performance reporting*

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### **Introduction to performance reporting**

The Department's internal structure was reorganised on 1 January 2002 to better align our organisation and programme delivery with our outputs framework and to further enable us to achieve our portfolio outcome:

*A better transport system for Australia and greater recognition and opportunities for local, regional and Territory communities.*

Our revised internal structure therefore improves the transparency of the Department's accountability framework and has enhanced our reporting capability.

Our strategic performance reporting for 2001–02 has been based on the effectiveness of our key strategies, outputs and administered programmes in relation to the Department's four Key Results. The degree of achievement has been measured against performance indicators described in the Transport and Regional Services 2001–02 Portfolio Budget Statements (PBS).

Our Key Results are:

- Transport systems which are safer, more efficient, internationally competitive, sustainable and accessible
- Regional communities which have better access to opportunities and services, and which are able to take the lead in their own planning and development
- Local governments which serve their communities more efficiently and effectively

- Territories which provide for their residents the same opportunities and responsibilities as other Australians enjoy in comparable communities.

To further enhance accountability and transparency in our performance reporting for 2001–02 we have implemented the following rating scale. The scale describes four levels of achievement against the performance indicators in the PBS:

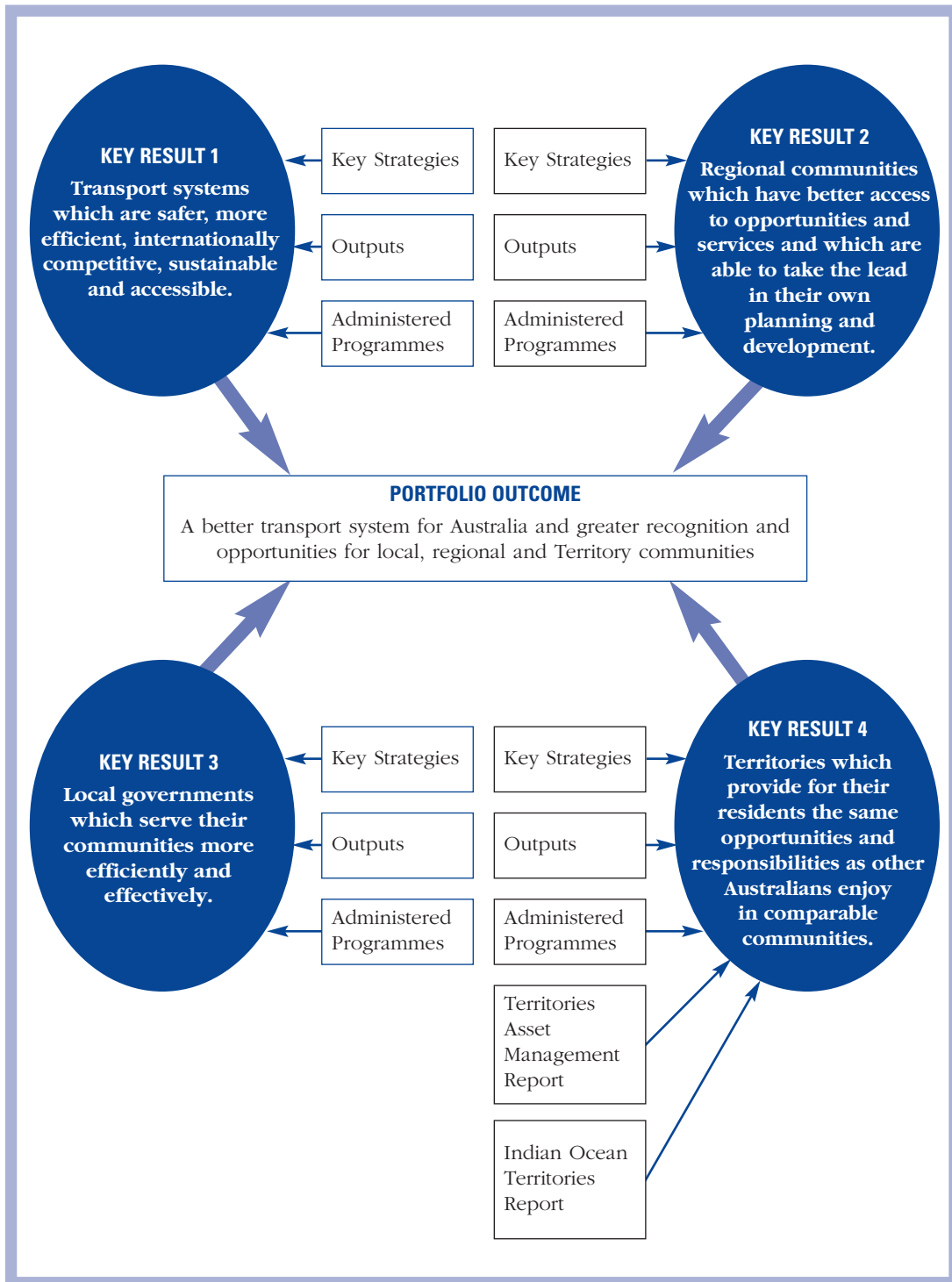
- Achieved
- Substantially achieved
- Partially achieved
- Not achieved.

This type of reporting is new for the Department and has permitted a good degree of candour and frank assessment of achievements, as well as recognition of future appropriate improvements to our services.

This year, under Key Result 4, two additional reports have been included: a Territories Asset Management Report and an Indian Ocean Territories Report. These reports complement the performance reporting for this Key Result and provide a more transparent and logical presentation of information concerning the Commonwealth's role in the Territories.



Figure 4: Diagram of performance reporting structure



## Key Result 1

*Transport systems which are safer, more efficient,  
internationally competitive, sustainable and accessible*

### Performance Summary

2001–02 proved to be a challenging year for Divisions responsible for Aviation and Airports Policy, Transport Regulation, Transport and Infrastructure Policy, Transport Programmes and the Australian Transport Safety Bureau (ATSB). World events such as those that occurred on 11 September 2001 impacted on a number of our planned achievements and provided opportunities to effect change—for example, improvement of aviation security measures. Programmes were put in place to provide transitional support for the continuation of services to communities following the demise of the Ansett group. We also worked with international bodies and partners to progress issues concerning the maritime, aviation and road transport sectors and continued our significant involvement in national road and rail initiatives with our State and Territory and industry stakeholders.

Despite a world-wide downturn in air travel during this year, we assisted the Government in selling Sydney (Kingsford Smith) Airport while ensuring this outcome was consistent with relevant airport legislative, regulatory and policy requirements, including environmental, foreign investment, competition, access and pricing. We have an ongoing role in ensuring the airport lessee demonstrates a commitment to the effective development of airport services, consistent with Australia's international obligations.

The Bureau of Transport and Regional Economics continued to provide quality information and analysis to the Government and the community to improve the understanding of economic factors influencing the transport sector as a whole. The ATSB undertook a similar role with respect to road safety and the development of a new national rail safety database.

## Summary list of effectiveness indicators for key strategies, outputs, and administered programmes for Key Result 1

<b>Effectiveness indicators for key strategies</b>	<b>Page</b>
• Airports achieving long-run profitability while delivering high quality services at a reasonable cost to users and meeting environmental and other regulatory requirements	28
• Measures to govern aircraft noise emissions and aircraft curfews are in place and observed	29
• Opportunities for airlines to provide services with reduced travel costs or improved growth, including in regions	32
• Implementation of effective aviation security measures by industry, including additional security measures in response to threat and intelligence advice	34
• Contribution to a demonstrable reduction in the road toll and other road crash costs	36
• Reduction in the backlog of investigations, and more regular reports of comprehensive proactive safety studies	37
• Investigating rail safety on the interstate system, with cooperative investigation agreements with the States/Northern Territory and other authorities, and a national rail safety database	39
• Australian shippers seeing improvements across the combined areas of reliability, timeliness and cost of transport	40
• Positive public benefits seen by industry as a direct result of our international efforts	41
• Users of transport services seeing improvements in the efficiency of Australian logistics and supply-chain industries	42
• Measures being implemented by governments and the transport industry which are effective in meeting greenhouse emissions, smog and noise objectives	43
• More informed cross-jurisdictional decisions on major infrastructure projects and policy issues	44
• Rail and road transport industries operating to national codes of practice, with regulations supporting continuous enhancement of efficiency	46

<b>Effectiveness indicators for key strategies continued...</b>	<b>Page</b>
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• National transport, development and safety goals evident in planning and implementing roads programmes	48
• Safe motor vehicles meeting uniform vehicle standards	49
• The use of private sector funds advancing national transport, development and safety objectives by bringing forward infrastructure projects	50
• An improvement in transport safety standards and data	51
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<b>OUTPUT GROUP 1</b>	
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1.1 Policy Advice and Legislation, Ministerial Services	53
1.2 Regulation and Standards	56
1.3 Safety Services	63
1.4 Services to Industry	65
1.5 Services to Communities	67
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## Report on key strategies for Key Result 1

### **Airports achieving long-run profitability while delivering high quality services at a reasonable cost to users and meeting environmental and other regulatory requirements**

*Key strategy: Encourage operation of airports for which the portfolio has responsibility in a way that balances commercial and public interests.*

#### **Achieved**

The Airport Planning and Regulation Branch of the Department administers the *Airports Act 1996* regulatory regime to protect the interests of airport users and the general public while promoting the efficient economic development and operation of airports. The annual lease review meetings with Airport Lessee Companies ensure the long-term viability of leased airports and compliance with environmental and regulatory requirements.

The lessees of Federal airports have developed environment strategies that have been approved by the Minister for Transport and Regional Services. The strategies encompass measures to prevent or minimise:

- environmental pollution at airport sites
- impact on biota or habitat
- interference with sites of heritage value or sites of significance to Aboriginal or Torres Strait Islander people.

To facilitate an appropriate balance between the development of airports and the protection of environmental values, Airport Environment Officers (AEOs) have helped ensure a high level of compliance with environmental standards by airport lessees. We managed 17 separate contracts for the provision of AEOs who proactively monitored Federal airports.

## Sale of Sydney (Kingsford Smith) Airport

The Department played a key role in the successful privatisation of Sydney (Kingsford Smith) Airport which was finalised before the end of 2001–02. As a member of the sale team, which included the Department of Finance and Administration as well as business and legal advisers, the Department participated in all stages of the process paying particular attention to appropriate transport policy and regulatory outcomes.

Following a very competitive bidding process, the bid by Southern Cross Airports Corporation was assessed, on balance, as best meeting the Government's sale objectives which included optimising sale proceeds and ensuring the buyer had the necessary management capabilities and a commitment to the development of airport services.

The airport site remains a Commonwealth place and continues to be subject to the provisions of the *Airports Act 1996* and other relevant Commonwealth legislation. The sale did not change the noise management policies at the airport with the Commonwealth retaining full regulatory control.

### Measures to govern aircraft noise emissions and aircraft curfews are in place and observed

*Key strategy: Minimise the adverse environmental impacts of aircraft operations, especially on communities around airports.*

#### Achieved

The Department has a central role in issues relating to aircraft noise. The Department is responsible for establishing and maintaining the policy settings for aircraft noise and for maintaining oversight of Airservices Australia in meeting its obligations set out in the Ministerial Direction issued under the *Air Services Act 1995*.

The Department is also responsible for the administration of the Air Navigation (Aircraft Noise) Regulations, the Air Navigation (Aircraft Engine Emissions) Regulations and the Air Navigation (Fuel Spillage) Regulations. These regulations require that certain specified standards are met in relation to particular environmental areas.

The Department has implemented the phase-out of the older, noisier aircraft that do not meet the International Civil Aviation Organization (ICAO) Annex 16, Volume 1 standards. These aircraft types have been banned from Australian airspace since 31 March 2002. We have also revoked historical aircraft permits for some specific ex-military aircraft on the basis of non-compliance.

In addition, and to further minimise the adverse environmental impacts of aircraft operations on communities around airports, we administer the curfew legislation in place at Sydney, Coolangatta, Adelaide and Essendon Airports. Compliance arrangements are in place and, as a result, an international airline was fined \$10,000 for non-compliance with the curfew requirements at Sydney during the year.

The Department has a central role in the establishment and maintenance of noise-related consultative committees at major airports. The committees are usually chaired by the airport operator and provide a forum for discussion and exchange of views for a range of stakeholders.

The Department continues to work with other stakeholders, such as Airservices Australia, airlines, airports and the community, to address issues in relation to aircraft noise, emissions and land-use planning around airports. The Department has worked with other stakeholders at a range of airport locations to address aircraft noise concerns. In some instances positive changes have been possible. In all cases, the Department has consistently considered the issues and taken into account views of communities in arriving at an outcome that has its basis in sustainability and further considers economic, safety and environmental issues.

The Department has promoted the application of land-use planning policies around airports consistent with the Australian Standard 2021–2000. The Department has acted in a manner that is consistent with the Commonwealth's role of asset owner. The Department also seeks to take into account particular concerns for land-use planning around airports that might require special measures such as the protection of areas of land under flight paths outside the noise contours to address noise. The Department has actively participated in reviews of land-use planning for Tullamarine and Perth Airports over the year.



The Department is a member of the ICAO Committee for Aviation Environment Protection (CAEP), which has responsibility for developing international standards on aircraft noise and emissions for aircraft and the development of associated guidelines and related issues. During the period ICAO CAEP agreed a new subsonic jet noise standard to apply to new aircraft prototypes after 1 January 2006 and resolved a number of important issues on noise and emissions.

## Impact of collapse of Ansett on the Department

Air New Zealand decided to place Ansett under voluntary administration and cease Ansett services from 13 September 2001. This resulted in a reduction of about 40 per cent in domestic aviation capacity, left many regional affiliates without access to reservation and ticketing systems and left hundreds of people stranded both in Australia and overseas.

In the days running up to and immediately following Ansett's collapse, the Department's then Aviation Division played a central role in liaising with Qantas, Virgin Blue and international airlines to get stranded passengers home and to maintain essential air links in remote and regional communities.

In the following months, the Department developed and administered a system of grants and loans known as the Rapid Route Recovery Scheme, which assisted airlines affected by Ansett's collapse and facilitated the recommencement of services on routes previously serviced by Ansett and its subsidiaries.

In addition, the Department worked with the Department of Employment and Workplace Relations to establish the Special Employee Entitlements Scheme for Ansett employees (SEESA), to guarantee former Ansett staff their statutory employee entitlements. The Department also assisted in establishing the Air Passenger Ticket Levy, which it also administered, to provide immediate funding of entitlements under SEESA.

The Department has worked closely with administrators of the Ansett group of companies in the interests of regional communities. All of the former Ansett regional airlines are continuing to provide services under new commercial ownership.

## Opportunities for airlines to provide services with reduced travel costs or improved growth, including in regions

*Key strategy: Sustain competition in domestic and international aviation services by negotiating more liberal air services arrangements, where this is in the national interest.*

### Substantially achieved

In the field of liberalisation of international aviation the Department has, in cooperation with other economies from the Organisation for Economic Cooperation and Development (OECD) and Asia–Pacific Economic Cooperation (APEC), been identifying issues to be addressed and liberalisation initiatives to be pursued.

In the OECD, Australia led working groups on traffic rights and competition policy, developing a draft text for a multilateral air cargo regime that has been offered to ICAO as the standard air freight multilateral text for future negotiations.

In the APEC, Australia chairs the Air Services Group that, as part of the Transportation Working Group, has developed a multilateral programme of air services liberalisation accepted by all APEC members. The progress of the liberalisation programme is measured annually by a confidential survey of APEC members conducted on APEC's behalf by Australia. Aggregated results are released annually.

The Department has also sought to encourage the development of multilateral alternatives to the bilateral system in ICAO, OECD, APEC and the World Trade Organisation (WTO).

Given the universal nature of ownership and control provisions associated with the international aviation industry, the Department considers that solutions to these problems must be multilateral and is firmly committed to promoting multilateral reform of international aviation.

In ICAO, Australia heads a working group developing options for coordinated action amongst ICAO member states to remove or reduce foreign ownership restrictions on international airlines, to be presented at the ICAO World Wide Air Transport Conference in March 2003.

In the WTO, Australia leads a group of members looking to develop a consensus to increase the coverage of the General Agreement on Trade in Services (GATS) in the aviation sector. Australia is testing the scope for increasing coverage in the sector by introducing ground handling in the current GATS negotiation round.

## Effects of 11 September 2001

Following the events of 11 September 2001, the Department put in place a number of Additional Security Measures at major Australian airports, including:

- \* increased passenger and baggage screening, including secondary screening at the boarding gate for higher risk flights
- \* increased restrictions on the types of implements permitted within passenger departure lounges and aboard aircraft
- \* tighter airport access control such as increased guarding and patrolling requirements
- \* increased aircraft searching.

Several revisions of the Additional Security Measures have been issued since 12 September 2001, most recently on 14 May 2002. The Additional Security Measures will remain in place while the current level of threat exists.

The Department is reviewing the long-term policy settings for aviation security in consultation with industry and other government agencies, including the requirements for passenger screening and other related security measures. The outcome of these reviews will assist in the planned appraisal of Australia's aviation security legislation.

## Implementation of effective aviation security measures by industry, including additional security measures in response to threat and intelligence advice

*Key strategy: Effective management and oversight of Australia's aviation security environment.*

### Achieved

The Department plays a strategic and administrative role in managing and overseeing Australia's aviation security environment. The Aviation and Airports Policy Division contributes to international forums that affect aviation security in Australia. Furthermore, the Division is responsible for providing timely and relevant threat and intelligence advice to airports and airlines. The Division also administers several pieces of legislation regarding aviation security for Australia.

The Aviation and Airports Policy Division liaises with other government agencies and the aviation industry to establish risk-based security measures consistent with Australia's international and domestic obligations to provide secure air services.

The Department was involved in two ICAO Aviation Security Panel meetings that resulted in amendments to Annex 17 of the Chicago Convention, which details international Standards and Recommended Practices for safeguarding international civil aviation against acts of unlawful interference. The amendments enhanced levels of protection currently afforded passengers, crew, ground personnel, the general public, aircraft and facilities of an airport. The amendments became applicable on 1 July 2002.

The Department also participated in an ICAO Ministerial Conference on Aviation Security that agreed to the implementation of a comprehensive ICAO programme of aviation security audits. The programme is to audit national- and airport-level compliance with ICAO requirements. Australia has agreed to contribute some funds toward this proposal.

In light of the terrorist acts in the United States on 11 September 2001, and based on advice from Australia's intelligence agencies, a range of additional security measures was mandated at 29 security-categorised airports and on selected domestic and international passenger aircraft. The additional security measures are under continual review and amended accordingly.

In March 2002, the Aviation Legislation Amendment Bill 2002 was introduced into Parliament. The Bill promotes more effective management of Australia's aviation security environment, promotes a new framework for handling aviation security information and proposes greater transparency and accountability for current processes. In addition to introducing this Bill, the Department will oversee the reform of the Air Navigation Regulations, incorporating improved security standards as agreed by the Department, industry groups and other government agencies.

## Aviation war risk insurance

One of the outcomes of the terrorist attacks in the United States on 11 September 2001 was the immediate withdrawal of third-party on the ground war risk insurance cover for the global aviation industry. The Australian Government reacted quickly to ensure that the aviation industry could continue to operate until the global insurance industry was able to recover.

From mid-September 2001, the Department managed the provision of Commonwealth indemnities to Australian airlines, airports and aviation service providers that were unable to obtain sufficient third-party war risk insurance. A small War Risk Insurance Task Force, drawn from different areas of the Department, worked closely with industry participants and insurance providers to ensure continuity of insurance cover for the aviation industry while a longer term solution was developed. At the peak of the scheme's operation, around 30 airlines, airports and service providers were in receipt of an indemnity, and the total contingent liability assumed by the Commonwealth exceeded A\$20 billion (based on the difference between the amount of insurance available commercially and the entity's previous level of cover).

The Department also contributed to global efforts, through the International Civil Aviation Organization (ICAO), to develop an effective international long-term solution to this serious matter.

On 10 May 2002, the Minister for Transport and Regional Services announced that the indemnity scheme would continue for the time being and that a charge would be applied for this cover.

## Contribution to a demonstrable reduction in the road toll and other road crash costs

*Key strategy: Progress implementation of the Commonwealth's responsibilities under the new National Road Safety Strategy and Action Plan.*

### Substantially achieved

The National Road Safety Strategy 2001–10 and the National Road Safety Action Plan for 2001 and 2002 were approved by the Australian Transport Council (ATC) in late 2000. They came into effect from January 2001, with the aim of achieving a 40 per cent reduction in the road fatality rate over 10 years, from 9.3 to 5.6 fatalities per 100,000 population.

The Commonwealth has a monitoring and coordinating role under this national framework, as well as a responsibility to implement or contribute to selected safety measures identified in successive action plans.

As part of this role the Department prepared two national progress reports for submission to the ATC and contributed to the development of road safety measures through the Australian Transport Safety Bureau's research and statistics programme, which included the publication of major reports on speed risks and fatigue.

It also organised and chaired a forum on indigenous road safety. By identifying key factors that commonly define unsuccessful and successful programmes, the forum provided an improved model for future programmes.

The Department produced national road fatality statistics to the end of the financial year showing that the rate of progress will need to be accelerated in order to achieve the strategy's 10-year target. The ATC agreed that a task force be established to review the current action plan and to develop a revised and more sharply focused action plan for 2003 and 2004.

## Reduction in the backlog of investigations, and more regular reports of comprehensive proactive safety studies

*Key strategy: Improve targeting and timeliness of air and marine safety investigations.*

The Australian Transport Safety Bureau (ATSB) undertakes best-practice ‘no blame’ transport safety investigations. The Bureau is an operationally independent multimodal body established to independently investigate, analyse and report on transport safety. It maintains a clear organisational separation from transport regulators and other parties that may be investigated, and operates within a defined legal framework as part of the Department.

The ATSB makes a major contribution to transport safety through its ability to investigate, analyse and report openly on transport safety matters free of any conflict of interest, and independently of transport regulators. Transport safety investigation and analysis of safety data are conducted rigorously and without ‘fear or favour’.

The Bureau disseminates a range of publications to improve knowledge and understanding of transport safety measures. These include reports on the facts and conclusions of investigations, safety education material, research reports, discussion papers and statistics (such as monthly road fatality statistics). Reports will often contain recommendations for authorities and parties to action in the interests of safety improvements.

### Air investigations – Substantially achieved

In 2001–02, 118 aviation investigation reports were released with a median completion time of 317 days. The investigation report backlog declined from about 125 at the beginning of the year to about 90 by the end. There were 16 outstanding reports on occurrences more than 12 months old compared with 29 at the same time the previous year. By reducing its backlog of investigations and providing more regular reports of investigations and recommendations, the ATSB has more effectively focused the attention of operators, manufacturers, regulators and service providers on the need for safety changes.

Draft proactive safety studies were completed on occurrences in mandatory broadcast zones and on bird strikes.

### **Marine investigations and proactive safety – Partially achieved**

The Marine Investigations Unit, within the ATSB, is resourced to investigate up to 12 incidents per year and aims to release its reports within 44 weeks of an incident. In 2001–02, the Unit undertook 10 new investigations, all of which were still in progress as at 30 June.

In 2001–02, six investigation reports were released with a median completion time of 76.3 weeks. All but two of these were commenced during 1999–2000; the remaining two were commenced during 2000–01. A further six investigation reports had reached the final stages of preparation by the end of the financial year. These results fell short of the Unit's performance targets because of a range of factors, including the allocation of investigator resources to rail accident investigations, the fact that all but two of the last 20 investigations undertaken were incidents involving foreign-flag vessels (with correspondingly longer times taken for communication and responses from overseas), and the emphasis placed on proactive safety activities.

To further its proactive marine safety activities, the ATSB:

- conducted an International Maritime Organisation training course in marine accident investigation in Hong Kong
- made a presentation to commercial shipping interests in Bombay
- chaired the Marine Accident Investigators International Forum in Korea
- participated in a working group at the 2002 meeting of the International Maritime Organisation (IMO) Flag State Implementation Sub-committee
- conducted a second course in marine accident investigation for the Royal Australian Navy
- presented the human factors input at four Advanced Marine Pilots training courses
- made a further two presentations at national and local forums.



## **Investigating rail safety on the interstate system, with cooperative investigation agreements with the States/Northern Territory and other authorities, and a national rail safety database**

*Key strategy: Develop the Commonwealth's role in rail safety and investigation.*

### **Substantially achieved**

A milestone achievement for ATSB was the development of multimodal investigation legislation, which resulted in the Government introducing the Transport Safety Investigation Bill 2002 on 20 June 2002. One of the aims of the Bill is to introduce best-practice safety investigation methods from the aviation and marine fields to the interstate rail system. An independent ATSB role in interstate rail investigation will foster better practice and safety across the industry. Regulations and cooperative agreements with other agencies such as coroners, police and regulatory authorities are yet to be developed to support the legislation.

Three investigations were undertaken during 2001–02 at the request of State Governments under State law. A fourth rail investigation involving a merging collision between two inter-urban passenger trains at Epping (Victoria) on 18 June 2002 was commenced at the request of the Victorian Government. Two of these reports and their recommendations have led to a critical review of safety standards in the rail industry.

To help the Department advance transport safety research, the ATSB has also established a National Rail Occurrence Database in the past year. The database provides national safety statistics on the Australian railway system for the calendar year 2001. The Bureau will continue to work with rail safety regulators to broaden the coverage of the database and to provide additional statistical information on Australian rail fatalities.

## Australian shippers seeing improvements across the combined areas of reliability, timeliness and cost of transport

*Key strategy: Support competitive shipping services, and more efficient port and waterfront operations.*

### Achieved

The Government's objectives for waterfront reform—boost productivity, lower costs, improve reliability, emphasise skill and training, and introduce an effective occupational health and safety regime—are now being met. The approach taken by the Government, in conjunction with the stevedores, has set in train a durable reform process predicated on the notion of continuous improvement that will lead to Australia having a reliable, efficient and world-class waterfront.

The national stevedoring performance, as measured by the Bureau of Transport and Regional Economics (BTRE) in its *Waterline* publication, shows the five-port average for the June quarter of 2002 as 26.6 lifts per hour. Moreover, monitoring undertaken by the Australian Competition and Consumer Commission (ACCC) suggests that stevedoring charges over the last three years have continued a longer term pattern of slow reduction. Stevedoring charges were reported to average \$173 per container for the period from July 2000 to June 2001 compared with \$254 ten years ago. The National Port Interface Cost Index produced by the BTRE indicates that both international export and import container charges have continued to decrease in real terms since April 1998.

The improvement in freight rates has been accompanied by greater reliability enabling shipping lines to adhere to fixed-day schedules and spend less time in ports. *Waterline* shows berth availability for the 2002 June quarter as 96 per cent.

Real coastal shipping freight rates for container and break-bulk traffic have never been lower, with the exception of Bass Strait cargoes, which are just slightly above a previous record low in 1995–96. The lowering of freight rates for coastal shipping reflects a substantial increase in the use of overseas shipping on the coastal trade under permits issued due to the unavailability of Australian licensed shipping.

Other maritime initiatives undertaken by the Department include developing port security arrangements on a national basis, post-11 September 2001 in accordance with International Maritime Organisation measures under the Safety of Life at Sea Convention.

## Positive public benefits seen by industry as a direct result of our international efforts

*Key strategy: Support improved international freight logistics and trade liberalisation in the region, through APEC and other regional and bilateral forums.*

### Achieved

The Department supports trade liberalisation through active participation in management and policy decisions as well as through developing and managing Asia–Pacific Economic Cooperation (APEC) projects (for example, the facilitation of international shipping project). Such projects promote the improved efficiency of transport in the region, thus facilitating trade. The Department's attendance at APEC Transportation Working Group meetings and the Third APEC Transport Ministers meeting allowed us to shape the regional transport liberalisation agenda. This works to the medium to long-term advantage of Australian importers and exporters, as it improves the efficiency of regional transport systems. Industry is consulted in the lead-up to such meetings, and kept informed of the outcomes.

Through its participation in the Australia–China Joint Working Group for Transport, the Department has supported transport and logistics companies interested in entering the Chinese market. It also allowed discussion on governance issues that will assist China to improve its transport logistics chain. Australian industry was consulted in the preparation of the first Joint Working Group meeting in Beijing, and a number of companies participated in the Australian delegation.

The Australian transport and logistics industry has supported the Department's involvement in APEC and the China meetings. Benefits to industry have resulted from making business contacts and identifying and working towards the removal of barriers to trade in particular countries.

## Users of transport services seeing improvements in the efficiency of Australian logistics and supply-chain industries

*Key strategy: Lead the development of a National Transport Logistics Industry Strategy which brings people in industry together to find practical solutions to freight logistics inefficiencies.*

### Achieved

The development and promotion of the Freight Logistics Industry Action Agenda has achieved an increased awareness amongst users and providers of transport services of the importance of reducing inefficiencies in Australian logistics and supply chains.

The Action Agenda and the Government response are scheduled to be released as the Australian Logistics Industry Strategy in July 2002. The strategy contains 36 actions to be implemented by government and industry over a three to five year period. The newly formed Australian Logistics Council, an industry leadership group comprising users and providers of logistics services, as well as representatives from the Commonwealth Government and State and Territory Governments, has the responsibility of ensuring that the actions are implemented.

A series of national logistics projects has also been completed by the Integrated Logistics Network (ILN) and the Australian Freight Councils Network (AFCN). These projects have increased understanding of the importance of transport logistics chains to Australian businesses and provide practical solutions that improve the efficiency of freight movement.

Together, implementation of the Australian Logistics Industry Strategy and ongoing work by the ILN and AFCN will continue to provide practical solutions that address impediments and inefficiencies in freight logistics, improving the efficiency of the whole economy.

## Measures being implemented by governments and the transport industry which are effective in meeting greenhouse emissions, smog and noise objectives

*Key Strategy: Support the development nationally of measures for addressing the greenhouse, health and amenity side effects of transport services.*

### Achieved

Activities undertaken by the Department during 2001–02 that contributed towards government and transport industry measures to address greenhouse emissions, smog and noise objectives were:

- submissions to the Fuel Taxation Review that considered the cost-effectiveness of using the fuel taxation system to address environmental objectives
- commencement of work on a Green Vehicles Guide, expected to be operational in 2002–03, to deliver information to consumers on the emissions and fuel consumption performance of motor vehicles
- assisting the Australian Greenhouse Office in preparing a proposal to extend the Motor Vehicle Fuel Consumption Labelling Scheme to include all new light vehicles and to require labelling not only of fuel consumption but also of carbon dioxide emissions. This proposal, if successful, would come into effect in 2003–04.

In working with other Commonwealth agencies and with other levels of government, the Department is active in the development of whole of government policies and implementation of programmes that have strategic impacts upon the transport sector, including:

- preparation for international climate change negotiations, working towards more refined projections of Australia's medium-term emissions profile, and implementing domestic measures to reduce greenhouse gas emissions such as the Greenhouse Gas Abatement Programme
- working with State and Territory agencies to progress the implementation of the National Greenhouse Strategy and to further approaches to sustainable transport through the National Transport Secretariat's work for the Australian Transport Council in this area

- working on the development of international policy for transport and urban development, including with the OECD, through Australia's preparations for the World Summit on Sustainable Development and at the Ministerial Conference sponsored by the Government of Japan examining policy directions for improving the environmental and social performance of the transport sector.

## More informed cross-jurisdictional decisions on major infrastructure projects and policy issues

*Key strategy: Work with the States and Territories through the Australian Transport Council and National Transport Secretariat to improve national transport planning processes and strategic freight corridors.*

### Achieved

The Department worked collaboratively with other State and Territory transport agencies to implement aspects of the Australian Transport Council (ATC) Standing Committee on Transport (SCOT) work programme that addressed national planning and freight corridor issues. Although the ATC did not meet during 2001–02, these issues were progressed under the auspices of SCOT. Through its participation in SCOT working groups, the Department was able to deliver the Government's key policy objectives.

The Department also participated in a number of projects initiated by the National Transport Secretariat to provide the basis of advice to the ATC in relation to more effective national transport planning processes and future development of key national freight corridors. Departmental officers played active roles on the steering committees that managed these projects.

Following the Minister's announcement of a revised approach to Commonwealth land transport infrastructure funding and the development of a national transport infrastructure development plan (AusLink) in May 2002, material was prepared for consideration by ATC at a meeting held in Auckland in August 2002. A discussion paper (Green Paper) will be released in the latter half of 2002 that will form the basis for consultation with the States and Territories and other stakeholders during 2002–03.

As a result of these processes, there is a general consensus with all levels of government for the need to establish a more cohesive approach between government and industry to secure better national transport development outcomes.

## AusLink

On 21 May 2002, the Minister for Transport and Regional Services announced the Federal Government's proposal for a new approach to the provision of national land transport infrastructure—AusLink.

AusLink aims to develop a longer term planning process that will deliver more strategic spending of Commonwealth transport funding and better opportunities for private sector involvement.

The Minister also announced the commencement of a comprehensive consultative process on AusLink, beginning with the issue of a discussion paper (a Green Paper). He indicated that the Green Paper would lead to the development of a formal statement of the Government's policy (a White Paper) in 2003. He also announced that the Government's intention was to develop a new Intergovernmental Agreement on Land Transport with the States and Territories and local government to implement AusLink.

AusLink is expected to be implemented from July 2004.

## Rail and road transport industries operating to national codes of practice, with regulations supporting continuous enhancement of efficiency

*Key strategy: Lead the development nationally of more consistency in road transport and rail regulatory arrangements.*

### Achieved

The Road Transport Charges (Australian Capital Territory) Regulations 1995 were amended to allow for the initial application of the agreed annual adjustment formula for national heavy vehicle registration charges to apply from 1 October 2001.

Amendments were also made to the *Road Transport Charges (Australian Capital Territory) Act 1993* to allow the annual adjustment formula to apply automatically from 1 July 2002.

The Commonwealth made these amendments as part of the agreed national road transport reform process managed by the National Road Transport Commission (NRTC). The States and Territories either reference or reflect the substance of the ACT legislation in their own laws, thus delivering uniform heavy vehicle registration charges across Australia. This is in line with developing a more efficient road transportation system across Australia.

The Department provided secretariat support and led a steering committee that oversaw a review of the *National Road Transport Commission Act 1991* for ATC Ministers. The review recommended that the NRTC should be replaced by a National Transport Commission with a mandate for regulatory and operational reform for road, rail and intermodal transport and the establishment of a National Transport Advisory Council to provide strategic analysis and advice to ATC Ministers. ATC subsequently agreed these and most of the other review recommendations.

Under an intergovernmental agreement with the States and Territories, the Commonwealth established the Australian Rail Operations Unit (AROU) within the Department. The unit was tasked to facilitate industry development and implementation of a Code of Practice for the Defined Interstate Rail Network (the Code). Four volumes of the Code have now been published. The final volume of the Code 'Volume 5' is being progressed with industry.



There is a high level of commitment by track owners and operators to adopt and progressively implement the Code on the interstate network, which will add significantly to rail transport efficiency and safety. The Commonwealth assumed ownership of the Code as a means of assisting AROU activities. Recent reviews suggest that ownership should now be transferred to the rail industry. This is being explored.

## **Governments and the rail industry operating a more efficient and commercial national rail network**

*Key strategy: Lead the development nationally of interstate rail network investment and access arrangements.*

### **Substantially achieved**

The rail industry is now operating a more efficient and commercial national rail network through the success of the Australian Rail Track Corporation (ARTC) in lifting the performance of the interstate track under its control and implementing fair and transparent access arrangements. This success is illustrated by the acceptance of the ARTC access undertaken by the Australian Competition and Consumer Commission in May 2002. The ARTC has been successful in attracting freight to the part of the interstate rail under its control, with traffic in May 2002 8.3 per cent higher than for the comparable period last year. Rail currently captures nearly 80 per cent of modal market share on the east–west corridor.

The Department has taken a leading role in the pursuit of interstate rail network investment and streamlined access arrangements for the remainder of the interstate track. With the support of the Government, the proposal to the New South Wales Government for the lease of New South Wales interstate track will, if accepted, represent significant progress towards achieving streamlined access arrangements across the interstate rail network. The Department has also taken a facilitating role in supporting Australian Transport and Energy Corridor Limited (ATEC) and its commercial partners to develop the Melbourne to Darwin Inland Railway proposal. This significant infrastructure development project is being driven by the private sector.

## National transport, development and safety goals evident in planning and implementing roads programmes

*Key strategy: Deliver national transport, development and safety objectives through road funding programmes.*

### Achieved

The Department worked towards achieving transport systems that are safer, more efficient, sustainable and accessible for urban, local, regional and Territory communities in 2001–02 through the delivery of the roads funding programmes described below.

The Federal Government spent over \$1.02 billion in 2001–02 on the National Highway and Roads of National Importance programmes. This included approximately \$50 million for the Western Sydney Orbital, \$7 million for duplication of the Bass Highway in Tasmania, \$13 million for the upgrade of Portrush Road in Adelaide, \$26 million on the Great Eastern Highway in Western Australia and \$80 million on the Bruce Highway in Queensland amongst many other important projects across Australia.

The National Highway Programme also funded over \$280 million on road maintenance and safety works on the National Highway. The National Highway continues to provide a high standard of travel for motorists and the road transport industry. More than 95 per cent of traffic on the National Highway experiences Smooth Travel Exposure (a measure of the roughness and therefore condition and, to an extent, safety of the road). The Commonwealth also provided almost \$60 million to address minor safety issues and to make small-scale improvements to the National Highway.

National road safety objectives were further advanced in 2001–02 through continued delivery of the Black Spot Programme. The Black Spot Programme is directed at improving the physical condition or management of locations noted for a high incidence of crashes involving death and serious injury—for example, by the installation of roundabouts, traffic signals, improved warning signs and edge sealing.

On 1 January 2002, the Black Spot Programme was repositioned to be administered along side the Department's other roads programmes to enhance opportunities for synergies in programme administration and to ensure that national transport development and safety goals are met through the delivery of this programme.

Evaluation of the programme completed by the then Bureau of Transport Economics in 2001 showed that it has been extraordinarily successful, preventing at least 32 fatalities and more than 1,500 serious crashes in its first three years and returning an average \$14 in benefit for every \$1 invested.

Before the programme's termination in June 2006, it will be evaluated again by the Bureau of Transport and Regional Economics, to determine its effectiveness in reducing crashes as well as the economic benefits and costs.

The Roads to Recovery Programme provided \$300 million during 2001–02 to councils for road works. Over 7,300 projects have now been lodged for funding by 710 councils. About 46 per cent of funds are being used for reconstruction, rehabilitation and widening of existing roads and a further 30 per cent is being spent on regravelling, sealing and resealing work. Looked at another way, almost a third of the money will go to road asset management and about a quarter to road safety improvements.

Councils that receive funding under the Roads to Recovery Programme submit an audited report to the Department at the end of each financial year.

## Safe motor vehicles meeting uniform vehicle standards

*Key strategy: Administer the Motor Vehicles Standards Act 1989 to ensure that uniform vehicle standards are applied to vehicles first entering the Australian market.*

### **Motor Vehicle Standards Act 1989—Achieved**

In May 2000, following the review of the *Motor Vehicle Standards Act 1989*, the Government announced new arrangements to administer the importation of used vehicles, which included a registered automotive workshop regime and a Specialist and Enthusiast Vehicle Scheme (SEVS) to determine the eligibility of a vehicle model for importation.

The Department is responsible for implementing the new arrangements that will return the low-volume scheme to its original intent of catering for specialist and enthusiast vehicles. The changes will also achieve a greater level of compliance with applicable motor vehicle standards and reduce malpractices in the trade.

The changes to the legislation commenced on 1 April 2002. This means that a corporation that satisfies the criteria set out in the legislation may apply for approval as a Registered Automotive Workshop and be able to import, modify

and plate used vehicles for first supply to the market in Australia. The legislation also sets out the eligibility criteria to be met under SEVS to allow for the importation of new and used vehicles imported in low volume.

### **Australian Design Rules—Partially achieved**

The Department and the National Road Transport Commission are jointly responsible for reviewing the national vehicle safety standards known as the Australian Design Rules (ADRs) for Motor Vehicles and Trailers. While this is a continuous function, currently a specific review of all the standards, considered as a whole, is under way. The aim of this review is to ensure that the standards continue to provide net benefits, remain relevant and, where possible, are harmonised with international regulations adopted by the United Nations Economic Commission for Europe.

The review should result in improved safety through alignment with international regulations and reduced costs to the community by removing the need to comply with unique Australian requirements. Further cost savings can also be realised by eliminating standards that cannot be justified. Progress on the review has been slow due to lack of resources, changing priorities and the unpredictable nature of the consultation process.

### **The use of private sector funds advancing national transport, development and safety objectives by bringing forward infrastructure projects**

*Key strategy: Increase private sector participation in the maintenance and development of transport infrastructure.*

#### **Achieved**

The maintenance of private sector participation in transport infrastructure was achieved by the finalisation of a replacement Infrastructure Borrowings Tax Offset Scheme Agreement with Transurban Ltd. This land transport project, CityLink, provides users with a safer, more efficient transport system using state of the art electronic tolling.

This continued private sector investment has helped the Department to move towards achieving our portfolio outcome of a better transport system for Australia.

## An improvement in transport safety standards and data

*Key strategy: Support safer aviation, shipping and land transport services.*

### Achieved

The Department plays several roles in supporting safer aviation, shipping and land transport services. One role is as an information collection and analysis agency. The second is as an advocate of safety standards in committees, forums and conferences in Australia and overseas. The Department has also dealt with the insurance issues impacting on the aviation industry in the wake of the 11 September 2001 attacks in the United States.

As previously discussed, within the Department the Australian Transport Safety Bureau (ATSB) is concerned with the collection and analysis of accident and incident data. The Bureau manages several significant databases covering each of the transport modes—aviation, shipping, rail, and road. These databases are used to provide statistical information to the public and industry bodies with a view to improving safety standards in the transport industry.

The newest addition to this set of databases is a National Rail Occurrence Database, established during the 2001–02 financial year. The database provides national safety statistics on the Australian railway system for the calendar year 2001. The Bureau will continue to work with rail safety regulators to broaden the coverage of the database and to provide additional statistical information on Australian rail fatalities. The database and the rail fatality statistics are available on the ATSB's website [www.atsb.gov.au](http://www.atsb.gov.au).

The Bureau also produces national road safety fatality statistics. These have been made available in various fixed-format publications to outside users. This information is used to inform safety debates in the road transport industry. Key research and statistical issue publications released in 2001–02 include:

- *Driver Fatigue: A Survey of Long Distance Heavy Vehicle Drivers in Australia*
- *Heavy Vehicle Seat Vibration and Driver Fatigue*
- *Travelling Speed and Risk of Crash Involvement on Rural Roads*
- *Further Development of a Protective Headband for Car Occupants*
- *Re-analysis of Travelling Speed and the Risk of Crash Involvement in Adelaide, South Australia*
- *Driveway Deaths: Fatalities of Young Children in Australia as a Result of Low-Speed Motor Vehicle Impacts.*

The Department's Aviation and Airports Policy Division pursues improvements in aviation safety standards through participation in international standard setting and implementation of international standards in Australia.

The Department led the Australian delegation to the fourth meeting of the International Civil Aviation Organization Facilitation Panel in Montreal and played a major role in the Panel's work, which is concerned with enhancing the movement of passengers and freight through international airports.

The Department was also represented on the steering committee overseeing the development of the competency-based Aviation Training Package under the National Vocational Education Training Framework. It was also represented on the Aerospace Engineering Sub-committee advising on measures to attract people into the aerospace engineering industry sector. This resulted in the Aerospace Engineering Skills Action Plan, under the National Industry Skills Initiative.

We also chair Australia's National Aviation Facilitation Committee (NatFAL) which brings airlines, airports and border agencies together to improve the movement of passengers and freight through international airports. Two meetings of NatFAL were held during 2001–02, and two meetings were also held of Australian–New Zealand Facilitation Committee (ANZFAL)—a joint initiative of Australia and New Zealand dedicated to improving facilitation arrangements across the Tasman.

One of the outcomes of the terrorist attacks in the United States on 11 September 2001 was the immediate withdrawal of third-party on the ground war risk insurance cover for the global aviation industry. In line with governments around the world, the Australian Government reacted quickly to ensure that the aviation industry could continue to operate until the global insurance industry was able to recover. The Department managed the provision of Commonwealth indemnities to Australian airlines, airports and aviation service providers who were unable to obtain sufficient third party war risk insurance.

On 10 May 2002, the Minister for Transport and Regional Services announced that the indemnity scheme would continue for the time being and that a charge would be made from July 2002.

Following consultation with industry, the Department released, in May 2002, the Australian Family Assistance Code, which will assist airlines operating to, from and within Australia to fulfil their responsibilities to passengers and families of passengers in the event of a major accident. The events of 11 September 2001 forced a re-allocation of resources within the Department, which meant that there was limited progress on dealing with responses to the January 2001 departmental discussion paper on the proposed ratification of the Montreal Convention 1999, and proposing enhanced liability protection for air passengers. It is planned that a policy paper will be released before the end of 2002.

## Report on Output Group 1 for Key Result 1

■ Output	■ Performance indicators
1.1 Policy Advice and Legislation, Ministerial Services	<p><i>Quality:</i> Ministers and Ministers' Offices satisfied with the quality of policy advice and legislation development, and Department meets standards for policy advice, legislation and Ministerial services.</p> <p><i>Target:</i> 95 per cent level of satisfaction.</p>

### ■ Results based on performance indicators

#### Achieved

In 2001–02 the Ministerial Offices recorded a 98.9 per cent level of satisfaction with the various types of advice sent to them. This represents an improvement over the previous year's level of 96.7 per cent satisfaction. Because responses are recorded against Divisions it is not possible to provide specific data on a Key Result. A breakdown of these figures can be found in Part 5—Management and Accountability.

The Department has continued to work towards attaining the Government's objective of a transport system which is safer, more efficient, internationally competitive, sustainable and accessible through the continued provision of policy advice to our Ministers. Our Ministers have provided us with positive feedback regarding the ongoing satisfactory standard of advice to them and on their behalf to our key stakeholders.

The Department has provided advice on aviation in relation to economic regulatory issues facing the domestic and international aviation industry (including airlines) including:

- aviation relations and negotiations with various bilateral aviation partners
- airline equity investment matters
- issues relating to Australia's participation in multilateral and plurilateral forums, including GATS, APEC, OECD and ICAO
- matters surrounding the Ansett Group voluntary administration.

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**■ Results based on performance indicators continued...**

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The Department has also provided advice on issues arising from the administration of the economic regulatory framework for leased airports such as:

- the development of a new pricing regime for major Australian airports from 1 July 2002
- the application of pricing controls and access provisions at core-regulated airports
- the Productivity Commission's Inquiry into Price Regulation of Airport Services
- the Productivity Commission's review of the National Access Regime and inquiry into the *Prices Surveillance Act 1983*.

The Productivity Commission's review of the National Access Regime and inquiry into the *Prices Surveillance Act 1983* were well received by the Minister for Transport and Regional Services and, where appropriate, by Cabinet. For example, we are in the implementation phase concerning the Government's decision regarding the Productivity Commission's findings on the Inquiry into Price Regulation of Airport Services.

We worked with transport portfolio agencies and other relevant departments and agencies to develop the Government's response to the Senate Rural and Regional Affairs and Transport Reference Committee Report on Air Safety and Cabin Air Quality in the BAE 146 Aircraft. The response was tabled in Parliament on 28 June 2002.

We continued to support initiatives of the Pacific Forum Aviation Ministers. At their meeting in September 2001, Ministers decided not to proceed with but agreed to the creation of a Pacific Aviation Safety Office (PASO) and a Pacific Islands Aviation Services Agreement.

We identified and completed the majority of safety regulatory changes together with other work necessary to successfully implement the Minister's aviation reform agenda as it relates to Airservices Australia.

The Department provided advice to our Ministers on the rationalisation and consolidation of regional air services and options for assisting long-term industry adjustment. The Government responded with the implementation of a range of measures including:

- funds to expand aircraft maintenance engineer training in regional Australia
- exemption of small regional aircraft from the Air Passenger Ticket Levy



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**■ Results based on performance indicators continued...**

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- assistance with enroute navigation charges for small regional and aeromedical aircraft.

Under great pressure we developed options and managed the Government's transitional responses to the collapse of Ansett as it impacted on regional air services. In conjunction with this the issues impacting on the viability of regional airlines were investigated and reported to the Australian Transport Council on the outcome of that investigation with the cooperation of State and Local Government aviation officials.

We provided advice to the Minister on the effectiveness of current aviation security legislation, improvement options available to the Government, and progress of the current regulatory reform agenda. Furthermore, we consulted with industry bodies and other government agencies on aviation security issues. The results of this consultation process have been incorporated into the legislative reform process.

In terms of significant policy advice and development of legislation in regard to our transport infrastructure activities, we oversighted the Australian Rail Track Corporation (ARTC) in line with the Government's guidelines on Government Business Enterprise (GBE) monitoring. We also provided advice on board membership, corporate business plans and other statutory obligations, including *Commonwealth Authorities and Companies (CAC) Act 1997* obligations.

The opportunity was taken to initiate the Minister's involvement in the Prime Minister's Science, Engineering and Innovation Council as a means to heighten the profile of transport technology and innovation.

Through the ATSB, we successfully assisted the Minister in introducing the Transport Safety Investigation Bill in Parliament on 20 June 2002. Regulations are being developed. The legislation will enable ATSB to investigate rail accidents and incidents on the interstate rail system.

The Economic Research and Portfolio Policy Division was commended for its work on the Department's submission to the Government's Fuel Taxation Inquiry. The Chairman of the Inquiry wrote to Minister Anderson complimenting the high standard of our submission and commenting that it was particularly useful.

In relation to transport regulation matters, we provided advice and Ministerial services on a range of issues concerning regulation and reform relating to all

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### ■ Results based on performance indicators continued...

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transport modes. Some of the key issues during 2001–02 on which we provided policy advice to our Ministers and on which we received positive feedback included:

- aviation war risk insurance
- noise issues at airports
- airport master plans and major development plans
- Sydney Airport Community Forum
- the phase-out of Chapter 2 aircraft
- National Road Transport Commission Act review
- coastal shipping
- motor vehicle imports
- uniform operational requirements in the interstate rail network.

We developed policy options for increasing the efficiency and international competitiveness of Australian shipping, providing shippers with access to internationally competitive shipping and maintaining an adequate pool of maritime skills to enable the shipping that services Australia's trade to function at an acceptable level.

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■ Output	■ Performance indicators
1.2 Regulation and Standards	<p><i>Quality:</i> Compliance is in accordance with legislation, standards or agreements, as applicable.</p> <p>Regulation is administered in accordance with applicable legislation and agreements, and Departmental standards.</p> <p>New and amended standards, regulations and agreements are developed and reviewed in accordance with government policy and Departmental standards.</p>

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**■ Results based on performance indicators**

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**Achieved—International Air Services Commission**

In relation to the International Air Services Commission, all determinations and decisions were made in accordance with the *International Air Services Commission Act 1992* and the Minister's policy statement.

**Achieved—Airlines licensing and designation**

In accordance with relevant legislation and guidelines, the Department processed applications from airlines for timetable and timetable variation approval (366), temporary international airport designation (36), international airline licences (3), passenger charter programmes (5) and freight charter programmes (1), and airline tariff filings of fares and freight rates (6).

The only significant change in application levels in these categories from 2000–01 was the reduced number of tariff filings received. In December 2000, liberalised tariff provisions, providing for voluntary submission of tariff applications and automatic approval in the majority of cases, came into effect. These provisions resulted in the number of tariff filings falling from 134 in 2000–01 to a negligible level (6) in 2001–02.

The Department provides a 24-hour service for urgent cabotage dispensation requests. We processed 23 requests during the 2001–02 reporting year. In addition, to ensure minimum disruption to the travelling public following Ansett's suspension of services in September 2001, the Department granted temporary dispensations to foreign carriers to allow them to carry passengers over domestic sectors of their international services. Sixteen international airlines were granted approval to transport domestic traffic under these temporary arrangements, which expired on 31 December 2001.

Airlines operating scheduled services to Australia continue to demonstrate a high level of compliance with relevant economic regulatory provisions.

**Substantially achieved—Aviation Security**

A total of 135 airline security inspections was conducted at security-categorised airports, comprising 100 international and 35 domestic operations.

Airport security inspections were conducted at 38 security-categorised airports against their respective airport security programmes, which detail agreed security measures and procedures.

Government policy relating to aviation security changed significantly as a result of the events of 11 September 2001. As part of that change, the Department is assessing the adequacy of its aviation security legislation against recently agreed international standards and recommended practices developed by ICAO.

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### ■ Results based on performance indicators continued...

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Major policy reviews are currently under way in consultation with industry to further enhance aviation security regulations and standards. These pertain to baggage and passenger screening, access control issues, and the need for additional security measures.

#### **Achieved—Airport Planning and Regulation**

With regard to airport planning and regulation the Department has:

- Conducted Annual Lease Review Meetings with Airport Lessee Companies to ensure the operation and development of leased airports is in accordance with legislation. We completed lease reviews for the larger capital city airports. Due to the sale of Sydney Airport, our completion of the remaining airports is expected by the end of the September quarter.
- Continued monitoring compliance with the ownership provisions of the *Airports Act 1996* and dealt with all applications submitted for approval of airport subleases or licences.
- Made timely decisions on applications for proposals involving airport sub-leases and licences and development proposals involving infringements of airport airspace. We also administered the *Airports Act 1996* regulatory regime relating to parking and airside vehicle control.
- Reviewed the regulatory regime relating to airspace protection and prepared the Departmental Obstacle Limitation Surface position paper that has been sent out to key stakeholders for comment.

#### **Achieved—Air Navigation (Aircraft Noise) Regulations 1984**

The Department has:

- overseen the phase-out of Chapter 2 aircraft for compliance with ICAO Chapter 3 noise standards
- overseen the issuance of public interest dispensations and historical aircraft permits and the revocation of two historical aircraft permits for breach of condition
- provided direction to Airservices Australia on environmental responsibilities
- provided advice to the Minister on compliance with the Regulations and standards for the Tugan Bypass—Construction across Coolangatta Airport
- continually assessed contractual and legal requirements, through quarterly reports of the Airport Leasing Companies' operational activities—quarterly reports include information pertaining to potential and existing environmental

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### ■ Results based on performance indicators continued...

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pollution at airport sites, impacts on biota or habitat; and interference with sites of heritage value or sites of significance to Aboriginal or Torres Strait Islander peoples

- facilitated an appropriate balance between the development of airports and the protection of environmental values—Airport Environment Officers (AEOs) and Airport Building Controllers (ABCs) helped ensure a high level of compliance by airport lessees with environmental and building standards; we managed 23 separate contracts for the provision of AEOs and ABCs who proactively monitored Federal airports
- undertaken an extensive review and assessment of the annual environment report provided by each airport to determine performance in improving environmental outcomes against commitments given in the Airport Environment Strategies
- conducted a competitive re-tender of the ABC function for the two-year period from 1 July 2002 (with a two-year option), realising savings of some \$250,000 in the provision of the regulatory service whilst maintaining service standards
- developed and approved environmental strategies for 20 Federal airports and compliance has been regularly monitored
- administered the regulatory provisions governing on-airport environment standards of Federal airports through contracted AEOs. These services satisfied Departmental quality standards
- amended the Airline Ownership Provisions of the *Airport Act 1996*. A range of amendments were made to clarify the Airport Ownership (Interest in Shares) Regulations to assist consortia to make bids without compromising Commonwealth ownership regulations
- implemented the Air Navigation (Essendon Airport) Amendment Regulations 2002.

#### **Achieved—Explosive Area Regulations and Explosives Regulations**

The Explosive Area Regulations and Explosives Regulations were repealed and the Explosives Transport Regulations 2002 were introduced during the year to give legal force to the Australian Code for the Transport of Explosives by Road and Rail, second edition, in Commonwealth legislation. The Code was jointly developed by all States and Territories and the Commonwealth to regulate explosives transport operations. (The Department of Defence manages the day to day regulation of the transport of explosives).

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**■ Results based on performance indicators continued...**

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**Achieved—Disability Standards for Accessible Public Transport**

Consultation with the State and Territory Governments, transport industries and the disability sector was undertaken to provide technical advice to the Attorney-General's Department in relation to finalisation of the draft Disability Standards for Accessible Public Transport. The standards are to be tabled under the *Disability Discrimination Act 1992* shortly.

**Achieved—Implementation of the Registered Automotive Workshop Scheme and the Specialist and Enthusiast Vehicle Scheme**

The Motor Vehicle Standards Amendment Regulations 2001 and Determinations, which together set down the requirements associated with the Registered Automotive Workshop Scheme for importing and modifying used imported vehicles under the *Motor Vehicle Standards Act 1989*, commenced on 1 April 2002. The Amendment Regulations also detail the eligibility criteria to allow a vehicle to be listed on the Register of Specialist and Enthusiast Vehicles and the process for review of a decision.

**Substantially achieved—Vehicle imports and approvals to place an identification plate**

A total of 15,865 vehicle import approvals covering 55,163 vehicles was issued in 2001–02. Eighty-six per cent of import approvals were issued within the 17-day service charter standard.

The Department issued 3,241 identification plate approvals during 2001–02. A total of 81,339 incoming and outgoing telephone calls relating to vehicle imports was handled during the year.

Our Client Service Line received three formal complaints and eleven written compliments.

**Partially achieved—Review of Australian Design Rules**

The Australian Design Rule (ADR) for Passenger Car Braking was gazetted in 2001.

The review of 23 ADRs has been completed in the report period together with the preparation of associated Regulation Impact Statements including the receipt of public comment.

Eight review proposals are stalled until resolution of in-service and after-market regulatory issues raised by State and Territory Governments. There are 14 ADRs where work has yet to commence.

**Achieved—Audits of test and production facilities**

We conducted 50 overseas conformity of production assessments and test facility inspections with 15 attended by Departmental staff.

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**■ Results based on performance indicators continued...**

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We also conducted 27 local conformity of production assessments and test facility inspections.

Departmental staff underwent training courses in preparation for supervising testing to UN ECE regulations.

**Achieved—United Nations Economic Commission of Europe  
1958 Agreement**

The Department attended three United Nations Economic Commission Europe (UN ECE) meetings of Working Party 29 and two meetings of the Passive Safety Expert Group (GRSP). It chaired three UN ECE meetings of the International Harmonised Research Activities (IHRA) Side Impact Working Group and attended three meetings of the IHRA Compatibility Working Group.

The Department also published four papers detailing the results of our research work: *Australian Research to Develop a Vehicle Compatibility Test* (two papers), *A Comparison of Side Impact Dummy Responses Based on Heidelberg Sled Results*, and *Model Development of CRABI-6 Crash—Test Dummies for Side Impact Simulations*.

**Achieved—Research**

The Department administered one grant to Monash University Accident Research Centre to assist with a research programme investigating the suitability of the current side impact dummies to evaluate injuries for occupants seated on the non-struck side of a vehicle in a lateral collision.

**Partially achieved—Research**

Work was progressed on the following five major areas of research:

- vehicle compatibility in front crashes
- development of a harmonised dynamic side impact standard
- protection of children in side impact crashes
- deformation behaviour of aluminium honeycomb
- protection of pedestrians when struck by a vehicle.

**Achieved—Interstate Road Transport Act 1985**

The *Interstate Road Transport Act 1985* and the Interstate Road Transport Regulations 1986 were amended during the year to harmonise with the *Criminal Code Act 1995* and to implement nationally agreed heavy vehicle charges.

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**■ Results based on performance indicators continued...**

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**Achieved—Licence and permit requirements of Part VI of the *Navigation Act 1912***

To ensure shippers have access to coastal shipping services, the Department issued coasting trade permits and licences in accordance with legislative requirements and Ministerial guidelines. During 2001–02, the Department issued:

- 642 single voyage permits
- 116 continuing voyage permits
- 52 licences.

During 2001–02, some 12 million tonnes of cargo were carried under single and continuing voyage permits. All permits and licences were processed within performance standards set by the Regulations of the *Navigation Act 1912*.

**Achieved—Part X of the *Trade Practices Act 1974***

The Department promoted conditions in international liner cargo shipping that encouraged stable access to markets through shipping services of adequate frequency and reliability at internationally competitive freight rates for shippers in all States and Territories.

The Registrar of Liner Shipping functioned in accordance with the legal requirements. Agreements were registered within the 14-day standard in all cases. The Department registered:

- 16 new conference agreements (including nine new agreements relating to inwards liner cargo shipping)
- 16 variations of existing agreements (including seven relating to inwards liner cargo shipping)
- a Part X agent for one shipping line.

Advice was provided to industry as requested on the requirements of Part X.

The Department implemented procedures to improve negotiation arrangements aimed at achieving commercially acceptable solutions to problems between shipping conferences and exporters and importers.

An authorised officer participated in two seminars held by the shipping industry to educate industry personnel about the Part X regime. This officer also attended 11 negotiations between shipper bodies and members of shipping conferences, at which issues concerning freight rates, terminal handling charges, currency and bunker surcharges, and tariffs in United States dollars were negotiated.

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■ Output	■ Performance indicators
1.3 Safety Services	<p><i>Quality:</i> Publications to increase and improve stakeholder knowledge of transport safety, and to contribute to policies, strategies and action plans.</p> <p>Stakeholder acceptance of safety messages, including consideration and implementation of recommendations, safety advisory notices and other safety actions.</p> <p>Publications are in accordance with Departmental standards.</p> <p>ATSB ensures that recipients of funding meet terms and conditions of funding.</p> <p>Administration of Road Safety Black Spot Programme in accordance with legislation, Government policy, and Departmental standards.</p>

#### ■ Results based on performance indicators

##### Substantially achieved—Australian Transport Safety Bureau

In addition to its accident investigation role, the ATSB within the Department is primarily responsible for the publication of material that improves the safety of transport in Australia.

The ATSB has improved stakeholder knowledge of transport safety through its publications, most of which are available on the ATSB's website [www.atsb.gov.au](http://www.atsb.gov.au) In 2001–02 publications included:

- air, marine and rail safety investigation reports, recommendations and safety advisory notices
- Flight Safety Supplements for the Civil Aviation Safety Authority's *Flight Safety* magazine
- road safety research reports, statistical bulletins and issue reports
- road safety educational material
- rail safety data and issue reports
- the Bureau's *Annual Review 2001*.

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**■ Results based on performance indicators continued...**

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The Civil Aviation Safety Authority (CASA) and the aviation industry have generally accepted recommendations appearing in the ATSB's air safety investigation reports. State rail regulatory authorities and the rail industry have favourably received the ATSB's rail investigation reports. Road safety research and statistical publications continue to be cited in major policy, strategy and information reports. ATSB road safety educational material is widely used by community groups, driving schools, police, drug and alcohol centres, and State road safety authorities.

All publications were prepared in accordance with Departmental standards.

ATSB contributed to stakeholder acceptance of safety messages through a number of means including:

- issuing Safety Recommendations and Safety Advisory Notices (CASA responded to all recommendations except those on the Avgas contamination issue which is subject to a Parliamentary Inquiry)
- assisting at two Standing Committee on Transport (SCOT) meetings and two Rail Group meetings, and providing relevant briefing within required timeframes for these meetings
- chairing two road safety panel meetings and a related Indigenous Road Safety Working Group, and submitting two progress reports on the National Road Safety Strategy and Action Plan to SCOT and ATC
- chairing or advising at six Austroads meetings
- chairing the Marine Accident Investigators International Forum annual meeting in Pusan, Korea
- attending the IMO Flag State Sub-committee meeting in London and participating in the working group on casualty analysis
- conducting the IMO's marine accident investigators' training course in Hong Kong
- contributing to investigations of international transport incidents and accidents
- providing responses to requests for information, Freedom of Information requests, subpoenas and writs
- providing expert advice and evidence at three inquests
- delivering presentations to industry and conferences
- delivering training programmes such as those on human factors and on helicopter and marine safety.

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**■ Results based on performance indicators continued...**


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Administration of the Black Spot Programme has been in accordance with the *Australian Land Transport Development Act 1988* and the programme's Notes on Administration. In response to the Government's commitment to extending the programme beyond June 2002, the Notes on Administration, including reporting procedures, have been reviewed in consultation with the States.

A comprehensive evaluation of the Black Spot Programme by the Department released in August 2001 concluded that the programme has been highly successful, returning an average \$14 in benefit for every \$1 invested. In its first three years the programme is estimated to have prevented 32 fatal crashes and more than 1,500 serious crashes.

The Black Spot Programme was due to expire on 30 June 2002. However, in light of the good outcomes for road safety since its introduction in 1996, the Government decided to extend the National Black Spot Programme until 30 June 2006.

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<b>■ Output</b>	<b>■ Performance indicators</b>
1.4 Services to Industry	<p><i>Quality:</i> Department ensures that funding recipients meet terms and conditions of funding.</p> <p>Administration of programmes in accordance with legislation, government policy, and Departmental standards.</p> <p>Department ensures that industry interests are understood and represented in international forums and discussions.</p> <p>Level of industry support for the Department's trade facilitation and liberalisation activities and for industry development activities designed to improve Australia's trade performance.</p>

■ Output	■ Performance indicators continued...
	Revenue collected and reported upon in an effective manner in accordance with legislation and Departmental standards.

#### ■ Results based on performance indicators

##### **Achieved—Services to industry**

The Department was represented at two Asia and Pacific Economic Cooperation (APEC) Transportation Working Group (TPT-WG) meetings, the third Transport Ministerial Meeting and management of a number of APEC projects. The Department also participated in TPT-WG activities advanced Australia's transport and logistics industry interests. Australian industry participated in the official delegations and provided input to the scoping of project terms of reference. Australian consultants were engaged on a number of the projects.

We developed the agenda and focus of the first Australia–China Joint Working Group for Transport meeting in China with significant industry consultation. Eighteen industry representatives participated in the meeting, and were positive in their feedback on the opportunities provided.

We also participated in the annual Technical and Administrative Cooperation in Transport (TACT) meeting between the Department and New Zealand's Ministry of Transport and supported advancements in Closer Economic Relations (CER) transport policy and industry opportunities.

We completed the on-line Association of South East Asian Nations–Australia New Zealand Closer Economic Relations (ASEAN-ANZ CER) Mekong Freight Logistics Report, which was developed in consultation with freight logistics industries and international Governments.

The Department has monitored and ensured terms and conditions have been met by recipients of funding for ongoing rail infrastructure projects funded under the Centenary of Federation fund. These include: the Alice Springs to Darwin railway and tourism operations; the Abt Railway; and Beaudesert Railway, in accordance with applicable legislation, Government policy and Departmental standards.

##### **Achieved—Revenue collection**

###### ***Air Passenger Ticket Levy***

The Air Passenger Ticket Levy was introduced from 1 October 2001 to fund the costs of the Special Employee Entitlement Scheme (SEESA) for former employees of the companies in the Ansett Group. Appropriate administrative procedures

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**■ Results based on performance indicators continued...**


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were established to ensure revenue is collected effectively and in accordance with the *Air Passenger Ticket Levy (Imposition) Act 2001* and the *Air Passenger Ticket Levy (Collection) Act 2001*. The liability to collect and remit the levy to the Commonwealth rests with the ticketing airline. Levy receipts to 30 June 2002 were \$98 million.

***Stevedoring Industry Levy***

During 2001–02, 129 transactions were undertaken in relation to the Stevedoring Industry Levy with a total of \$31.3 million collected.

***Aircraft Noise Levy***

In 2001–02, \$35.9 million was invoiced for the Aircraft Noise Levy at Sydney Airport while \$5.6 million was invoiced for Adelaide Airport. Total levy receipts collected and paid to the Department was \$41.1 million.

***Federal Interstate Registration Scheme***

Registration revenue of \$31.3 million was collected under the Federal Interstate Registration Scheme, which is managed by the States and Territories on behalf of the Commonwealth. This was returned to the States and Territories under the agreed formula.

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<b>■ Output</b>	<b>■ Performance indicators</b>
1.5 Services to Communities	<p><i>Quality:</i> Department ensures that funding recipients meet terms and conditions of funding.</p> <p>Administration of programmes in accordance with legislation, Government policy, and Departmental standards.</p>

**■ Results based on performance indicators**


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**Achieved**

We administered the Location-Specific Pricing subsidy in accordance with the terms of the Letter of Agreement between the Department and Airservices Australia, disbursing \$7 million to Airservices Australia in 2001–02. The subsidy ensures air traffic control tower charges are maintained at a reasonable cost to

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### ■ Results based on performance indicators continued...

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users. In 2001–02, charges remained capped at Albury, Archerfield, Bankstown, Camden, Coffs Harbour, Essendon, Jandakot, Launceston, Mackay, Maroochydore, Moorabbin, Parafield, Rockhampton and Tamworth.

The Department also monitored the progress of the environmental remediation programme and settlement of all other outstanding issues of Australian National Railways Commission (AN). We also provided effective and efficient administration of aviation programmes and subsidies for communities, including the Remote Air Services Subsidy (RASS) scheme.

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■ Output	■ Performance indicators
1.6 Research and Data	<p><i>Quality:</i> Research and analysis activities contribute to policy development and programme delivery.</p> <p>Research and analysis activities in accordance with Departmental and appropriate peer and academic research standards.</p> <p>Research and analysis outputs increase and improve stakeholder knowledge.</p>

### ■ Results based on performance indicators

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#### Achieved

The Bureau of Transport and Regional Economics released a number of analyses covering safer, more efficient, internationally competitive and sustainable transport systems, including:

- 'Logistics in Australia—A Preliminary Analysis' (WP49), which analysed the extent to which logistics is an integrated industry and its economic significance to Australia. The working paper was a key input to the Freight Logistics Industry Action Agenda released in May 2002.
- *Greenhouse Policy Options for Transport* (Report 105), reviews greenhouse options for the transport sector in terms of their environmental, fiscal and economic impact, drawing on overseas and local impact and, in particular, the road transport sector. It was one of nine transport measures to be

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**■ Results based on performance indicators continued...**

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delivered by the Australian Transport Council as part of the National Greenhouse Strategy.

- ‘Fuel Consumption by New Passenger Vehicles in Australia’ (Information Sheet 18) establishes the trends in fuel consumption by different classes of new cars in Australia. The research shows that the potential reductions in fuel consumption made possible by technological advances are not being fully realised because the fastest growing class of new vehicles, 4-wheel drive vehicles, is not included in the National Average Fuel Consumption Convention. This finding has implications for transport and environment policy development.

The Bureau also produces several monthly and quarterly data publications, including the quarterly *Waterline* and *Transport Indicators*, on the activity and expenditure in all transport modes including international and domestic aviation movements and freight data, to assist government and industry to make more informed decisions about transport options. Since 1 January 2002, the BTRE has also taken responsibility for the aviation statistics (AvStats) function.

The Bureau invites comment from stakeholders on all its publications—in particular, on whether the analysis is logical, thorough and comprehensive and whether the report is an important reference. While the response rate is statistically small, the feedback is extremely positive.

As previously noted, the ATSB also funds and manages a research and statistics programme, which produced a range of transport safety reports in 2001–02; the reports can be found at the ATSB’s website, [www.atsb.gov.au](http://www.atsb.gov.au).

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## Report on administered programmes for Key Result 1

■ Programme	■ Performance indicators
Noise Amelioration for Adelaide Airport	<p><i>Effectiveness:</i> Insulate eligible public buildings and residences surrounding Adelaide Airport to assist the environmental sustainability of operations at the airport.</p> <p><i>Quality:</i> Customer satisfaction with the insulation process within the framework of the programme.</p> <p><i>Quantity:</i> Insulation of up to 250 residences and two public buildings.</p> <p><i>Cost:</i> \$15 million</p>

### ■ Results based on performance indicators

#### Substantially achieved

We completed insulation of 220 residences during 2001–02. Detailed design was completed for two public buildings, with insulation work to commence once relevant council approvals are granted.

Ninety per cent of home owners who responded to a post-insulation survey rated the insulation works on their home as excellent or very good.

A total of \$11.1 million was spent on the programme in 2001–02.

■ Programme	■ Performance indicators
Noise Amelioration for Sydney Airport	<p><i>Effectiveness:</i> Insulate eligible public buildings and residences surrounding Sydney Airport to assist the environmental sustainability of operations at the airport.</p> <p><i>Quality:</i> Customer satisfaction with the insulation process within the framework of the programme.</p>



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**■ Programme**
**■ Performance indicators continued...**


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*Quantity:* Insulation of remaining eligible residences and public buildings where owners wish to participate in the programme.

*Cost:* \$34.1 million

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**■ Results based on performance indicators**


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**Substantially achieved**

During 2001–02, we satisfactorily completed insulation of 268 residences and seven public buildings.

Eighty-two per cent of home owners who responded to a post-insulation survey rated the insulation works on their home as excellent or very good.

A total of \$24.9 million was spent on the programme in 2001–02.

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**■ Programme**
**■ Performance indicators**


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Subsidy for transition to location-specific pricing for air traffic control towers  
New Measure

*Effectiveness:* Air traffic control services at regional and general aviation airports are maintained at a reasonable cost to users.

*Quantity:* Subsidisation of air traffic control services at 15 airports.

*Cost:* \$7 million

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**■ Results based on performance indicators**


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**Achieved**

The Department administered the Location-Specific Pricing subsidy in accordance with the terms of the Letter of Agreement between the Department and Airservices Australia, disbursing \$7 million to Airservices Australia in 2001–02.

The subsidy ensures air traffic control tower charges are maintained at a reasonable cost to users. In 2001–02, charges remained capped at Albury, Archerfield, Bankstown, Camden, Coffs Harbour, Essendon, Jandakot,

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**■ Results based on performance indicators continued...**


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Launceston, Mackay, Maroochydore, Moorabbin, Parafield, Rockhampton and Tamworth. No subsidy was necessary for Hobart, as the operation was recovering its costs while retaining charges at the subsidy-capped rate.

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**■ Programme**

Remote Air Service Subsidy Scheme  
PAES (Additional Estimates) Revised  
quantity performance information

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**■ Performance indicators**

*Effectiveness:* Provide subsidised air services, where there are no alternative forms of transport, to provide access to passenger transport, goods delivery and other transport needs.

*Quantity:* Contracts with five air operators serving over 200 locations.

Cost: \$2.9 million

*Location:* Queensland, Northern Territory, Western Australia and South Australia.

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**■ Results based on performance indicators**


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**Achieved**

The Department settled contracts in 2001–02 with seven air operators for new and continuing passenger services to approximately 250 remote communities. The services operate in Queensland, South Australia, Western Australia and the Northern Territory, costing approximately \$1.8 million. The total programme expenditure for 2001–02 was \$1.97 million.

A total of \$0.241 million was rephased into 2002–03; \$0.25m was rephased into 2003–04; and \$0.25 million was rephased into 2004–05.

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■ Programme	■ Performance indicators
Bass Strait Passenger Vehicle Equalisation Scheme	<p><i>Effectiveness:</i> Reduce the cost of travel, thereby leading to efficient and equitable access to Tasmania, for passengers accompanying their vehicles across Bass Strait.</p> <p><i>Quality:</i> Levels of assistance are determined to reduce the costs of travel for passengers accompanying their vehicles across Bass Strait, and for passengers travelling by commercial air service between King Island and the mainland, while transporting an eligible passenger vehicle.</p> <p><i>Quantity:</i> 140,000 eligible passenger vehicles.</p> <p><i>Cost:</i> \$17.4 million</p> <p><i>Location:</i> Tasmania.</p>

#### ■ Results based on performance indicators

##### Achieved

The Bureau of Transport and Regional Economics' *Bass Strait Passenger Vehicle Equalisation Scheme: Monitoring Report No. 4* provides information on the Bass Strait Passenger Vehicle Equalisation Scheme (BSPVES) for 1999–2000. It assists the Transport Programmes Division of the Department to monitor the effectiveness of the BSPVES, taking into account factors such as movements in operating costs, revenue and numbers of passengers and vehicles.

A total of \$17.05 million was provided for 138,707 eligible passenger vehicles under the BSPVES. This scheme is demand-driven and is uncapped.

The Department participated in a joint working group study, with officers from the Tasmanian and Victorian Governments, to develop options for improving sea passenger access across Bass Strait. The joint working group study report was finalised in August 2001 and was used to determine enhancements to the scheme that will further reduce the cost of travel across Bass Strait.

■ Programme	■ Performance indicators
International Oil Pollution Compensation Levy Fund	<p><i>Effectiveness:</i> Compensation, funded by contracting States including Australian oil companies, provided in the event of major oil spills.</p> <p><i>Cost:</i> \$5.9 million</p>

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#### ■ Results based on performance indicators

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##### Achieved

Amounts received from Australian oil companies have been paid into consolidated revenue and a corresponding amount paid to the fund.

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■ Programme	■ Performance indicators
Ansett—Rapid Route Recovery Scheme (PAES—New Measure)	<p><i>Effectiveness:</i> Provide transitional support for the continuation of services to regional communities following the demise of Ansett Airlines.</p> <p><i>Quality:</i> The recommencement of air services to communities affected following the demise of the Ansett Group or an Ansett-related service.</p> <p><i>Quantity:</i> 18 recipients servicing locations in all States and Territories.</p> <p><i>Cost:</i> \$30 million</p> <p><i>Location:</i> Throughout Australia.</p>

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#### ■ Results based on performance indicators

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##### Achieved

The Rapid Route Recovery Scheme was developed to provide short-term transitional support to restore air services to communities affected by the collapse of the Ansett Group. Funds were provided by way of grants or loans. A total of 18 operators were assisted under the scheme.

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**■ Results based on performance indicators continued...**


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The scheme assisted operators to restore air services to most regional communities affected by the Ansett collapse. All funding provided under the scheme has been in accordance with the scheme's guidelines and all agreements provide for full acquittal or repayment of Federal Government funds.

The scheme commenced in September 2001, with the Government committing \$30 million. The scheme is now closed. In 2001–02, \$18 million was expended, with a further \$5 million committed for 2002–03.

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<b>■ Programme</b>	<b>■ Performance indicators</b>
Relief for Stranded Ansett Passengers (PAES—New Measure)	<i>Effectiveness:</i> Provide financial assistance to stranded passengers.  <i>Cost:</i> \$19.1 million  <i>Location:</i> Throughout Australia.

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**■ Results based on performance indicators**


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**Achieved**

Financial assistance was provided to qualifying passengers stranded by the collapse of the Ansett Group. Assistance took the form of reimbursement of reasonable direct fare costs for relocation to a person's home base within Australia.

Over 6,600 travellers applied for assistance. Based on eligible claims, total net programme expenditure as at 30 June 2002 was \$4.835 million.

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<b>■ Programme</b>	<b>■ Performance indicators</b>
Compensation payments to SACL for the sale of Sydney Airport land (PAES—Rephasing from 2000–01. Programme is offset by proceeds from the sale of the land.)	<i>Effectiveness:</i> Compensation to SACL for land sold to New South Wales State Government to enable completion of the M5 motorway.  <i>Cost:</i> \$2 million

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**■ Results based on performance indicators**


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**Not achieved**

The Roads and Traffic Authority of NSW is to conclude a survey of airport land used for construction of the M5. That survey will be used to settle the compensation to be paid to Sydney Airports Corporations Ltd (SACL). This is expected to be completed in 2002-03.

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**■ Programme**

Sydney West Airport  
(PAES—Rephasing from 2000–01)

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**■ Performance indicators**

*Effectiveness:* Resolution of compensation claims related to the purchase of land at the possible Sydney West Airport site at Badgery's Creek.

*Quantity:* Settlements for three properties.

*Cost:* \$0.1 million (plus \$2.8 million equity injections)

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**■ Results based on performance indicators**


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**Achieved**

Substantial settlement of all compensation cases has been achieved with conclusion reached and compensation paid in one case. Finalisation of the other two cases awaits a determination of the precise amount of compensation to be paid in one case, and final agreement between the parties on administrative issues in the other.

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■ Programme	■ Performance indicators
Infrastructure Borrowings Tax Offset Scheme	<i>Effectiveness:</i> Encourage private sector investment in the provision of public infrastructure.

### ■ Results based on performance indicators

#### Achieved

In response to changes in lenders for one project, a replacement Infrastructure Borrowings Tax Offset Scheme Agreement was signed. This helped ensure continued private sector investment.

The timing of agreements depends on whether the applicants are ready to proceed and whether the agreements meet legal requirements, conform with Government policy and are to the satisfaction of the Minister.

■ Programme	■ Performance indicators
Payments to Maritime Industry Finance Company Ltd (MIFCo)	<p><i>Effectiveness:</i> Contribution to Government waterfront reform initiatives for improving stevedoring performance.</p> <p><i>Quality:</i> Department ensures sufficient funding is provided for MIFCo to meet its financial obligations.</p> <p><i>Cost:</i> \$0.2 million (\$31.4 million in cash payments)</p>

### ■ Results based on performance indicators

#### Achieved

Maritime Industry Finance Company Ltd (MIFCo), a wholly owned Commonwealth company limited by guarantee, was established, with the authority of the Cabinet, as the administrative means for making redundancy-related payments as part of achieving the Government's objectives for waterfront reform.

A total of \$27.28 million was paid to meet MIFCo's loan repayments in 2001–02, and administration costs of the company totalled \$0.196 million.

■ Programme	■ Performance indicators
Tasmanian Freight Equalisation Scheme	<p><i>Effectiveness:</i> Remove the transport cost disadvantage incurred by shippers transporting non-bulk goods across Bass Strait.</p> <p><i>Quality:</i> Levels of assistance are determined to remove the transport cost disadvantage incurred by shippers transporting non-bulk goods across Bass Strait.</p> <p>Stakeholder satisfaction with administration and service delivery of the scheme.</p> <p><i>Quantity:</i> 6,000 claims processed per annum.</p> <p><i>Cost:</i> \$65.7 million</p> <p><i>Location:</i> Tasmania.</p>

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#### ■ Results based on performance indicators

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##### Substantially achieved

The BTRE is conducting an investigation of the assistance calculation methodology on post-GST 2000–01 data before a recommendation is made on the levels of assistance provided to the Tasmanian Freight Equalisation Scheme (TFES).

Client feedback shows satisfaction with administration and service delivery of the TFES. Introduction of a personalised service model in January 2001 further improved relationships with clients and has led to an improvement in the delivery of the scheme.

A total of \$71.86 million, through 4,868 claims, was provided under the TFES. This scheme is uncapped and demand-driven.

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■ Programme	■ Performance indicators
Supermarket to Asia	<p><i>Effectiveness:</i> Improved transport linkages with Australia's major trading partners.</p> <p><i>Cost:</i> \$0.2 million</p>

#### ■ Results based on performance indicators

##### Achieved

Final payments totalling \$0.2m to relevant air and sea freight export councils were made in accordance with existing agreements between those councils and the Department in 2001–02. Impediments to efficient transport linkages for Australian exporters were addressed through freight export council regional workshops, exporter surveys and industry representation at relevant forums.

■ Programme	■ Performance indicators
Upgrade of the Mainline Interstate Railway Track New Measure	<p><i>Effectiveness:</i> Improved quality of the interstate rail track. Increased opportunities and incentives for appropriate private sector investment in transport facilities.</p> <p><i>Quality:</i> Progress towards meeting Australian Transport Council agreed targets relating to speed restrictions, improved axle load speeds and improved train lengths.</p> <p><i>Cost:</i> \$14.6 million</p>

#### ■ Results based on performance indicators

##### Not achieved

The budget for 2001–02 under the programme was increased to \$52.4 million on the expectation that work on several projects in New South Wales, and on the Wodonga Rail Bypass in Victoria, was to proceed in 2001–02. However, projects in New South Wales have not, and will not, commence until the resolution of the Australian Rail Track Corporation's New South Wales lease proposal.

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**■ Results based on performance indicators continued...**


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The Commonwealth has also committed \$20 million to the Wodonga Rail Bypass, which was originally to commence in 2001–02, but has been delayed by State planning processes in Victoria. It is now scheduled to commence in 2002–03.

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**■ Programme**

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

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**■ Performance indicators**

*Effectiveness:* Resolution of outstanding issues, including legal issues and completion of environmental remediation of affected properties, following the winding up of AN.

*Quantity:* Payments made in accordance with legal obligations.

*Cost:* \$4.6 million

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**■ Results based on performance indicators**


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**Achieved**

A total of \$4.94 million was spent on the management of residual Australian National Railways Commission (AN) issues in 2001–02, including \$0.5 million brought forward from 2002–03 in order to accelerate the environmental remediation programme that is the major component of this work.

The environmental remediation programme and settlement of all legal and other outstanding issues, such as land ownership matters, of AN have progressed very well, and are expected to be completed in 2002–03.

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**■ Programme**

Contributions to support: International Civil Aviation Organization (ICAO)

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**■ Performance indicators**

*Effectiveness:*  
ICAO—Ensure Australian contribution to issues affecting aviation development in particular drafting international safety and operational standards.

■ Programme continued...	■ Performance indicators continued...
Organisation for Economic Cooperation and Development (OECD) Road Transport	OECD Road Transport—Improved international cooperation to increase the efficiency, safety and environmental performance of road transport through research and intermodal linkages reports and workshops.
International Maritime Organisation (IMO)	IMO—International agreements for shipping operators, ship safety and protection of marine environment from shipping activities reflect Australia's interest.
National Road Transport Commission (NRTC)	NRTC—Improved efficiency, safety, and environmental performance of road transport through nationally harmonised regulations in areas such as compliance and enforcement, driving hours and fatigue management and performance based standards.  <i>Quantity for each contribution:</i> Payments made in accordance with agreed schedule.  <i>Cost:</i> ICAO — \$1.5 million OECD — \$0.1 million IMO — \$0.3 million NRTC — \$1.2 million

### ■ Results based on performance indicators

#### Achieved

The Department coordinated Australia's overall involvement with ICAO in conjunction with the Civil Aviation Safety Authority and Airservices Australia. Australia's contribution was paid on time.

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**■ Results based on performance indicators continued...**

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The Department participated in and contributed to IMO and OECD projects relating to maritime and multimodal issues, ship safety, and protection of marine environment, including attendance at the following meetings:

- IMO Legal Committee meeting in London 8–12 October 2001 and 22–26 April 2002
- OECD Maritime Transport Committee meeting in Paris 4–6 December 2001
- IMO Maritime Safety Committee Intersessional Working Group on Maritime Security in London, 11–15 February 2002
- IMO Maritime Safety Committee in London, 15–24 May 2002.

Our contribution to OECD for 2001–02 was \$0.025 million paid in June. Australia's annual contribution was assessed in accordance with IMO guidelines. Payments of \$0.307 million were made in January 2002.

The Department also attended the IMO Flag State Implementation Sub-committee meeting in London and participated in the working group on casualty analysis. To enhance the IMO's ability to identify accident trends, the Bureau undertook to coordinate the member countries' input on formatting data on the IMO database.

The ATSB is represented on the reference group for the National Road Transport Commission (NRTC) fatigue reform and has participated in an advisory group developing proposals for improving the regulation of driving hours and introducing fatigue management programmes.

In accordance with the agreed schedule, the Commonwealth's contribution of \$1.2 million to the NRTC was made in four quarterly payments. Amongst other matters, substantial work was carried out by the NRTC on the reforms relating to compliance and enforcement, fatigue management and performance-based standards reforms as part of the cooperative road transport reform process, as established by the Commonwealth, States and Territories.

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■ Programme	■ Performance indicators
Tamworth Australasian–Pacific Aeronautical College New Measure	<p><i>Effectiveness:</i> Provide additional aircraft maintenance engineering training in regional Australia.</p> <p><i>Quantity:</i> Additional students complete aircraft maintenance engineering training.</p> <p><i>Cost:</i> \$1.5 million</p> <p><i>Location:</i> Tamworth, New South Wales.</p>

### ■ Results based on performance indicators

#### Achieved

The programme enabled the Australasian–Pacific Aeronautical College Incorporated (APAC) to provide additional accredited aviation and related trade training and skills.

In 2001, APAC delivered the education of 20 trainees in stage one of the Licensed Aircraft Maintenance Engineer Programme as well as providing Vocational Educational Delivery for schools in Tamworth. In 2002 the number of trainees increased to over 100.

APAC has recently purchased two second-hand aircraft and an airframe for training purposes.

■ Programme	■ Performance indicators
Payment Scheme For Airservices Australia's Enroute Charges New Measure	<p><i>Effectiveness:</i> Provide subsidised charges for low capacity regular public transport airlines on regional routes, and those providing aeromedical services.</p> <p><i>Quantity:</i> Subsidy provided to approximately 30 operators.</p> <p><i>Cost:</i> \$2.9 million</p> <p><i>Location:</i> Regional, rural and remote Australia.</p>

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**■ Results based on performance indicators**


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**Substantially achieved**

The Department made payments of periodic claims, totalling \$1.4 million, to 30 approved recipients during 2001–02. Recipients operate approved airlines services on routes throughout regional, rural and remote Australia.

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**■ Programme**

Australia's response to foot and mouth disease and other quarantine risks—Airport Quarantine Infrastructure Programme  
New Measure

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**■ Performance indicators**

*Effectiveness:* Improved international airport infrastructure to facilitate increased quarantine intervention.

*Quality:* Enable increase in quarantine intervention rates at international airports for arriving passengers and baggage.

*Cost:* \$19.4 million

*Location:* Sydney, Melbourne, Brisbane, Cairns, Adelaide, Perth, Darwin.

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**■ Results based on performance indicators**


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**Substantially achieved**

Infrastructure works were completed during 2001–02 in both Sydney and Brisbane to allow the Australian Quarantine Inspection Service to increase intervention levels. Works are under way in Cairns, Darwin and Perth, with the scope of works in Melbourne and Adelaide being finalised.

\$13.1 million was spent on the Programme in 2001–02.

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**■ Programme**

Upgrade of Canberra Airport to international wide-bodied jet standard  
Rephasing from 2000–01

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**■ Performance indicators**

*Effectiveness:* Improved infrastructure at Canberra Airport to accommodate wide-bodied jet aircraft.

*Cost:* \$5.6 million

*Location:* ACT.

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**■ Results based on performance indicators**


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**Achieved**

The Government committed \$8.8 million to fund the runway upgrade to enable visiting VIP aircraft to land and take off from Canberra. \$3.175 million was expended in 2000-01 and \$5.625 million in 2001-02.

Construction of the runway upgrade—a turning node at the northern end of the north-south runway, widening of some taxiways, addition of sealed shoulders and modifications to airfield and approach lighting and drainage—was completed in September 2001.

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**■ Programme**


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**■ Performance indicators**


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Road Safety Black Spot Programme

*Effectiveness:* Improve the safety of Australia's roads and, in doing so, reduce the cost to the community of road trauma.

*Quality:* A reduction in the number of serious crashes at identified and treated sites with a consequent reduction in the cost to the community of road trauma.

*Quantity:* Approx 400 projects completed.

*Cost:* \$48.8 million

*Location:* 50 per cent in rural and regional Australia.

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**■ Results based on performance indicators**


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**Achieved**

Programmes for 2001-02 were finalised for all States and Territories, with 339 projects receiving approval. One hundred and fifty projects were approved in rural and regional Australia, valued at \$20.9 million. Since 1996, 56 per cent of programme funds have been expended on projects in rural and regional locations.

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**■ Results based on performance indicators continued...**


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A total of \$48.8 million was expended in 2001–02, comprising payments of \$41.6 million made for Black Spot projects, \$6.7 million of pre-payments for 2001–02 and \$500,000 allocated for road safety public education.

An evaluation of the Black Spot Programme undertaken by the then BTE (now BTRE), within the Department, found that the programme has achieved its aim of improving safety at locations with a history of crashes involving death or serious injury. The BTE found the programme saved the community \$14 for every \$1 invested.

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<b>■ Programme</b>	<b>■ Performance indicators</b>
Roads to Recovery Programme  New measure—including the Roads to Recovery Programme and Roads to Recovery Programme for the Indian Ocean Territories and unincorporated areas	<p><i>Effectiveness:</i> Improved access, through transportation, across and within regional Australia and Indian Ocean Territories</p> <p><i>Quality:</i> Percentage of recipients complying with all programme conditions who receive their entitled payments in full.</p> <p><i>Target:</i> 100 per cent</p> <p><i>Cost:</i> \$302.2 million</p> <p><i>Location:</i> Regional Australia and Indian Ocean Territories.</p>

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**■ Results based on performance indicators**


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**Achieved**

As at 30 June 2002, only seven councils of the 721 eligible for funding were still to register for Roads to Recovery. All but 11 had received at least some funding.

As at 30 June 2001, 48 councils had already been paid in full, leaving 673 still to receive at least some funding during 2001–02. During 2001–02, 436 (or 61 per cent) of these received their full annual allocation or more. To receive funding, councils must comply with all legal requirements.

The full appropriation of \$302.2 million was spent in 2001–02.

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■ Programme	■ Performance indicators
Alice Springs to Darwin Rail Link (also funded under Federation Fund projects)	<i>Effectiveness:</i> Improved productivity of transport activities to enhance access to this region.
New Measure	<i>Cost:</i> \$55 million <i>Location:</i> Northern Territory.

### ■ Results based on performance indicators

#### Achieved

Two payments of \$40 million and \$15 million were provided to the AustralAsia Railway Corporation in October 2001 and March 2002 respectively, upon the attainment of milestones specified in the Deed of Grant.

The project is progressing extremely well and is on target for its scheduled completion in early 2004.

■ Programme	■ Performance indicators
Federation Fund projects:	<i>Effectiveness:</i> Grants to Federation Fund projects will improve productivity of transport activities and enhance accessibility and economic prosperity and employment.
	<i>Cost:</i>
<ul style="list-style-type: none"> <li>• Murray River Bridges (New South Wales/Victoria)</li> <li>• Caboolture Motorway (Queensland)</li> <li>• Beaudesert Shire Railway (Queensland)</li> <li>• Abt Railway (Tasmania)</li> <li>• Alice Springs-to-Darwin Rail Link (Northern Territory) (see also separate programme above)</li> </ul>	<ul style="list-style-type: none"> <li>• Murray River Bridges—\$41 million</li> <li>• Caboolture Motorway—\$8.9 million</li> <li>• Beaudesert Shire Railway—\$5 million</li> <li>• Abt Railway—\$0.6 million</li> <li>• Alice Springs to Darwin Rail Link—\$55 million</li> </ul>
	<i>Location:</i> Queensland, Tasmania, Northern Territory, Victoria and New South Wales

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**■ Results based on performance indicators**

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**Achieved—Alice Springs-to-Darwin Rail Link (NT)**

A \$55 million payment was made to the AustralAsia Railway Corporation in March 2002 upon attainment of milestones specified in the Deed of Grant. The project is progressing extremely well and is on target for its scheduled completion in early 2004.

**Substantially achieved—Beaudesert Shire Railway (Qld)**

Of the \$5.0 million contribution, \$3 million was provided to the Beaudesert Shire Railway in 2001–02, after a review necessitated a substantial extension to the timetable for completion of the project. It is progressing well and is scheduled for completion by November 2002. The remaining \$2.0 million will be provided between July and November 2002.

**Substantially achieved—Abt Railway (Tas)**

Fifty thousand dollars of a \$20.45 million contribution remains to be provided to the Abt Railway project. The final payment has been delayed pending the resolution of safety issues on the Strahan to Rinadeena section of the track. Rail safety issues on this project are the responsibility of the Tasmanian authorities, and are expected to be resolved by September 2002.

**Not achieved—Murray River Bridges (NSW)**

Federal Government funding for the Murray River Bridges at Corowa, Echuca and Robinvale is awaiting signing by the New South Wales and Victorian Governments of the Deeds of Grant for the projects. The Deeds had not been signed by 30 June 2002, although planning and community consultation for the new bridges has continued in the interim. The funding is available for the 2002–03 financial year.

**Not achieved—Caboolture Motorway (Qld)**

Federal Government funding, under the Federation Fund, of \$8.9 million for the Caboolture Motorway was unspent in 2001–02 as the Queensland Government has not yet signed the Deed of Grant. Funding is available for the 2002–03 financial year.

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**■ Programme**
**■ Performance indicators**


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Interstate Road Transport Fees

*Effectiveness:* Contribution to the implementation of national road transport reform through the Federal Interstate Registration Scheme.

*Cost:* \$27.1 million

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**■ Results based on performance indicators**


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**Achieved**

\$31.3 million of Federal Interstate Registration Scheme fees were returned to the States and Territories in line with the agreed formula. Amendments to nationally agreed heavy vehicle registration charges were twice adopted for Federal Interstate vehicles to ensure uniformity across Australia.

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## Key Result 2

*Regional communities which have better access to economic opportunities and services and which are able to take the lead in their own planning and development*

### Performance Summary

In August 2001, the Government released *Stronger Regions, A Stronger Australia*, the Federal Government's framework for developing Australia's regions through the next decade. The Regional Policy and Regional Programmes Divisions have led the Department's transition towards implementation of this new policy.

Whole of government collaboration has been substantially strengthened through the Sustainable Regions Programme; More Accessible Government; the Standing Committee on Regional Development and cooperative work with other Departments in areas such as natural resource management programmes, the Regional Tourism Roundtable, and bilateral working groups with the Department of Family and Community Services.

While continuing to deliver the intended outcomes of over 10 regional programmes, the Divisions have reviewed the strategic direction of these programmes in line with *Stronger Regions, A Stronger Australia*. Practical measures, including better links with our community through the Regional Network and Area Consultative Committees, are being implemented to deliver improved efficiency, effectiveness and access for our clients.

## Summary list of effectiveness indicators for key strategies, outputs and administered programmes for Key Result 2

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## Report on key strategies for Key Result 2

### **Communities that have improved access to information, programmes and services which enables them to build on capabilities and opportunities within their regions**

*Key strategy: Lead the development nationally of an integrated, whole of government approach to regional development and regional services, which supports communities' own solutions.*

#### **Substantially achieved**

While this is a long-term strategy, substantial progress has been made through the development and initial implementation of the Government's Regional Policy Statement, *Stronger Regions, A Stronger Australia*, launched in August 2001. The emphasis in the Government's statement is on the development of solutions by regional communities to match the particular attributes of the community and the issues affecting it. Central to this approach is the development of capacity in regions to identify and pursue opportunities for development and, where necessary, adjustment to new conditions.

As an example of this approach, a key new initiative arising from the Stronger Regions statement is the Sustainable Regions Programme, under which eight prototype regions have access to funding for initiatives to address disadvantage. Locally-based committees with broad community representation are developing profiles of the regions, developing strategic plans and, in consultation with business and governments, developing initiatives to assist development of the region. All eight committees have been set up and have commenced their work.

We have recognised that information flows are critical to the capacity of communities to build on capabilities and opportunities within their regions. As foreshadowed in the Stronger Regions statement, the Department has worked on the development of a major information campaign to assist regional Australians to understand and access the wide range of programmes available to them. The Commonwealth Regional Information Service and supporting advertising campaign have been finalised for launch early in the 2002–03 financial year.

## Commonwealth regional information campaign

The Commonwealth Government has been concerned for some time about regional Australians' access to information about Commonwealth Government programmes and services compared with those living in major cities. Concerns were raised during the Regional Australia Summit held in October 1999, and in many other forums since, that many people in regional Australia are simply not aware of the services that are available to them.

Answering a clear need, the Department has taken the lead role on behalf of the Government in the Commonwealth Regional Information Campaign. The Commonwealth Regional Information Service is designed to provide easy access for all Australians living and working in regional, rural and remote Australia to information about the comprehensive spread of Commonwealth Government programmes and services.

The service is made up of:

- a freecall number (1800 026 222)
- a website [www.regionalaustralia.gov.au](http://www.regionalaustralia.gov.au)
- the *Commonwealth Regional Information Directory* (formerly known as *The Rural Book*)
- a roadshow travelling to country shows
- field days
- other events and community information stands, providing printed material from a range of Commonwealth Government departments.

The Commonwealth Regional Information Campaign is designed to raise awareness of this service through television commercials, radio and print announcements in all regional, rural and remote areas airing from August to November 2002. Advertising messages are supported by distribution of the *Commonwealth Regional Information Book*—a short guide to key Commonwealth programmes and services—to three million households in regional Australia.



The Department's capacity to lead the development of location-based approaches has been enhanced through the transfer of portfolio responsibility for the Area Consultative Committee network to the Department in machinery of government changes following the 2001 Federal election. The Department has made considerable progress in integrating the new network into its operations and developing strategies to make best use of the regional presence that the network provides.

With other agencies, the Department has also worked to ensure that regional communities have the capacity to influence the outcomes of natural resource management programmes, such as the National Action Plan for Salinity and Water Quality and the Natural Heritage Trust.

While the integration of approaches to regional development and regional services will be an ongoing process, the Department's activities during 2001–02 have supported moves to a much stronger emphasis on locally-based, community-driven solutions.

## **Policies and programmes implemented which acknowledge and provide for needs of regional Australia**

*Key strategy: Encourage Commonwealth agencies to give priority to addressing issues facing regional Australia (such as education and skills development) when they develop and implement policies and programmes.*

### **Substantially achieved**

Through the restructure of the Department's regional resources from 1 January 2002, additional capacity has been provided to lead work in developing whole of government approaches with other agencies. The Department has established bilateral working groups with the Department of Family and Community Services to develop and trial 'joined up' approaches to delivering better outcomes for regional communities. The Department has also taken a role in other cross-agency groups in the Commonwealth, including the Secretaries Group on Indigenous Issues and the Secretaries Group on Youth.

With the Department of Industry, Tourism and Resources, the Department has worked to ensure that the needs, interests and capabilities of regional

communities have been addressed in development of the Government's 10-year tourism plan. This included preparation for the Regional Tourism Roundtable held in August 2002.

There are clear indications of increased efforts across Commonwealth agencies to look for whole of government approaches. In the Department's own programmes, work has proceeded on cross-agency initiatives such as the More Accessible Government initiative and Rural Transaction Centres Programme.

The pursuit of whole of government approaches across the three spheres of Government is on the agenda as well. In line with directions from the Council of Australian Governments, the Department provides the secretariat for the Regional Development Council which includes Commonwealth, State and Territory Ministers, and the Australian Local Government Association. The initial meeting of the Standing Committee on Regional Development, the supporting group of senior officials to the Council, was held in May 2002. The main focus of the developing agenda for the Council is whole of government approaches to regional development and regional services.

## Providing opportunities directly in regional Australia

*Key strategy: Lead by example in making use of services and skills available in regional Australia.*

### Substantially achieved

As a result of the machinery of government changes following the 2001 Federal election, the Department took charge of 12 regional offices, two programmes and the support role for a national network of Area Consultative Committees (ACCs). These new responsibilities, coupled with the programmes already administered by the Department, give strength to the Department's ability to directly assist regional communities to realise opportunities and access services addressing their specific needs.

The network of regional offices gives the Department a presence in each State and Territory of Australia. A review examining how the Regional Office Network can best support regional Australia has been conducted, and renewed roles and responsibilities of the offices will be implemented in the 2002–03 financial year.

The regional office network is the Department's main point of contact with the national network of 56 ACCs covering Australia.

The ACC network provides an important link between the Commonwealth Government and rural and metropolitan Australia. As volunteer community-based organisations, ACCs are uniquely placed to respond to issues in their regions and provide a vital conduit to the Government on local, social and economic conditions.

The chairs of the ACCs, appointed by the Departmental Secretary, are leading members of the community. Committee members are drawn from the community, local business and government; they provide strategic leadership and direction to ACCs in fulfilling their charter and functions.

The Department recognises that optimal regional growth and development will be achieved only when regional communities manage change at the local level, and plan for and lead their own development with the support of both Government and the private sector. This in turn works best if there is an effective organisational arrangement in place that enables the Government to respond to each region's needs and encourages the local community to take up programmes designed to meet their needs. It is this role that ACCs fulfil.

Several programmes administered by the Department during 2001–02 encouraged regional communities to address their unique needs and create opportunities at a local level. Through these programmes, communities have harnessed and gained skills and services that have direct benefit for their regions.

In particular, these programmes have delivered many solutions and opportunities directly to regional Australia, including employment growth, industry diversification, tourist attractions, service centres, information services, sport and recreation facilities, community care facilities and capital works projects. They have also attracted considerable investment from other sources in regional Australia.

The specific programmes and their impacts on regional Australia are detailed under the administered programmes for Key Result 2.

The Department's development of our regional offices, our ongoing support of the ACCs and delivery of regionally targeted programmes facilitates access to and creation of services and skills in regional Australia. These initiatives enable local communities to seek opportunities and determine their own future.

## **Governments agreeing to consistent approaches to reducing the impact of disasters on communities**

*Key strategy: Lead the development nationally of research into the cost of natural disasters and the benefits of mitigation.*

### **Disaster Mitigation Research Working Group—Achieved**

The Department played a lead role in developing Module 2 of a series of Disaster Mitigation Research Working Group studies, *Benefits of Flood Mitigation in Australia*, released by Minister Tuckey in June 2002. The report builds on current levels of understanding across all spheres of government by identifying the costs avoided by flood mitigation projects at various locations in Australia.

A consistent approach to dealing with the impact of disasters on communities is set out in the Module 2 document. The potential savings to State Governments and local governments of a consistent flood mitigation approach are enormous.

### **Disaster Mitigation Research Working Group—Partially achieved**

The Department provides secretariat services to the Disaster Mitigation Research Working Group, which is made up of representatives from emergency management agencies in all States and Territories. The Department has an ongoing commitment to the Working Group, which will continue to meet, to progress disaster mitigation research, focusing on a national approach to identifying the costs and benefits of disasters and appropriate mitigation measures.

Stakeholders in local communities and the States have expressed strong support for the way in which the Commonwealth is taking the lead in this matter.

On 8 June 2001, the Council of Australian Governments (COAG) agreed to commission a wide-ranging Review of Natural Disaster Relief and Mitigation Arrangements involving the three levels of government and key stakeholders. The Secretary of the Department chairs a High Level Group of senior officials undertaking the review.

Both the COAG review and the Working Group demonstrate the Government's consistent approach to reducing the impact of disasters on communities throughout the country.

## ***Stronger Regions, A Stronger Australia***

On 29 August 2001, the Minister for Transport and Regional Services announced *Stronger Regions, A Stronger Australia*, the Federal Government's framework for developing Australia's regions through the next decade.

*Stronger Regions, A Stronger Australia* articulates a partnership approach across the Commonwealth Government with communities and the private sector to:

- strengthen regional economic and social opportunities
- sustain our productive natural resources and environment
- deliver better regional services
- adjust to economic, technological and government-induced change.

In line with this framework, the Department has:

- led whole of government responses to specific regions through the Sustainable Regions Programme
- worked collaboratively with a range of agencies to strengthen whole of government coordination through More Accessible Government initiatives
- reviewed and consolidated the strategic direction of its regional programmes (and is now working to translate policy directions into practical measures to give effect to these decisions)
- commenced the Regional Business Development Analysis
- established the Standing Committee on Regional Development, in preparation for the first meeting of the Regional Development Council of Commonwealth and State Ministers.

This standing committee is working to:

- explore and develop opportunities for joined up work
- identify and address the issues involved in attracting and retaining professional and other skilled people in regional Australia
- develop practical outcomes for working together on key priorities for regional infrastructure
- develop an indigenous action plan.

## More information and analysis published and available to assist regional development

*Key strategy: Improve the understanding of Commonwealth agencies and regions of the requirements of individual communities by improving how regional needs are analysed.*

### Substantially achieved

The Stronger Regions statement included a focus on improving the base of research and analysis for regional policy making. The Department's resources in this area were strengthened through our recent organisational restructure. The Bureau of Transport Economics, within the Economic Research and Portfolio Policy Division, was given an extended role as the Bureau of Transport and Regional Economics and will pursue an annual programme of targeted economic and social research on regional issues.

In addition, a major analysis of impediments to investment and options for action was commenced late in 2001–02. The Regional Business Development Analysis is being conducted by an independent expert panel, through processes including extensive consultation across regional Australia.

During 2001–02, over 40 regional research projects were supported through the Research Development Programme for Rural and Regional Australia, including work by the Australian Bureau of Statistics, Commonwealth Scientific and Industrial Research Organisation (CSIRO) and the Bureau of Rural Sciences.

Information about the research undertaken by the Department through the Bureau of Transport and Regional Economics is described under Output 2.3.

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## Report on Output Group 2 for Key Result 2

■ Output	■ Performance indicators
2.1 Policy Advice and Legislation, Ministerial Services	<p><i>Quality:</i> Ministers and Ministers' Offices satisfied with the quality of policy advice and legislation development, and Department meets standards for policy advice, legislation and Ministerial services.</p> <p><i>Target:</i> 95 per cent level of satisfaction.</p> <p>Improvement in cooperative work and action across agencies.</p>

### ■ Results based on performance indicators

#### Achieved

In 2001–02 the Ministerial Offices recorded a 98.9 per cent level of satisfaction with the various types of advice sent to them. This represents an improvement over the previous year's level of 96.7 per cent satisfaction. Because responses are recorded against Divisions it is not possible to provide specific data on a Key Result. A breakdown of these figures can be found in Part 5—Management and Accountability.

The Department provides a range of policy advice to our portfolio Ministers and their Offices to support their interest in a wide variety of regional issues.

One of the major policy outputs for the Department in 2001–02 was support in the preparation of the Government's Regional Policy Statement, *Stronger Regions, A Stronger Australia*, which was completed in August 2001. The statement articulated the Government's vision for a strong, positive and self-reliant regional Australia where communities have the power to lead their own future. The statement announced a partnership approach that fosters the development of self-reliant regional communities.

In July 2001, COAG agreed to establish the Regional Development Council (RDC). This new Ministerial Council comprises Ministers for regional development from all States and Territories, and the Australian Local Government Association, and is chaired by the Deputy Prime Minister and Minister for Transport and Regional Services, the Hon John Anderson MP.

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**■ Results based on performance indicators continued...**


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The aim of the RDC is to facilitate more effective cooperation across all spheres of government in order to achieve sustainable economic, social and environmental outcomes for regional Australia.

The Department provides secretariat support and policy advice to the RDC and to its supporting body of senior officials, the Standing Committee on Regional Development (SCORD), which met for the first time in May 2002.

The Department has also provided secretariat services to the COAG Review of Natural Disaster Relief and Mitigation Arrangements involving the three levels of government and other key stakeholders. The Department's Secretary chaired a high-level group of senior officials undertaking the review. A report containing recommendations from this group is due to be completed in 2002.

It is expected that the review will lead to regional communities being better able to access opportunities to protect themselves from the effects of natural disasters.

Other examples of enhanced cooperative work across agencies are identified in the key strategies for Key Result 2 (above).

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<b>■ Output</b>	<b>■ Performance indicators</b>
2.2 Services to Communities	<p><i>Quality:</i> Department ensures that funding recipients meet terms and conditions of funding.</p> <p>Where appropriate, stakeholder satisfaction with the programme.</p> <p>Administration of programmes in accordance with legislation, Government policy, and Departmental standards.</p> <p>Improved crossportfolio and jurisdictional cooperation.</p>



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**■ Results based on performance indicators**

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**Substantially achieved**

All recipients of funding of services to communities are required to enter into funding agreements with the Department. These funding agreements bind recipients to the terms and conditions of their funding. Ongoing monitoring of these agreements and their reporting requirements help the Department ensure that funding recipients meet the terms and conditions of their funding.

The Department undertook a market research survey as part of the Regional Programmes Review. This survey showed general satisfaction with programmes that were part of the review. In addition, individual programmes have mechanisms to gauge stakeholder satisfaction. The feedback gathered through these mechanisms is used to continually improve the Department's service to communities through administered programmes.

Where relevant, programmes are administered in accordance with relevant legislation. Grant programmes are administered in accordance with the requirements of the Australian National Audit Office's Best Practice Guide on Administration of Grants.

The Department works with a range of Commonwealth agencies to facilitate effective whole of government outcomes for regional communities. This role includes coordinating, influencing and implementing regional policies, programmes and issues. It also includes participating in a number of key cross-portfolio working groups through the More Accessible Government initiative and trialing a range of bilateral working groups with the Department of Family and Community Services.

More Accessible Government aims to improve access to grant programmes and streamline grant administration, with a particular focus on regional, rural and remote communities. The process involves further development of collaborative work by Federal Government Departments to achieve these outcomes.

Furthermore, the Department is working closely with the Department of Communications, Information Technology and the Arts (DOCITA) in striving for improved telecommunications services to regional, rural and remote Australia. The Department has worked with DOCITA in developing the Government's \$163 million response to the Telecommunications Services Inquiry and in monitoring its implementation. In addition, the Department has monitored, and provided feedback to DOCITA on, the roll out of the \$150 million untimed local calls and Internet access initiative in the extended zones of Australia.

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■ Output	■ Performance indicators
2.3 Research and Data	<p><i>Quality:</i> Research and analysis activities contribute to policy development and programme delivery.</p> <p>Research and analysis activities in accordance with Departmental and appropriate peer and academic research standards.</p> <p>Research and analysis outputs increase and improve stakeholder knowledge.</p>

#### ■ Results based on performance indicators

##### Achieved

The Bureau of Transport and Regional Economics, within the Department, produced two research publications during 2001–02 examining ways regional communities could take the lead in their own planning and development:

- ‘Flood Damage in Tamworth’ (Working Paper 48) provides estimates of the economic cost of the November 2000 floods in the Taminda industrial area. The research will enable Governments to plan more effective responses to future floods in the Tamworth area and similar regional areas.
- *Benefits of Flood Mitigation in Australia* (Report 106) examines the substantial economic benefits of implementing flood mitigation measures, such as land use planning, building controls, voluntary purchase of flood-prone properties, levees and road sealing. The research is a major input into the review of natural disaster and relief arrangements being undertaken by COAG.
- ‘Atherton Tablelands Regional Analysis’ (Working Paper 43) examines socio-economic conditions in this region.

The Department renamed the Bureau of Transport Economics as the Bureau of Transport and Regional Economics to establish a dedicated regional research capability. In 2002–03, this capability will be fulfilled and a research programme implemented that concentrates on research that improves the Government’s understanding of economic and social factors affecting regional Australia.

For details of the Bureau of Transport and Regional Economics research programme and publications, visit [www.btre.gov.au](http://www.btre.gov.au), or contact (02) 6274 7210.

The Department is also responsible for the administration of programmes that include research and analysis activities. Information on the results of these administered programmes within Output 2.3—the Understanding Rural Australia

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**■ Results based on performance indicators continued...**


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Programme, the Regional and Rural Development Grant, and the Regional and Rural Research Information and Data Programme—is set out in the report on administered programmes.

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<b>■ Output</b>	<b>■ Performance indicators</b>
2.4 Natural Disaster Relief Arrangements	<p><i>Quality:</i> Administration of programmes in accordance with the Natural Disaster Relief Arrangements Determination and associated programme guidelines.</p> <p>Department ensures that funding recipients meet terms and conditions of funding.</p> <p>Where appropriate, stakeholder satisfaction with programmes.</p> <p>Improved crossportfolio and jurisdictional cooperation.</p> <p><i>Price:</i> \$0.6 million</p>

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**■ Results based on performance indicators**


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**Achieved**

Portfolio responsibility for the Natural Disaster Relief Arrangements (NDRA) was transferred from the Department of Finance and Administration to the Department under the machinery of government changes in December 2001. Standard Commonwealth terms and conditions apply in respect of the funding arrangements, and all terms and conditions have been satisfied. Consequently, all NDRA claims for reimbursement have been paid.

The Natural Disaster Risk Management Studies Programme funding round has been finalised, with 167 projects funded. Audited Financial Statements from the States and Territories are current, and the 2000–01 financial year has been reconciled. Satisfaction with the programmes has been shown by the continued heavy demand for funding.

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## Report on administered programmes for Key Result 2

■ Programme	■ Performance indicators
Regional Solutions Programme	<p><i>Effectiveness:</i> Regional, rural and remote areas of Australia develop local solutions to local problems and improve their sustainability.</p> <p><i>Quality:</i> Stakeholder satisfaction with the programme.</p> <p>Improved cross portfolio and jurisdictional cooperation.</p> <p><i>Quantity:</i> Number and geographical spread of grants approved.</p> <p><i>Cost:</i> \$22.6 million</p> <p><i>Location:</i> Regional, rural and remote Australia.</p>

### ■ Results based on performance indicators

#### Substantially achieved

The Regional Solutions Programme (RSP) provides assistance to regional, rural and remote areas of Australia to build their capacity to identify and implement opportunities to solve local problems and achieve self-sustainability through economic diversification.

A stakeholder survey indicated that:

- 67 per cent of people surveyed thought that the application process was very easy or quite easy
- 68 per cent of respondents were very satisfied or quite satisfied with the Department's handling of their application
- 63 per cent of people in the survey thought that the programme had had a major positive impact on the community so far, while a further 23 per cent thought that it had had a moderately positive impact.

The Department seeks comments on project applications from relevant Federal agencies, Area Consultative Committees and State Government agencies as a regular part of the application assessment process.

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**■ Results based on performance indicators continued...**

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About 10 per cent of the Regional Solutions Programme's projects have been jointly funded by the Programme and other Federal Government initiatives, and 25 per cent have been jointly funded with State Government agencies. Two examples of such joint funding are: the Warwick City Council, which received \$454,545 from the RSP and \$90,000 from the Federal Government's Regional Tourism Programme towards the Australian Rodeo Heritage Centre project; and the Minnipa Progress Association Inc., which received \$45,591 from the RSP and \$23,950 from the South Australian Government towards implementing a range of tourism and development initiatives identified in the community plan.

The number and geographic spread of approved grants in 2001–02 were as follows:

- New South Wales—83 projects (28.9 per cent)
- Northern Territory—13 projects (4.5 per cent)
- Queensland—65 projects (22.6 per cent)
- South Australia—25 projects (8.7 per cent)
- Tasmania—8 projects (2.8 per cent)
- Victoria—50 projects (17.4 per cent)
- Western Australia—42 projects (14.6 per cent).

The budget for the Regional Solutions Programme was increased to \$25.609 million in the Additional Estimates process.

During 2001–02, the programme:

- received 611 applications for funding
  - processed and sent 670 applications to the Ministers for decision
  - expended \$25,608,425 on approved grants
  - executed 281 grant contracts for approved projects.
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■ Programme	■ Performance indicators
Special Structural Adjustment Package for the South West Forests Region of Western Australia	<p><i>Effectiveness:</i> Contribution to regional job creation and the economic diversification of the South West Forests Region.</p> <p><i>Cost:</i> \$5 million</p> <p><i>Location:</i> South West Forests Region of Western Australia.</p>

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### ■ Results based on performance indicators

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#### Partially achieved

The South West Forests Region of Western Australia has been directly affected by changes to the timber industry. The aim of the Special Structural Adjustment Package is to diversify the economic base of the region and build on its competitive advantage by supplementing private and other investment in employment-generating projects.

- Over 230 jobs are expected to be created through the eight approved and conditional projects under the South West Forests Region structural adjustment package.
- The jobs will be in a wide range of industries, including construction, agriculture, aquaculture, tourism, information technology and manufacturing.
- Only \$1.894 million was expended in the 2001–02 financial year due to some projects not meeting funding criteria or still being under consideration, and some funded projects span several financial years.
- The remaining \$3.106 million has been rephased into the 2002–03 financial year.
- Availability of funds remaining in the package will be readvertised early in 2002–03.

The locally-based advisory committee has recommend projects to the Minister for Regional Services, Territories and Local Government that support long-term employment generation in the South West Forests Region of Western Australia.

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■ Programme	■ Performance indicators
Rural Transaction Centres	<p><i>Effectiveness:</i> Small communities develop their own centres providing services such as banking, postal, internet, phone and fax, Medicare claim services and access to appropriate Federal, State and local government services.</p> <p><i>Quality:</i> RTCs report satisfaction with the programme.</p> <p>Meeting expressed community need.</p> <p><i>Cost:</i> \$18.4 million</p> <p><i>Location:</i> Regional, rural and remote communities of less than 3,000 residents.</p>

#### ■ Results based on performance indicators

##### Substantially achieved

The primary objectives of the Rural Transaction Centres (RTCs) Programme are those of improving access to services and meeting community expectations and needs across regional, rural and remote areas of Australia.

In terms of feedback, the post-implementation review of the programme in June 2002 indicated a very high satisfaction rate by communities in terms of the programme's effectiveness.

Nationally, 34 RTC projects meeting expressed community needs and 98 Electronic Point Of Sale (EPOS) RTCs were approved in 2001–02. This brings the total number of RTCs approved to 202. Of the 202, 52 RTCs and 98 EPOS RTCs are operational.

National average funded community size: 586; range: 90 to 3000 residents in regional, rural and remote communities. Programme expenditure for the period was \$13.8 million. The remaining funds will be rephased for 2002–03 to meet existing commitments and future requirements. Part of this rephasing includes \$5.5 million for the part-funding (\$9 million) of the *Connecting Australia—Report of the Telecommunications Service Inquiry* (Besley Report) initiative, at the request of DOCITA.

■ Programme	■ Performance indicators
Understanding Rural Australia	<p><i>Effectiveness:</i> Improved availability of data on rural and regional social issues and trends.</p> <p><i>Cost:</i> \$0.8 million</p> <p><i>Location:</i> Regional, rural and remote Australia.</p>

#### ■ Results based on performance indicators

##### Achieved

Improved availability of data on rural and regional social issues and trends through the completion and assessment of the 30 *Understanding Rural Australia Programme* projects initiated since 2001 was achieved. To ensure a wide dissemination, a number of the reports for these projects are available on the Department's website. In addition, programme funds were used to successfully establish a journal and Internet site for disseminating and discussing the results of research projects.

■ Programme	■ Performance indicators
2002—Year of the Outback	<p><i>Effectiveness:</i> Contribution to improved understanding of what the outback has meant to the nation's development and self-image.</p> <p><i>Cost:</i> \$0.2 million</p> <p><i>Location:</i> Regional, rural and remote Australia.</p>

#### ■ Results based on performance indicators

##### Achieved

Timely funding provided through the Department to Outback 2002 Pty Ltd has significantly enhanced their capacity to successfully operate and promote this event, and contribute to improving Australia's understanding of what the outback means to the nation's development and self-image. The Federal Government provided \$1.8 million to assist Outback 2002 Pty Ltd in 2001-02. Preliminary indications are that the event has achieved positive outcomes. Benefits include a



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**■ Results based on performance indicators continued...**


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marked increase in tourism and reported improvement in public awareness of the outback and its institutions, for example the operation of the Royal Flying Doctor Service.

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**■ Programme**


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**■ Performance indicators**


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Regional and Rural Development Grant	<p><i>Effectiveness:</i> Improved stakeholder understanding of socioeconomic change in regional Australia.</p> <p><i>Cost:</i> \$0.2 million</p> <p><i>Location:</i> Regional, rural and remote Australia.</p>
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**■ Results based on performance indicators**


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**Achieved**

Stakeholders' understanding of socioeconomic change in regional Australia has been improved by the completion and examination of the seven Rural and Regional Development Grant projects initiated since 2001. Examples of these stakeholders include regional universities, CSIRO and numerous private companies. A number of the reports for these projects are available on the Department's website to help increase understanding of socioeconomic change.

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**■ Programme**

Regional and Rural Research  
Information and Data

**■ Performance indicators**

*Effectiveness:* Improved availability to information for decision making in regional Australia.

*Cost:* \$0.1 million

*Location:* Regional, rural and remote Australia.

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**■ Results based on performance indicators**
**Achieved**

The Department improved availability of the information required for effective decision making in regard to regional Australia through the completion and examination of the five Regional and Rural Research, Information and Data Fund projects initiated since 2001. These were the University of New England—Symposium of Landscape Futures Project; CSIRO Sustainable Ecosystems—Atherton Tablelands Futures Project; Bureau of Rural Sciences—Review of Regional Impact statements; Australian Bureau of Statistics—Postcode Concordance Project; and the Bureau of Rural Sciences—Mapping Commonwealth Regional Development Programmes. To enhance availability of relevant information, a number of the reports for these projects are available on the Department's website.

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■ Programme	■ Performance indicators
Foundation for Rural and Regional Renewal	<p><i>Effectiveness:</i> Contribution to the formation of stronger partnerships achieved between the public and private sector in delivering services to rural communities.</p> <p><i>Cost:</i> \$1 million</p> <p><i>Location:</i> Regional, rural and remote Australia.</p>

### ■ Results based on performance indicators

#### Partially achieved

The formation of stronger partnerships between the public and private sector in delivering services to rural communities was enhanced through a number of Foundation for Rural and Regional Renewal (FRRR) achievements. For example:

- In May 2002, the first package of the Pratt Foundation and FRRR water projects, totalling around \$250,000, was jointly announced. The partnership aims to assist in the development of strategies and practices that will help Australia to better manage its water resources in the future.
- In June 2002, FRRR launched the Small Grants for Small Communities Programme in partnership with the William Buckland Foundation, Perpetual Trustees, the R E Ross Trust and the Myer Foundation. The programme will offer about \$250,000 per annum in grants over the next three years. This collaborative approach is designed to make better, targeted use of funds improving access for rural and regional communities; provide a simpler application process; and enhance efficiency and effectiveness for philanthropic trusts and foundations that wish to support small communities.
- FRRR has allocated around \$1 million in grants for 25 projects in this financial year. Nineteen grant agreements were issued in the current financial year, with 16 of them being accepted by the grantees.

The Commonwealth contributed \$19,098 in 2001–02 through its ‘challenge grant’ to help promote the revitalisation of regional communities through enhanced collaboration between businesses, communities and the Federal Government. This amount is less than originally envisaged however, the nature of the programme means that it will take some time for the level of corporate funding to ramp up to anticipated levels. It is expected that corporate donations will increase as FRRR continues to build partnerships with the private sector and raise awareness about its achievements in fostering partnerships with regional communities.

■ Programme	■ Performance indicators
Sustainable Regions Programme (PAES—New Measure)	<p><i>Effectiveness:</i> Local advisory committees in specific regions undergoing major economic, social or environmental change develop local strategies to enhance the sustainability of those programmes.</p> <p><i>Quality:</i> Stakeholder satisfaction with the programme.</p> <p>Improved cross-portfolio and jurisdictional cooperation in addressing regional priorities.</p> <p><i>Cost:</i> \$5.5 million</p> <p><i>Location:</i> Throughout Australia.</p>

#### ■ Results based on performance indicators

##### Partially achieved

The Sustainable Regions Programme assists regional communities to address priority issues they have themselves identified. The programme offers a planned, integrated approach to regions facing economic, social and environmental change. During 2001–02:

- Locally-based advisory committees established under the programme have been established in all eight of the ‘prototype’ regions.
- The local advisory committees’ administrative arrangements and regional priorities have been developed in the later stages of 2001–02.
- Stakeholders attended a one-day meeting at Parliament House to discuss the development of the programme and expressed their satisfaction accordingly.
- The locally established advisory committees have consulted with regional communities to increase their participation in developing regional priorities.
- The programme is promoting a whole of government response and seeking Federal and State agency assistance to source funds and focus initiatives that address the regional priorities determined by the locally-based advisory committees.

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**■ Results based on performance indicators continued...**


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- There has been strong commitment by a number of key agencies acknowledging the Sustainable Regions Programme in various policy development initiatives.

A total of \$1.485 million was expended in the 2001–02 financial year. The remaining \$4.015 million has been rephased for the 2002–03 financial year.

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<b>■ Programme</b>	<b>■ Performance indicators</b>
Structural Adjustment Programme for the Wide Bay Burnett Region in Queensland (PAES—New Measure)	<p><i>Effectiveness:</i> Contribution to regional job creation and the economic diversification of the Wide Bay Burnett region.</p> <p><i>Cost:</i> \$4 million</p> <p><i>Location:</i> Wide Bay Burnett region of Queensland.</p>

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**■ Results based on performance indicators**


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**Achieved**

The aim of the Structural Adjustment Programme for the Wide Bay Burnett Region Programme is to create employment opportunities in an area that has suffered persistent long-term unemployment and significant social disadvantage. Funding has been directed to new businesses or those wishing to expand, and to local government.

- The total programme funding of \$4 million has been allocated to 19 projects that are expected to create approximately 1,000 jobs in the region over the next five years.
- The jobs will be in a wide range of industries, including manufacturing, tourism, information technology and agriculture.

A locally-based advisory committee assessed the applications and made recommendations to the Minister for Transport and Regional Services.

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■ Programme	■ Performance indicators
Regional Assistance Programme (PAES—Administrative Arrangements Order)	<p><i>Effectiveness:</i> Improved opportunities for sustainable employment, regional development and the enhancement of the skills base of regions including the Area Consultative Committee network.</p> <p><i>Quality:</i> Stakeholder satisfaction with programme.</p> <p><i>Quantity:</i> Number and geographic spread of grants approved.</p> <p><i>Cost:</i> \$24.2 million</p> <p><i>Location:</i> Regional, rural, remote and metropolitan regions.</p>

#### ■ Results based on performance indicators

##### Achieved

Regional Assistance Programme (RAP) funding is available for a wide variety of projects. This year the most common project categories were tourism, industry development, business retention and expansion, and agribusiness. The Area Consultative Committees (ACCs) network has continued to be a key component of the programme.

- A recent survey of community perceptions of the Commonwealth's regional programmes showed the RAP to be one of the more recognised programmes.
- A total of 278 projects was approved for funding during the year.
- The majority of funds were approved for New South Wales (32 per cent) and Victoria (23 per cent), with remaining funds spread between Queensland (17 per cent), Western Australia (14 per cent), South Australia (10 per cent), the Northern Territory (4 per cent) and Tasmania (0.4 per cent).
- The programme has spent \$24.5 million, with money split between the ACC network and specific community projects.

Projects in rural, regional or remote areas accounted for 79 per cent of funding, with the remaining 21 per cent allocated to metropolitan areas.

■ Programme	■ Performance indicators
Dairy Regional Assistance Programme (PAES—Administrative Arrangements Order)	<p><i>Effectiveness:</i> Improved opportunities for sustainable employment and regional development in dairy regions impacted upon by dairy deregulation.</p> <p><i>Quality:</i> Stakeholder satisfaction with programme.</p> <p><i>Quantity:</i> Number and geographic spread of grants approved.</p> <p><i>Cost:</i> \$17.9 million</p> <p><i>Location:</i> Dairy communities throughout Australia.</p>

### ■ Results based on performance indicators

#### Achieved

The Dairy Regional Assistance Programme (DRAP) aims to assist dairy-dependent communities that have been impacted upon as a result of dairy deregulation.

- A recent survey of community perceptions of the Commonwealth's regional programmes showed DRAP to be one of the most recognised programmes.
- Funding is available for a wide range of employment-generating and investment-stimulating projects within dairy regions. In 2001–02, 126 projects were approved in local dairy communities across Australia, fully committing that financial year's allocation of \$17.9 million.
- The breakdown by State of funds approved is, in approximate figures, New South Wales (36.8 per cent), Queensland (38 per cent), Victoria (12.3 per cent), Tasmania (0.7 per cent), South Australia (10.3 per cent) and Western Australia (1.9 per cent).

In 2001–02, the programme spent \$13.6 million however, over \$30.85 million was committed.

These projects have created a significant number of jobs and stimulated over \$100 million in cash co-funding contributions, most of which have come from private sector investment.

■ Programme	■ Performance indicators
Rural Domestic Violence (PAES—Rephasing from 2000–01)	<p data-bbox="916 427 1327 566"><i>Effectiveness:</i> Improved understanding of the incidence and reduction of domestic violence in regional and rural Australia.</p> <p data-bbox="916 591 1098 618"><i>Cost:</i> \$0.1 million</p> <p data-bbox="916 642 1222 707"><i>Location:</i> Regional, rural and remote Australia.</p>

### ■ Results based on performance indicators

#### Achieved

Operating under the Partnerships against Domestic Violence initiative, the three-year Rural Domestic Violence Programme was produced in three parts: a literature review, a case studies report and the analysis of the Supported Accommodation Assistance Programme (SAAP).

The report, *Domestic Violence in Australia—a literature review*, is a comprehensive summary of the facts known about domestic violence in regional Australia. The report has been distributed at conferences and to domestic violence service providers and to the public on request. The case studies booklet, *Domestic Violence: Case Studies of domestic violence programs in regional Australia* complements the literature review. All 16 cases demonstrate what regional groups can do to reduce domestic violence in their area. Analysis of the SAAP was undertaken to determine the geographic spread and level of access to services, as well as providing comprehensive information on providers of services in rural and remote areas. Information obtained from the analysis was used as supporting evidence in the literature review.

Feedback provided by funded service providers indicate that the programme has succeeded in increasing awareness of help and information available for those in domestic violence situations. While the Department's Rural Domestic Violence Programme is now complete, the Federal Government's \$50 million Partnership against Domestic Violence initiative is continuing, with an appropriate regional focus.



■ Programme	■ Performance indicators
National Highway and Roads of National Importance Programme New Measure	<p data-bbox="925 403 1348 638"><i>Effectiveness:</i> Improved standard and effectiveness of transport facilities to assist economic growth across Australia's regions by upgrading National Highway and strategic freight routes in States and Territories.</p> <p data-bbox="925 649 1348 694"><i>Quantity:</i></p> <p data-bbox="925 705 1348 784"><b>National Highway &amp; Roads of National Importance</b></p> <p data-bbox="925 795 1348 952">Number of road construction projects delivered during the year compared with the number projected to be completed.</p> <p data-bbox="925 963 1348 1008"><i>Target:</i> Not less than 90 per cent.</p> <p data-bbox="925 1019 1348 1064"><b>National Highway Maintenance</b></p> <p data-bbox="925 1075 1348 1153">Percentage of National Highway length classified as acceptable.</p> <p data-bbox="925 1164 1348 1310">Percentage of National Highway smooth travel exposure classified as acceptable (by percentage of vehicle kilometres exposed to &lt;110 NRM*)</p> <p data-bbox="925 1321 1348 1366"><i>Target:</i> Not less than 95 per cent.</p> <p data-bbox="925 1377 1348 1422"><b>Bridge Upgrading Programme</b></p> <p data-bbox="925 1433 1348 1545">Number of projects delivered during the year compared with the number projected to be completed.</p> <p data-bbox="925 1556 1348 1601"><i>Target:</i> 90 per cent</p> <p data-bbox="925 1612 1348 1657"><i>Cost:</i> \$1,032.2 million</p> <p data-bbox="925 1668 1348 1693">*NRM (Naasra Roughness Measure)</p>

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**■ Results based on performance indicators**

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**Achieved—National Highway and Roads of National Importance**

There has been a 96 per cent completion rate of National Highway and Roads of National Importance projects that were expected to be completed this financial year. This has included construction projects such as the Don Interchange on the Bass Highway in Tasmania, the widening and rehabilitation of the Barkly Highway between Mount Isa and Cloncurry in Queensland, the rehabilitation of the Eyre Highway between Norseman and Cocklebiddy in Western Australia and the Bookham Bypass on the Hume Highway in New South Wales, amongst others. There has been some delay in the safety improvement works on the Western Ring Road in Victoria which are now expected to be completed in late 2002.

**Achieved—National Highway maintenance**

Reports from State and Territory Governments on 'smooth traffic exposure' on the National Highway indicate 96 per cent of the road is classified as acceptable weighted by traffic counts and link lengths.

Smooth travel exposure is the amount of traffic on roads with a roughness count of less than 110 NRM (Naasra Roughness Measure). NRM is the Australian standard for measuring roughness. Roughness is the key indicator of overall pavement condition.

**Partially achieved—Bridge upgrading**

The Federal Government is continuing to provide funding to ensure access of higher mass limit vehicles to key freight routes by upgrading bridges on the National Highway and providing assistance to State and local governments to upgrade bridges for which they have responsibility. In 2001–02 bridge upgrading on the National Highway and the completion of bridges on the Great Eastern Highway in Western Australia enabled the opening of the Perth to Melbourne route to higher mass limit vehicles. The Melbourne to Brisbane link was also opened to higher mass limit vehicles during the year.

The National Highway Bridge Upgrading Programme is due for completion in 2002–03. Some delays due to factors such as planning, native title issues and weather conditions have occurred in the Off-National Highway programme.

In 2001–02 the full appropriation of \$1,020.86 million was spent on the National Highway and Roads of National Importance. The amount spent was the final amount appropriated for the programme following the 2001–02 Additional Estimates process.

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■ Programme	■ Performance indicators
Flood Recovery Fund New Measure—\$8.5 million rephased from 2000–01 to 2001–02	<i>Effectiveness:</i> Minimises the economic and environmental impacts of severe and widespread flooding on rural towns and regional centres in the affected areas.  <i>Cost:</i> \$8.5 million  <i>Location:</i> Central, Northern and North Coast New South Wales, and Southern Queensland.

#### ■ Results based on performance indicators

##### Achieved

To provide extra assistance to communities affected by floods for clean-up, repairs and community services, the Department advertised the Flood Recovery Fund widely in flood-affected areas. We received a total of 188 applications of these, 139 were assessed as eligible for a total allocation of \$3.4 million; 28 were assessed as ineligible; and 21 withdrew. The balance of funds was then reallocated to other Government priorities, in particular the Lismore Levee.

Councils and community organisations have reported great satisfaction with the assistance available from the fund. Recipients have expressed their appreciation of the programme via letters to the Minister and the Department, telephone messages and face-to-face thanks.

■ Programme	■ Performance indicators
Ex-gratia Disaster Relief Packages— 2001 Bushfire Relief Appeal (PAES—New Measure)	<i>Effectiveness:</i> Contribution to New South Wales bushfire disaster relief appeal.  <i>Cost:</i> \$1 million  <i>Location:</i> New South Wales.

#### ■ Results based on performance indicators

##### Achieved

Portfolio responsibility for Ex-gratia Disaster Relief Packages was transferred to the Department from the Department of Finance and Administration under the machinery of government changes in December 2001.

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**■ Results based on performance indicators continued...**


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The New South Wales Bushfire Appeal Fund was established by the New South Wales Government to assist people affected by the fires during the Christmas period. A senior Departmental officer represented the Commonwealth on the assessment panel for the disbursement of the funds. The Fund is now closed.

The Department paid \$1 million into the Fund, matching the contribution made by the New South Wales Government.

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**■ Programme**

Ex-gratia Disaster Relief Packages—  
Helitankers  
(PAES—New Measure)

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**■ Performance indicators**

*Effectiveness:* Contribution to combating the Christmas 2001 bushfire crisis.

*Cost:* \$0.8 million

*Location:* New South Wales.

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**■ Results based on performance indicators**


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**Achieved**

Portfolio responsibility for Ex-gratia Disaster Relief Packages was transferred to the Department from the Department of Finance and Administration under the machinery of government changes in December 2001.

The Department paid \$0.685 million to transport two helitankers from the United States to assist New South Wales Christmas 2001 bushfire fighting efforts. Due to the urgency of the situation, air transport was arranged to bring the helitankers from North America.

The helitankers significantly bolstered the State and Territory aerial firefighting capability during the 2001 bushfire crisis.

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■ Programme	■ Performance indicators
Flood Assistance Package— Small Business Grants (PAES—Rephasing from 2000–01)	<p><i>Effectiveness:</i> Provision of assistance to small businesses affected by the major flood events of November 2000 and January to March 2001.</p> <p><i>Quality:</i> Reduced number of businesses failing due to the floods.</p> <p><i>Cost:</i> \$2.6 million</p> <p><i>Location:</i> Central and northern New South Wales and southern Queensland.</p>

### ■ Results based on performance indicators

#### Achieved

The Small Business Grants component of the Flood Assistance Package provided flood recovery assistance to small businesses affected by flooding in late 2000 and early 2001 in central and northern New South Wales and in southern Queensland. Originally scheduled to close on 1 June 2001, the programme was extended until 31 August 2001.

The programme was also expanded to include a Contract Grain Harvesters interest subsidy scheme as a result of the severe impact of crop failures on the industry.

In 2001–02, a further 163 Small Business Grants as well as 47 Contract Grain Harvester claims were approved, amounting to more than \$1.5 million in Federal funds. Over \$4.5 million was approved in total during the two years of the Programme. These payments have allowed business to remain viable in difficult economic circumstances.

■ Programme	■ Performance indicators
Ex-gratia Disaster Relief Packages— Sugar Industry Administrative Arrangements Order	<p><i>Effectiveness:</i> Provision of income support for sugar cane growers during a period of market downturn and crop degradation.</p> <p><i>Cost:</i> \$2.9 million</p> <p><i>Location:</i> Queensland, Northern New South Wales and Western Australia.</p>

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#### ■ Results based on performance indicators

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##### **Achieved**

In December 2001, portfolio responsibility for Ex-gratia Disaster Relief Packages was transferred from the Department of Finance and Administration to the Department of Transport and Regional Services under the machinery of government changes.

This scheme to provide income support to eligible sugar cane growers commenced in August 2000. It was expected to close in June 2001 but was extended until 30 December 2001. There was a high level of uptake of this scheme by the sugar industry, and the full \$2.9 million was expended.

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## Key Result 3

*Local governments which serve their communities more efficiently and effectively*

### Performance Summary

The Territories and Local Government Division has continued to manage the Commonwealth's local government responsibilities. In 2001–02 councils received an estimated \$1.3 billion in financial assistance grants from the Federal Government. The Federal Government recognises that the efficiency and effectiveness of local government directly impacts on the living standards of Australians and the Department undertakes a range of tasks which seek to assist local councils deliver more effective services to their communities.

### Summary list of effectiveness indicators for key strategies, outputs and administered programmes for Key Result 3

<b>Effectiveness indicators for key strategies</b>	<b>Page</b>
• Governments and community bodies endorsing future local government financial assistance arrangements	126
• Local governments providing additional benefits to people by instituting better practices, sharing information and being more innovative	127
<b>OUTPUT GROUP 3</b>	
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## Report on key strategies for Key Result 3

### **Governments and community bodies endorsing future local government financial assistance arrangements**

*Key strategy: Ensure the Commonwealth assists in providing efficient and effective local government by reviewing the current local government financial assistance policies.*

#### **Substantially achieved**

The *Local Government (Financial Assistance) Act 1995* (the Act) is a key mechanism for the Department to assist local governments to become more effective in serving their communities.

The Act provides for Financial Assistance Grants to be distributed to local governments in accordance with the National Principles and recommendations by State local government ministers. One of the cornerstone principles is that, where councils, through no fault of their own, have relatively higher costs in providing services or relatively lower ability to raise revenue, they should receive relatively higher grants. The grants are untied but a considerable proportion of the grants is spent on roads.

Officers of the Department provided administrative assistance to the Minister in accordance with the act to assist local government.

Recommendations from the Commonwealth Grants Commission were received during the year and considered in a review of the Act.

The House of Representatives Standing Committee on Economics, Finance and Public Administration Inquiry into Local Government and Cost Shifting has commenced. This Inquiry will further examine the Commonwealth Grants Commission Review of the act and will lead to more effective and efficient local government.



## Local governments providing additional benefits to people by instituting better practices, sharing information and being more innovative

*Key strategy: Facilitate the development of leading practice in local governance.*

### Substantially achieved

The National Awards for Local Government and the Development Assessment Forum are two important initiatives sponsored by the Department that encourage local governments to develop leading practices in their administration and operations.

The National Awards for Local Government are a flagship demonstration of leading practice in local government. They highlight innovative work being undertaken by local government in communities across Australia to improve business practice within councils and service delivery to communities. The Awards recognise ingenuity, resourcefulness and self-reliance and identify and promote councils which are finding new ways of delivering services and developing local solutions to complex and challenging problems.

In 2001, Casey City Council from Victoria and Coorong District Council from South Australia were the overall winners of the Awards. The City of Casey brokered an innovative arrangement with industry, State Government and schools to develop the information technology (IT) skills of young people to help create long-term employment opportunities for its young people. The Coorong District Council developed the first reported community-based regional telecommunications network, which involved building an alternative telecommunications infrastructure, including microwave towers and Voice over Internet Protocol technology.

Through the associated Leading Practice Seminar Series, award winning councils such as the City of Casey and Coorong District Council share their achievements with other local government bodies. Well over 100 councils across Australia have benefitted from this exchange of knowledge and expertise.

In 2002 the Awards attracted 373 entries in 11 categories, an increase of 27 per cent over the previous year. The categories cover core council services, business and regional development, and community services aimed at building sustainable Australian communities.

The Awards for 2002 were launched at the Local Government Managers Conference in May 2002 and award winners will be announced on 4 November 2002 at the Australian Local Government Association's National General Assembly in Alice Springs.

The Department also provides the secretariat for the Development Assessment Forum, within the Territories and Local Government Division. Members of the Forum are the Commonwealth, the States and Territories, local government, development industries and relevant professional associations.

The Forum's purpose is to achieve agreement throughout Australia on ways to improve the development approval process and cut red tape without sacrificing the quality of decision making. The Forum decides its own work programme in response to emerging national needs. Examples of its work include the development of protocols and standards for the electronic lodgement and processing of applications.

In the year under review, the Forum issued a set of agreed National Development Assessment Definitions and the *Good Strategic Planning Guide*.

The continued dynamism of these programmes will ensure that local government in Australia will be well placed for the challenges of the future.

## Report on Output Group 3 for Key Result 3

■ Output	■ Performance indicators
3.1 Policy Advice and Legislation, Ministerial Services	<p><i>Quality:</i> Ministers and Ministers' Offices satisfied with the quality of policy advice and legislation development, and Department meets standards for policy advice, legislation and Ministerial services.</p> <p><i>Target:</i> 95 per cent level of satisfaction.</p> <p>Improvement in cooperative work and action across agencies.</p>

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**■ Results based on performance indicators**

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**Achieved**

In 2001–02 the Ministerial Offices recorded a 98.9 per cent level of satisfaction with the various types of advice sent to them. This represents an improvement over the previous year's level of 96.7 per cent satisfaction. Because responses are recorded against Divisions it is not possible to provide specific data on a Key Result. A breakdown of these figures can be found in Part 5—Management and Accountability.

The Department has provided the Minister with consistent high quality briefing material in relation to a diverse range of issues of concern and/or relevance to local government. Some of these issues include:

- local government financial assistance grants issues
- community issues including aged care services and rural health
- constitutional recognition of local government
- coastal management and protection programmes
- environmental management
- fire and emergency services
- the National Action Plan for Salinity and Water Quality
- the Natural Heritage Trust—phase 2
- petrol pricing differentials
- State legislative requirements
- regional economic development and regional development policy
- regional development support structures and project funding
- regional development identity and status with Government.

High quality briefing material has also been provided to the Minister for his meetings with peak associations and industry bodies such as the:

- Australian Local Government Association
- Housing Industry Association
- Planning Institute of Australia.

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**■ Results based on performance indicators continued...**


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Cooperation between the Commonwealth and local government has been improved by the following initiatives.

- The Division convened for the Minister a highly successful Local Government Associations Roundtable. The Minister had the opportunity to meet elected local representatives and hear their views directly. The Minister announced that he would make the Roundtable an annual event to promote regular dialogue and to assist in developing future policy initiatives.
- A National Framework for Women in Local Government was developed to promote, facilitate and advise on the development of strategies for the greater participation of women in local government. The Framework has been formally endorsed by the local government sector.

The very nature of the issues of relevance and concern to local government requires both intra-portfolio and inter-portfolio dialogue and cooperation. Strong relationships have been developed and are maintained with Environment Australia and the Commonwealth Departments of Family and Community Services; Health and Ageing; Industry, Science and Tourism; and Prime Minister and Cabinet.

The Planning and Environment Unit within the Department cooperates effectively with Environment Australia on a range of environmental issues and programmes including the Environment Resource Officers' network located in the Local Government Associations and the National Local Leaders in Sustainability Forum. The Unit acts as the secretariat of the Development Assessment Forum and promotes portfolio interests with the Planning Official Group.

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<b>■ Output</b>	<b>■ Performance indicators</b>
3.2 Services to Local Governments	<p><i>Quality:</i> Department ensures that funding recipients meet terms and conditions of funding.</p> <p>Where appropriate, stakeholder satisfaction with programmes.</p> <p>Administration of programmes in accordance with legislation, Government policy, and Departmental standards.</p> <p>Improved cross-portfolio and jurisdictional cooperation.</p>

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**■ Results based on performance indicators**

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**Achieved**

The Department is responsible for 24 quarterly payments made to four Australian Capital Territory Government agencies to cover Commonwealth contributions to the following six institutions and activities:

- French–Australia School
- International Baccalaureate
- correspondence courses for children of diplomatic staff
- Sidney Nolan Gallery
- registration of diplomatic vehicles
- registration of births, deaths and marriages for diplomatic staff.

The services all relate to the national presence in the Australian Capital Territory.

The Commonwealth contributions to Australian Capital Territory agencies emanate from diverse arrangements ranging from an international treaty through memorandums of understanding to exchanges of letters between senior officials. The *ACT (Self-Government) Act 1988* provides the basis for Commonwealth involvement.

Departmental standards are followed in respect of these agency payments.

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## Report on administered programmes for Key Result 3

■ Programme	■ Performance indicators
Local Government Financial Assistance Grants	<p><i>Effectiveness:</i> Local governments enabled to provide services to communities to facilitate social and economic development, including local roads.</p> <p><i>Cost:</i> \$1,367.9 million</p> <p><i>Location:</i> Regional, rural and remote Australia.</p>

### ■ Results based on performance indicators

#### Substantially achieved

During 2001–02 the *Local Government (Financial Assistance) Act 1995* was administered effectively through the distribution of the Financial Assistance Grants as in previous years and in line with the Commonwealth Government's commitment to enabling local governments to serve their communities more efficiently.

The Financial Assistance Grants make a major contribution towards social and economic development in local governments throughout the country. Local governments are able to provide a better level of services to their communities as a result of this grants scheme. The research and monitoring role of the Territories and Local Government Division provides a basis for advice to the Minister to facilitate the delivery of services to local communities.

Grants to all local governments were provided through the States on the basis of agreed distribution methods based on the recommendations of relevant State Government Ministers. These grants are untied and aimed at social and economic development projects, in particular the provision and improvement of local roads.

To improve dispersion methods, the issue of 'greater consistency' was pursued in methodologies used by State Government Grants Commissions to meet the National Principles contained in the *Local Government (Financial Assistance) Act 1995*.

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**■ Results based on performance indicators continued...**


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In addition to the Financial Assistance Grants provision, to assist councils further in financing infrastructure projects involving the private sector the Department developed an infrastructure financing manual which had been requested by State local government ministers.

As part of the Department's role in facilitating the economic development of local government areas, advice was provided to the Minister on the effect on local government of increases in public liability insurance premiums and National Competition Policy developments were monitored.

*Note:* The Ministerial Council on Local Government and Planning was not convened in the financial year 2001–02.

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<b>■ Programme</b>	<b>■ Performance indicators</b>
Federal Flood Mitigation Programme New Measure	<p><i>Effectiveness:</i> Reduce loss and damage to communities and infrastructure from the effect of flooding. The programme will have the direct effect of improving safety, reducing losses and damage, and maintaining business and economic activity in regional areas.</p> <p><i>Quality:</i> A reduction in the estimate of average annual damage.</p> <p><i>Quantity:</i> Increased number of properties protected from major flooding.</p> <p>Increased number of flood forecasting and warning systems for flood-prone areas.</p> <p>Increased number of flood-prone areas with structural measures in place.</p> <p><i>Cost:</i> \$10.1 million</p> <p><i>Location:</i> Rural and regional Australia, and outer metropolitan areas.</p>

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**■ Results based on performance indicators**

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**Achieved**

The Regional (formerly Federal) Flood Mitigation Programme (RFMP) was once more an outstanding success in reducing losses and damage to communities and their infrastructure from flooding.

The RFMP was expanded with funding for flood mitigation projects increasing to \$50.8 million and an extension of the programme for a further three years to 2004–05. The RFMP's eligibility criteria were also expanded to include outer metropolitan areas.

In 2001–02, 59 new flood mitigation projects representing a Federal contribution of \$8.54 million were approved under the programme. This brings to a total of 149 projects and over \$20 million in Federal funds approved since the programme began three years ago. Due to slippage in the completion of projects, \$3.99 million remains committed to projects previously approved. Eligible projects include structural works, property modifications, voluntary purchase of flood-prone properties, flood warning systems and community awareness schemes. A total of \$12.53 million was spent in 2001–02, which is in accordance with the additional estimates funding arrangements.

Almost 80 per cent of RFMP funding has been allocated to high priority and much needed flood mitigation works and measures in New South Wales and Queensland.

Continued demand for RFMP funding has been demonstrated by the submission of some 200 expressions of interest for suitable flood mitigation projects in 2002–03.

The expansion of the RFMP, and full utilisation of available funds, reflect the Federal Government's strong commitment to reducing the social and economic cost of flooding to communities across Australia.

*Benefits of Flood Mitigation in Australia* (Report 106) examines the substantial economic benefits of implementing flood mitigation measures, such as land use planning, building controls, voluntary purchase of flood-prone properties, levees and road sealing. The research is a major input into the review of natural disaster and relief arrangements being undertaken by the Council of Australian Governments. (For details of this publication visit [www.btre.gov.au](http://www.btre.gov.au) or contact (02) 6274 7210.)

Looking to the future, it is anticipated that the RFMP will continue to make a major contribution to the quality of life of rural and regional communities as well as outer metropolitan areas. Millions of dollars will be saved through preventative work funded by this programme.

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■ Programme	■ Performance indicators
Lismore Levee Programme New Measure	<p><i>Effectiveness:</i> Acceleration of the construction of the Lismore Levee.</p> <p><i>Quality:</i> A reduction in average annual flood damage in Lismore.</p> <p><i>Quantity:</i> Increased number of properties protected from major flood events.</p> <p><i>Cost:</i> \$4 million</p> <p><i>Location:</i> Lismore, New South Wales.</p>

### ■ Results based on performance indicators

#### Achieved

Through the Department, the Federal Government honoured an election commitment to provide \$4 million to accelerate the construction of the Lismore Levee.

The one-off allocation will enable the levee to be constructed in approximately three years—some six years earlier than originally anticipated.

The levee will provide a safer and more secure future for the people of Lismore by protecting over 600 residential and 500 commercial properties. Without it, the town would have remained vulnerable to devastation of the sort it has endured from major flood events over recent years.

■ Programme	■ Performance indicators
Natural Disaster Relief Arrangements Administrative Arrangements Order	<p><i>Effectiveness:</i> Reduction in financial burden on States and Territories for eligible disaster relief measures.</p> <p><i>Quality:</i> Stakeholder satisfaction and support of the arrangements.</p> <p><i>Cost:</i> \$65.7 million</p>

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**■ Results based on performance indicators**


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**Achieved**

Portfolio responsibility for the Natural Disaster Relief Arrangements (NDRA) was transferred from the Department of Finance and Administration under the Machinery of Government changes which occurred in December 2001.

A total of nine claims for reimbursement was paid in 2001–02, for a total of \$31.1 million, to the States and Territories in accordance with conditions outlined in the NDRA Determination. Expenditure in this area is dependent upon claims made by States and Territories as a result of natural disaster damage. There were no outstanding claims at the end of 2001–02.

The arrangements are strongly supported by recipients and stakeholders.

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**■ Programme**

Natural Disaster Risk Management  
Studies Programme  
Administrative Arrangements Order

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**■ Performance indicators**

*Effectiveness:* Increased commitment by all levels of government to the mitigation of the impact of natural disasters.

*Quality:* Stakeholder satisfaction and support of the programmes.

*Cost:* \$3 million

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**■ Results based on performance indicators**


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**Achieved**

Portfolio responsibility for the Natural Disaster Risk Management Studies Programme (NDRMSP) was transferred from the Department of Finance and Administration under the Machinery of Government changes in December 2001. The Department of Transport and Regional Services is now responsible for the NDRMSP.

In 2001–02, 167 national projects representing a Federal Government contribution of \$2.27 million were approved under the NDRMSP. All eligible proposals lodged by States and Territories were funded. This brings the total Commonwealth commitment to mitigation studies under the NDRMSP to \$6.44 million for 311 projects since the scheme was introduced in 1999–2000.

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### ■ Results based on performance indicators continued...

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All three levels of Government—Federal, State and local—increased commitment to mitigating the impact of natural disasters.

The Minister and officers of the Territories and Local Government Division have received expressions of thanks from members of local councils for the programme.

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#### ■ Programme

Local Government Incentive Programme  
Rephasing from 2000–01

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#### ■ Performance indicators

*Effectiveness:* Enhanced capacity of local governments to contribute to the achievement of national priorities.

*Quantity:* 55 projects funded.

*Cost:* \$3.3 million

*Location:* Regional, rural and remote Australia.

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### ■ Results based on performance indicators

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#### Achieved

Regional councils are encouraged under this programme to become involved in cooperative joint projects.

Eight of the 55 projects funded were completed and acquitted in 2001–02. Progress on the remaining projects is being monitored and most of them will be completed in 2002–03.

The Local Government Incentive Programme is contributing to the achievement of the national priority of cooperation between councils.

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## Key Result 4

*Territories which provide for their residents the same opportunities and responsibilities as other Australians enjoy in comparable communities*

### Performance Summary

During 2001–02 the Territories and Local Government Division of the Department continued to assist the Territories to establish and maintain effective and appropriate governance. The Territories operate in different geographical, historical and social contexts and their forms of governance reflect those differing situations. Norfolk Island, the Australian Capital Territory and the Northern Territory have self-government under Commonwealth legislation. Christmas Island and the Cocos (Keeling) Islands—known as the Indian Ocean Territories (IOTs)—are non-self-governing. Jervis Bay Territory is different again, with a Wreck Bay Aboriginal Community Council and State and local government services delivered by the Department through the regional office of the Department.

### Summary list of effectiveness indicators for key strategies, outputs and administered programmes for Key Result 4

<b>Effectiveness indicators for key strategies</b>	<b>Page</b>
• Territory residents receiving appropriate and effective governance	139
• Relevant Government services meeting acceptable standards of comparability	142
• Improved employment levels and economic activity in the non-self-governing Territories	143
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<b>OUTPUT GROUP 4</b>	
4.1 Policy Advice and Legislation, Ministerial Services	145
4.2 Services to Territory Communities	146

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**ADMINISTERED PROGRAMMES**


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| <ul style="list-style-type: none"> <li>■ Payment to the Australian Capital Territory to assist in meeting the additional costs it bears arising from Canberra's role as the National Capital</li> </ul>  | 148 |
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## Report on key strategies for Key Result 4

### Territory residents receiving appropriate and effective governance

*Key strategy: Develop effective and appropriate governance for each Territory.*

#### Norfolk Island – Substantially achieved

The Territories and Local Government Division provided policy advice on the *Norfolk Island Act 1979* and liaised with other Commonwealth Departments and agencies on the extension of Commonwealth legislation to Norfolk Island. The Division also provided administrative and policy support to the Norfolk Island Administrator.

The Division provided the Minister with advice on Norfolk Island legislation requiring the Governor-General's assent and on legislation where the Minister issues instructions to the Administrator in relation to assent. In one instance the Administrator was instructed to withhold assent on the basis that the Norfolk Island legislation was not consistent with Commonwealth policy objectives and mainland practices. The Division provided advice to the Minister to enable him to fulfil his responsibilities in relation to the Norfolk Island immigration appeal mechanism. This type of advice ensures effective governance practices in the Territories.

In addition to the policy and administrative advice provided, the Department also supports the governance infrastructure of Norfolk Island through funding and support initiatives, including the following:

- The Department provided \$75,000 to the Norfolk Island Legal Aid Fund to ensure all Norfolk Islanders have access to appropriate legal representation.
- The Department has committed to providing assistance to the Norfolk Island Government's Focus 2002 Financial Review.
- Through the Department, \$496,000 in funding was provided to the Kingston and Arthur's Vale Historic Area (KAVHA) for restoration works. In addition the Division provided the Chair to the KAVHA Management Board (Chair alternates between the Commonwealth and Norfolk Island representatives on a financial year basis).
- In cooperation with the Norfolk Island Government the Division continued to progress the Norfolk Island Crown Land Initiative. A public exhibition of the draft Norfolk Island Plan and Plans of Management for 12 reserves was completed and other land initiative prerequisites—including heritage regime implementation, building code and other land management regulations—are nearing completion. The general terms of the possible freehold offer have been announced to the rural, residential and rural residential Crown leaseholders outside of KAVHA that are subject to the land initiative.

The effect of the abovementioned activities was to bring Norfolk Island closer to the arrangements prevailing in other Australian communities.

### **Australian Capital Territory and Northern Territory – Achieved**

The Territories and Local Government Division provided advice to the Minister in relation to policy issues associated with the *Australian Capital Territory (Planning and Land Management) Act 1988*, including appointments to the National Capital Authority.

The Division administered both the *Northern Territory* and *Australian Capital Territory Self-Government Acts* and provided policy advice on governance issues related to the Australian Capital Territory Legislative Assembly and statehood for the Northern Territory.

The Division managed two administered programmes and six departmental programmes to compensate the Australian Capital Territory Government for costs incurred as a result of Canberra being the National Capital. These administered programmes are detailed in the next few pages under 'Report on administered programmes'.

### **Jervis Bay Territory—Achieved**

Community issues in the Jervis Bay Territory associated with good governance as enjoyed by other Australians continued to be addressed through the Justice Issues Group, comprising both public officials and representatives of the Wreck Bay Aboriginal Community Council and chaired by the Department. This group addresses legal issues according to the Australian Capital Territory's legal framework and results in the fair and reasonable application of the law for the Jervis Bay community.

### **Indian Ocean Territories—Achieved**

During the year under review, the Territories and Local Government Division progressed effective and appropriate governance for the IOTs. It monitored and applied Western Australian legislation, tabled lists in Parliament as required and provided explanatory material to island communities.

The Division provided advice to the Minister on:

- the repeal of a number of outdated regulations and ordinances relating to the IOTs
- the transfer of responsibility for customs and immigration functions in the IOTs to the Australian Customs Service
- amendments (introduced into Parliament on 29 May 2002) to extend the *Quarantine Act 1908* to Christmas Island
- the extension of the appointment of the Indian Ocean Territories Administrator for a further 12 months.

The effect of this activity was to align the governance of the IOTs more closely with that of comparable mainland communities.

## Relevant government services meeting acceptable standards of comparability

*Key strategy: Implement or improve government services to bring them in line with those available in comparable mainland communities and in order to meet non-self-governing Territories' community needs.*

### Achieved

Services in the IOTs (Christmas Island and the Cocos (Keeling) Islands) are being provided to the level enjoyed by comparable communities on the mainland. The two Territories are geographically and demographically quite different and this provides a challenge to deliver services to the desired level.

During the past year, State-type government services were delivered through 28 Service Delivery Arrangements (SDAs) currently in place with various Western Australian State Government agencies. Education, electricity and a host of local government and State-type services are delivered to the residents. The SDAs provide services to the Territories at levels equivalent with those available to comparable mainland communities. During 2001–02 new SDAs with the Western Australian Department of Fisheries and Department of Training were implemented, further broadening the scope of services available to the Territories. Negotiations for future SDAs were commenced with the Western Australian Department of Culture and the Arts and the Western Australian Office of Energy.

The Indian Ocean Territories State-type Grants programme provides an equivalent level of access for the Territories' residents and groups to State Government grant funding programmes as is available to Western Australia's residents and groups.

Government services were improved through:

- streamlining of the management and operation of water and waste water functions and the port on Christmas Island to bring them into line with comparable mainland communities
- the approval of a Town Planning Scheme for Christmas Island and the advancement of a Town Planning Scheme for Cocos (Keeling) Islands.



## Improved employment levels and economic activity in the non-self-governing Territories

*Key strategy: Facilitate economic and infrastructure development in the non-self-governing Territories.*

During the past year, the Non-Self-Governing Territories Branch of the Territories and Local Government Division worked vigorously to advance government initiatives that will improve economic and infrastructure development in the IOTs.

### **Economic Development Committees—Achieved**

During 2001–02 Economic Development Committees were established on Christmas Island and on the Cocos (Keeling) Islands to promote economic development and enhance business opportunities.

### **Permanent immigration reception and processing centre—Achieved**

The Government announced on 12 March 2002 that a purpose-built permanent immigration reception and processing centre would be constructed on Christmas Island. The purpose-built facility is part of the Government's management of unauthorised boat arrivals.

The successful contractors for essential infrastructure for the centre and the 160 units and 12 staff houses being built have provided local employment opportunities and sourced skilled and unskilled labour on the Island to the extent available.

### **Asia Pacific Space Centre—Partially achieved**

During 2001–02 the Territories and Local Government Division continued to work with the Asia Pacific Space Centre to facilitate the development of a space facility on Christmas Island. The facility is expected to generate 300–400 jobs in construction and up to 550 jobs in operation, including for 300 Russians on a temporary basis for launch operations. The Asia Pacific Space Centre expects the facility to be operational in 2004.

These initiatives—the Asia Pacific Space Centre, the permanent immigration reception and processing centre and the Economic Development Committees—will lead to improved employment levels and economic activity in the IOTs.

## Border control and Australia's Territories

The Indian Ocean Territories (Christmas Island and the Cocos (Keeling) Islands) and the Ashmore and Cartier Islands have been entry points to Australia for unauthorised boat arrivals. Until August 2001, illegal arrivals were temporarily accommodated on Christmas and Cocos Islands until such time as arrangements could be made to bring them to Immigration reception and processing centres on the mainland.

Following the 'Tampa situation' off Christmas Island and changes to the *Migration Act 1958* that excised the Islands from the Australian migration zone for all unauthorised arrivals, the role of these Territories is now significantly changed.

The Department has had a major role in providing accommodation and infrastructure on Christmas Island and the Cocos (Keeling) Islands for processing and detention of unauthorised boat arrivals. This included development of an interim centre at Phosphate Hill on Christmas Island and contingency accommodation at the former Quarantine Station on Cocos West Island. In March 2002, the Government announced that a permanent purpose-built immigration reception and processing centre is to be built on Christmas Island. The Department has responsibility for providing infrastructure and associated works and staff housing for the operation of the centre.

## Report on Output Group 4 for Key Result 4

■ Output	■ Performance indicators
4.1 Policy Advice and Legislation, Ministerial Services	<p><i>Quality:</i> Ministers and Ministers' Offices satisfied with the quality of policy advice and legislation development, and Department meets standards for policy advice, legislation and Ministerial services.</p> <p><i>Target:</i> 95 per cent level of satisfaction.</p>

### ■ Results based on performance indicators

#### Achieved

In 2001–02 the Ministerial Offices recorded a 98.9 per cent level of satisfaction with the various types of advice sent to them. This represents an improvement over the previous year's level of 96.7 per cent satisfaction. Because responses are recorded against Divisions it is not possible to provide specific data on a Key Result. A breakdown of these figures can be found in Part 5—Management and Accountability.

Advice was provided to the Ministers in respect of a wide range of issues covering the IOTs, Norfolk Island, the mainland Territories and the uninhabited Territories, and on matters relating to natural disaster management and local government.

The Department provided advice to the Ministers on legislative matters, including:

- the repeal of a number of outdated regulations and ordinances relating to the IOTs
- amendments to the Customs Ordinances to transfer responsibility for Customs functions in the Territories to the Australian Customs Service.

The *Christmas Island Asia Pacific Space Centre (APSC) Ordinance and Regulations 2001* were approved by the Minister and tabled in Parliament. A licence agreement between the Commonwealth and the Asia Pacific Space Centre was entered into for preliminary earthworks at South Point.

The Minister approved a new determination for Jervis Bay Territory lease payments. Detailed advice was provided to the Minister on five applications for a Ministerial review of this determination.

■ Output	■ Performance indicators
4.2 Services to Territory Communities	<p><i>Quality:</i> Department ensures that funding recipients meet terms and conditions of funding.</p> <p>Administration of programmes in accordance with legislation, Government policy, and Departmental standards.</p> <p>The extent to which equivalent mainland service standards for non-self-governing territories are achieved.</p> <p>Services to self-governing Territories in accordance with Commonwealth responsibilities, and comply with Departmental requirements.</p> <p>Revenue collected and reported upon in an effective manner in accordance with legislation and Departmental standards.</p>

#### ■ Results based on performance indicators

##### Achieved

Non-self-governing Territory communities Christmas Island and Cocos (Keeling) Islands are continuing to receive equivalent mainland services as reported in the Commonwealth Grants Commission 1999 *Report on the Indian Ocean Territories*. These State-type services are provided to the non-self-governing Territories at mainland equivalent standards.

The Department has in place 28 SDAs with various Western Australian Government agencies to provide State-type services (including regulatory services) to the IOTs. During the year new SDAs were agreed with the Western Australian Department of Training and Department of Fisheries to increase the range of services delivered to the IOTs. The Department also commenced negotiations with the Western Australian Office of Energy and Western Australian Department of Culture and the Arts for future SDAs.

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**■ Results based on performance indicators continued...**

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Recipients of State-type grants administered by the Department have met the relevant Western Australian requirements. The Department is progressing with Western Australia-equivalent schemes to facilitate private home ownership in the Territories.

The Department delivered a wide range of State and local government type services to the Jervis Bay Territory community. Those services range from health and education provision to the issuing of dog licences. The Department also provided a detailed submission to the Commonwealth Grants Commission Inquiry into service provision in the Jervis Bay Territory.

Social justice issues of concern to the Wreck Bay Aboriginal Community in the Jervis Bay Territory continued to advance through the Department's chairing and providing administrative support to the Justice Issues Group. The Group, which met quarterly, comprises both public officials and representatives of the Wreck Bay Aboriginal Community Council. Grant payments were made to the Wreck Bay Aboriginal Community Council in accordance with the Deed of Grant.

The Department was represented at Booderee National Park Board meetings and dealt with a number of key issues impacting on park management.

Departmental staff provided a high level of coordination support during the Christmas 2001 bushfire crisis in the Jervis Bay area.

On Norfolk Island services were provided in accordance with Commonwealth responsibilities and complying with Departmental requirements.

Revenue collection in the Cocos (Keeling) Islands, Christmas Island and Jervis Bay Territory was in accordance with legislation and Departmental standards.

The Department has arrangements in place with the Western Australian Department of Treasury and Finance to collect revenue from the IOTs on the Commonwealth's behalf under the applied Western Australian legislation. Revenue collected via this arrangement has been accounted for and reported on in accordance with legislation and Departmental standards.

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## Report on administered programmes for Key Result 4

■ Programme	■ Performance indicators
Payment to the Australian Capital Territory to assist in meeting the additional costs it bears arising from Canberra's role as the National Capital	<p><i>Effectiveness:</i> Address shortfalls for National Capital influences on utility services.</p> <p><i>Cost:</i> \$8.5 million</p> <p><i>Location:</i> Australian Capital Territory.</p>

### ■ Results based on performance indicators

#### Achieved

Payments of Federal Government funds totalling \$8.5 million were made fortnightly during 2001–02 to the Australian Capital Territory Government (under a longstanding agreement between the two Governments) to offset additional costs incurred in providing water and sewerage to the Australian Capital Territory arising from Canberra's role as the National Capital.

■ Programme	■ Performance indicators
Payment to the Australian Capital Territory to compensate for the effects of National Capital influence on the costs of providing municipal services	<p><i>Effectiveness:</i> Address shortfalls for National Capital influences on municipal services.</p> <p><i>Cost:</i> \$21.1 million</p> <p><i>Location:</i> Australian Capital Territory.</p>

### ■ Results based on performance indicators

#### Achieved

Payments of Federal Government funds totalling \$21.1 million were made fortnightly during 2001–02 to the Australian Capital Territory Government (under a longstanding agreement between the two Governments) to offset additional costs borne by the Australian Capital Territory in providing municipal services arising from Canberra's role as the National Capital.

## Territories Asset Management

The total book value of the Department's assets located in the Non Self-Governing Territories of Christmas Island, the Cocos (Keeling) Islands and the Jarvis Bay Territory is around \$184.4 million. Of these assets \$165.6 million are located in the Indian Ocean Territories of Christmas Island and the Cocos (Keeling) Islands. There are also administered assets on Norfolk Island with a value of \$13.4 million.

In 2000 the Territories and Regional Support Division finalised a 5-year strategic asset management plan as part of the overall Departmental asset management planning process. The planning process for the Indian Ocean Territories was based around the recommendations of the 1999 Commonwealth Grants Commission Report on the level of expenditure required to provide the Indian Ocean Territories with infrastructure that is aligned with that in comparable communities on the mainland. During 2001–02 around \$23.3 million was spent on capital works in the Indian Ocean Territories, in line with the Commonwealth Grants Commission's recommendations. It also includes expenditures on a programme of minor capital works, repairs and maintenance.

An internal review was commenced to assess the relative priority of projects recommended by the Grants Commission and asset needs that have emerged since the Grants Commission investigation. The outcome of this review will inform the asset management plans for future years.

On Norfolk Island, DOTARS made a contribution of \$0.5 million to the Kingston and Arthur's Vale Historic Area Management Board. The Board, of which DOTARS is a member, oversees the ongoing restoration of items of heritage significance in the Historic Area. An ongoing programme of restoration for Norfolk Island Government House, the residence of the Administrator, was also funded.

In line with overall Commonwealth Government Policy, the Division also commenced a programme to identify and divest assets not required to meet the Department's core function of providing State type services to the Indian Ocean Territories. Successful auctions of surplus housing were undertaken on Christmas Island and on the Cocos (Keeling) Islands. Service provision models will also be progressively reviewed to improve asset management forward planning.

### Christmas Island

A number of major projects were undertaken on Christmas Island. The Rockfall Risk Reduction Strategy was largely completed as was the construction of public

housing units in the Kampong. A major upgrading of port facilities has been commenced to better allow for the handling of increased freight flows that is resulting from developments on the island. The first stage of upgrading to the power distribution network was commenced to improve the integrity of the Island power supply. A major project to replace demountable buildings and construct an Assembly Hall at the school was also commenced. Essential restoration and repairs to Government (Buck) House were commenced to support the existing heritage protection. Management of the refurbished facility will be transferred to the Shire of Christmas Island to enable the building to be used for community purposes.

Preliminary design and pre-construction work was undertaken on projects to improve common use infrastructure on the Island, following decisions to proceed with construction of the Asia Pacific Space Centre and an Immigration Reception and Processing Centre (IRPC) on Christmas Island. Construction of extensions to the airport runway, an additional port to be utilised when Flying Fish Cove is closed during the swell season, and an upgrade of Link Road are all expected to commence in the 2002–03 financial year. In excess of \$68 million is budgeted for these projects. Contracts for the construction of housing for the first stage of the IRPC were let in April 2002 and construction was well advanced by the end of the financial year. While construction of the housing has been managed by this Department, these assets will be transferred to the Department of Immigration Multicultural and Indigenous Affairs on completion.

### **Cocos (Keeling) Islands**

Major projects on the Cocos (Keeling) Islands include power reticulation works, waste water and sewerage treatment plants for Home and West Islands and the continuation of the sea wall on West Island to protect the foreshore and residential buildings. Navigation works in the Lagoon were also undertaken to improve shipping safety.

Environmental and feasibility studies have been completed on the Rumah Baru freight and passenger facility on the Cocos (Keeling) Islands. This project will provide a safe, efficient all-weather port and offloading facility to the community. The project was considered by the Parliamentary Standing Committee on Public Works during 2001–02 and construction funding has been allocated for 2002–03.

### **Jervis Bay Territory**

A programme of minor capital works, repairs and maintenance was continued on assets in the Jervis Bay Territory.



## Indian Ocean Territories—2001–02

### Overview

The Federal Government provides funding for the delivery of a wide range of services to the Indian Ocean Territories (IOTs), including public utilities, education, health, and transport. The funding for many of these services would be the responsibility of State Government in most other areas of Australia.

In its 1999 Report on the IOTs the Commonwealth Grants Commission examined funding levels for the IOTs. It recommended both a base level of funding and annual mechanisms for determining operating funding levels, taking into account different categories of operating expenses. The Government accepted the Commission's recommendations as a way of ensuring future annual funding levels are determined in a transparent way within the budget context.

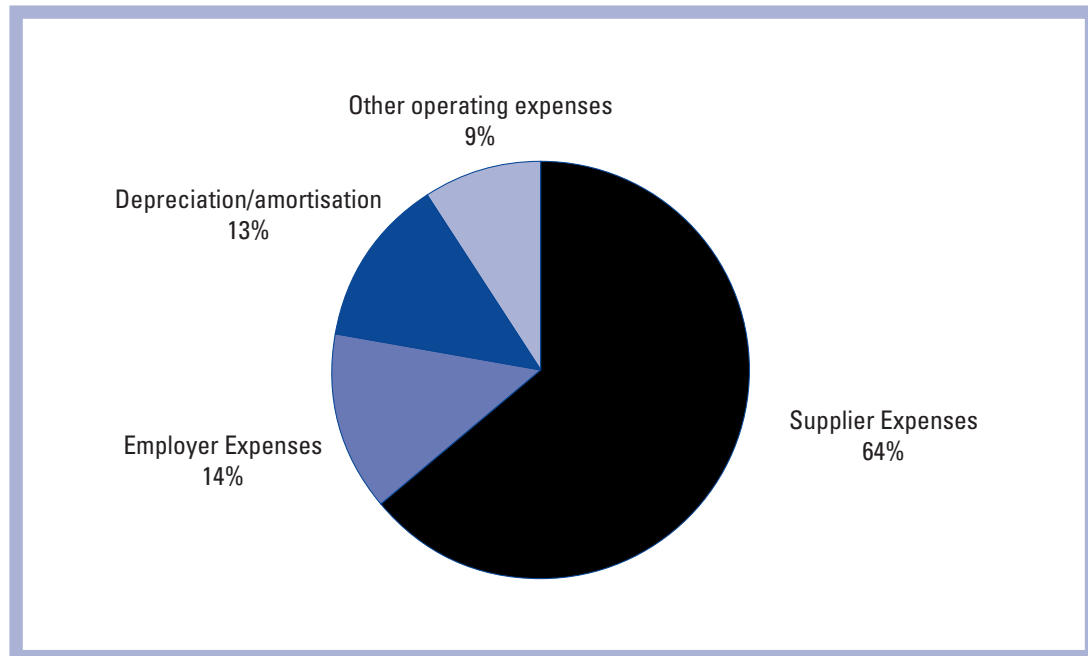
The proposed five-year capital expenditure programme of \$88.9 million, recommended by the Commission to bring infrastructure up to mainland standards was also accepted by the Government. The programme is being implemented consistent with the priorities recommended by the Commission.

### Expenditure and Revenue

In 2001–02 IOT operating expenses totalled \$61.6 million. Approximately 60 per cent of these funds were expended directly on the provision of services to the IOTs communities.

Most of the services to the IOTs are delivered through service delivery agreements (SDAs) with Western Australian State agencies. These SDAs are administered through the Department's Territories Office in Perth (TOP). In 2001–02 TOP administered expenditure of \$24.3 million on arranging and delivering services to the IOTs.

The day to day activities associated with service delivery and the provision of public utilities (eg water, electricity, sewerage) is provided by the on-Island Administrations. In 2001–02 approximately \$25.8 million was expended by the Christmas Island Administration and \$10.1 million by the Cocos Island Administration.

**Figure 5: Indian Ocean Territories Expenses**

In addition, around \$23.3 million was directed to Capital projects, the main projects being sewerage treatment works and power reticulation on Cocos Island and the rockfall risk reduction strategy and wharf and school upgrading on Christmas Island.

The IOTs raised \$10 million in revenue in 2001–02 from the sale of goods and services.

## *Part Four*

*Servicing our clients,  
stakeholders and  
the community*

- **Introduction**
- **Commonwealth Disability Strategy**
- **Access and equity reporting**
- **Client service and consultation**

# *Part Four*

## *Servicing our clients, stakeholders and the community*

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### **Introduction**

The Department serves Australia by helping the Government to achieve its policy goals in transport and regional services by facilitating a better transport system and greater recognition and opportunities for local, regional and territory communities. We provide our Ministers and Parliamentary Secretary with advice on policy options and we also provide regulatory, investigatory, safety, grant and research services and raise revenue.

In accordance with our Department-specific values, which are drawn from the broader Australian Public Service (APS) Values, we aim to capture through our consultation processes the views of stakeholders, intended beneficiaries, decision makers and other interested parties. More specifically, we seek the views of:

- those who benefit from or are affected by our activities
- departmental programme managers and programme staff, senior managers and policy areas within the Department, and Ministers and ministerial staff
- industry groups, lobby groups, and client advocacy groups; professional groups, unions and staff associations; and central public service agencies such as the Department of Finance and Administration, the Department of the Prime Minister and Cabinet and the Department of the Treasury.

Involving our stakeholders in strategy, policy and programme development, and evaluation enables the Department to provide to the Government advice that is well researched, balanced, comprehensive and impartial and reflects relevant issues.

We continually strive to improve our service to key stakeholders and monitor our performance against the standards outlined in our Client Service Charter.

## Commonwealth Disability Strategy

The Commonwealth Disability Strategy is a strategic framework for inclusion in and participation by people with disabilities in government policies, programmes and services. The Strategy is not intended to be prescriptive and was developed to give organisations the flexibility to determine the best way of meeting its requirements taking account of their varying business activities. Its focus is on achieving sustainable improvement over time.

Since we commenced the implementation of this Strategy in 2000–01, the Department has been able to build upon its commitment to contribute to the Commonwealth's desired outcome of 'fully including people with disabilities in all aspects of community life'.

In line with the Department's commitment to providing accessible information to all Australians, including people with disabilities, the Department's websites are compliant with W3C Priority 1 requirements and are '*Bobby A Approved*'. This means the Department uses the software recommended by the National Office of the Information Economy as the standard accessibility testing tool for web sites in our provision of information about what we do to our clients and stakeholders.<sup>†</sup>

Announcements of new policies and programmes, and all Departmental corporate publications, such as the Annual Report and Portfolio Budget Statements, are available on the Internet in hypertext mark up language (HTML). Where practical, no paper-based publications are released without an electronic equivalent. A sample listing of documents made available on our website [www.dotars.gov.au](http://www.dotars.gov.au) during 2001–02 follows.

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<sup>†</sup> The W3C standards are the Government's benchmark for accessibility for Commonwealth Government websites, and are primarily aimed at making web content accessible to people with disabilities. A consequence of the standards is that accessible design makes it easier for all users, regardless of technical or other operating constraints (for example, low-speed connections) to access information on the Internet.

<b>Date</b>	<b>Title</b>
11 September 2001	Annual Regulatory Plan
7 November 2001	Annual Report 2000–01
8 February 2002	Request for Expression of Interest T2002/0032— Programme Management System
14 February 2002	Portfolio Additional Estimates Statements 2001–02
18 February 2002	<i>National Road Transport Commission Act 1991</i> Review, Invitation for Public Submissions, Terms of Reference
7 March 2002	Senate Order on Government Agency Contracts
13 April 2002	Review of the Intergovernmental Agreement for Rail Operational Uniformity and the AROU— Public Submissions are now being welcomed for the Review of the IGA and AROU, Final Terms of Reference
3 May 2002	Christmas Island—Common Use Infrastructure Report
21 May 2002	AusLink—A National Land Transport Plan Background Briefing
20 June 2002	Media Release: Australia Releases Protocol for Ships Assisting People in Distress at Sea

As well as continuing our commitment to making reports and publications available electronically, in this second year of our implementation of the Strategy, Divisions have been more able to identify which particular roles outlined in the Strategy—policy adviser, regulator, provider, purchaser and employer—are relevant to the work they perform.

Each of our Divisions has described in Table 31 (appendices), its level of performance against the measures prescribed in the Strategy.

## Access and equity reporting

The Department subscribes to the seven principles of access and equity (detailed below) through its commitment to client service and by seeking input from key stakeholders represented by communities and State, Territory and local governments as part of the policy development process. Our policy development and programme administration are aligned with the *Commonwealth Charter of Public Service in a Culturally Diverse Society* and are linked with our Client Service Charter. Our services are delivered with the needs of people from diverse linguistic and cultural backgrounds in mind so all people are better enabled to participate fully in economic, social and cultural life.

The seven principles are:

- access
- equity
- communication
- responsiveness
- effectiveness
- efficiency
- accountability.

Consultation is an important factor in our working in partnership with people from urban, regional and rural Australia to achieve appropriate and effective services and equitable information provision for access by the community at large. The Department, through a number of our divisions and publications, endeavoured to respond to cultural and linguistic community needs effectively during 2001–02 through the following initiatives.

### Australian Transport Safety Bureau

The Australian Transport Safety Bureau convened a national forum on road safety for Indigenous people and chaired a meeting of the Indigenous Road Safety Working Group. The Working Group was established by the National Road Safety Strategy Panel to advise on measures for reducing Indigenous people's involvement in road trauma. A scoping study commissioned by the Bureau involved reviewing relevant research and statistics and consulting on Indigenous road safety issues.



In addition, to help fund the development, marketing and distribution of a video aimed at reducing the Indigenous road toll, the Bureau authorised a \$25,000 grant to the Western Australian Local Government Association.

## **Transport and Infrastructure Policy Division and the Bureau of Transport and Regional Economics**

To promote productive communication with our international counterparts, Transport and Infrastructure Policy Division (TIP) actively recruited and supported officers with a variety of language skills. TIP currently has skilled speakers of the Thai, Mandarin, Japanese, Russian and German languages within the Division. Cultural awareness training also forms one of the key divisional skills, with courses conducted from time to time. Officer exchanges with the Indonesian Ministry of Communications have also promoted cultural awareness at a broader departmental level.

Interpreters are employed when Ministers meet high level international delegations, or travel overseas, and TIP continues to ensure that international delegations visiting the Department have interpreters of a sufficient standard.

The Eighth Intelligent Transport Systems World Conference, held in Sydney in 2001, for which the Department was a sponsor, provided headsets for the opening ceremony and speeches, with interpretations between Chinese and Japanese and English. Descriptions of recent Bureau of Transport and Regional Economics' research publications and the forward research programme were translated into Chinese, and were provided to our Chinese counterparts at the April 2002 Joint Working Group for Transport meeting.

## **Transport Programmes**

In keeping with the aim of increasing accessibility to air transportation systems in remote locations within Australia, the Remote Air Services Subsidy (RASS) scheme subsidised air operators to provide regular air services to approximately 250 remote communities located in Queensland, the Northern Territory, South Australia and Western Australia. The service ensures that communities in remote areas of Australia have access to essential air transport services and provides for the regular deliveries of mail, including educational materials, as well as carrying general freight and passengers.

## Regional Policy

The Regional Women's Advisory Council has a key role in providing Government with advice on a range of social and economic issues from regional and rural women's perspectives. The Council provides advice focusing upon community change processes, including on the impact of Government policies on regional communities. The Council also has an Indigenous member who provides advice from an Indigenous cultural perspective.

To assist the Council's understanding of how regional communities adapt to change, the Council conducted a research project, involving one community from each State and one from the Northern Territory, between June 2000 and September 2001. The research focused on views and perspectives of regional women and examined attitudes, behaviours and skills that help communities work with change to achieve positive outcomes. The findings from all seven communities were distilled into a final report, entitled *The Success Factors*, which was launched in September 2001. The report is being widely distributed for use by both communities and Government.

The Council is actively seeking new information from women and communities that will provide evidence of the critical success factors to maximising the economic, employment and social outcomes for communities experiencing change.

## Regional Programmes

The programmes administered by the Regional Programmes Division, while not targeting particular groups of people, are open to and accessed by all communities in regional Australia. These groups include those who may not have English as a first language, especially Indigenous groups, and all efforts are made to ensure that cultural and language barriers are overcome in terms of providing access to the programmes.

An example of this is the work of the Area Consultative Committees (ACCs) which actively canvass local communities for project proposals for the Regional Assistance Programme (RAP) and the Dairy Regional Assistance Programme (DRAP). This work by the ACCs ensured that all groups had appropriate access to the DRAP and saw the RAP approve a total of over \$2.7 million to 31 projects benefiting Indigenous communities in regional Australia in the 2001–02 financial year.

During the 2001–02 financial year the majority of ACCs were provided with funds to assist in the facilitation of Indigenous employment in their region.

The majority of ACCs used these funds to employ an Indigenous employment facilitator, to establish better links with local Indigenous organisations and communities.

Other programmes that were accessed by and benefited Indigenous groups during the 2001–02 financial year were the Regional Solutions Programme and the Rural Transaction Centres (RTC) Programme. The Regional Solutions Programme funded 15 projects from Indigenous communities or which had an Indigenous focus, and the RTC Programme provided 17 Indigenous communities with business planning assistance. Through the RTC Programme funding to two Indigenous communities for the purpose of establishing RTCs in their communities was approved. Additionally one Indigenous community was successful in opening an RTC.

As a part of the More Accessible Government (MAG) initiative to improve community access to government, the Division has included representatives on the MAG Working Group from the Aboriginal and Torres Strait Islander Commission and the Office of Aboriginal and Torres Strait Islanders to ensure Indigenous access issues are addressed.

## Territories and Local Government

In addition to the above activities regularly impacting on the lives of people from different cultural and linguistic backgrounds, our policies and programmes concerning the Indian Ocean Territories (IOTs)–(Christmas Island and Cocos (Keeling) Islands) do so as well.

On Christmas Island, the primary languages are English, Mandarin and Malay, and on Cocos (Keeling) Islands, they are English and Cocos-Malay. Communication strategies have been developed to inform the residents of these Islands of new and revised policy and programme initiatives (for example, impacts of the Christmas Island immigration, reception and processing centre on the Island; and reasons for port closure during the Tampa crisis) and publicly available information on regulations. Information is communicated in all the relevant languages via various forms of media, including Government-owned radio and newspapers.

Complaint mechanisms are also in place to enable people to address issues and raise concerns. On Christmas Island, the Christmas Island Workers Union (CIWU) (which plays a social, political and industrial role on the island) or the Christmas Island Shire Council are often the first point of contact for those people with complaints. They ensure that complaint information is communicated to the Christmas Island administrators. Then, if the matter is serious enough and could

not be handled by the CIWU, Shire Council or administrators, it is forwarded to the Territory's Official Secretary. The Christmas Island administration also employs translators, although most island staff are usually trilingual. Whenever possible, issues are handled locally. Other complaints are sent to the Department's Canberra office and responded to promptly.

Social justice issues of concern to the Wreck Bay Aboriginal Community in the Jervis Bay Territory continued to advance through the Department's chairing and providing administrative support to the Justice Issues Group. The Group met quarterly during 2001–02 and comprises both public officials and representatives of the Wreck Bay Aboriginal Community Council.

## Publications

The Department strives to achieve effective client service to a diverse community through its publications, including the following.

- *The Rural Book* (now renamed the *Commonwealth Regional Information Directory*) is written for people living in regional and rural Australia to assist in raising their awareness of the broader range of programmes and services available to them. This publication contains a section, written in 11 different languages (including English), which explains what is in *The Rural Book* and describes to those people with limited English language skills the ways in which they may access the Commonwealth Government Regional Information Service and other government services.
- *Commonwealth Assistance for Local Projects* is a guide to Federal Government programmes and services that support local government programmes, community projects and regional initiatives across Australia. The book concentrates on providing selected information of particular use to community groups, rather than a broad-ranging directory of government assistance and services for individuals.
- A booklet associated with the *Commonwealth Regional Information Service* campaign includes information regarding help for migrants and services for Indigenous peoples. On the back cover of the booklet, those people with limited English language skills, or those seeking assistance in order to communicate with people with limited English language skills, are directed to contact the Department of Immigration and Multicultural and Indigenous Affairs Translating and Interpreting Service.

## Client service and consultation

### Client Service Charter

Our Client Service Charter provides an overview of the services and service standards provided by the Department. It also provides our clients with insight into their rights and responsibilities, and information on ways to have departmental decisions reviewed, provision of feedback, ways to raise complaints with the Ombudsman, contact details and ways to find more information about the Department.

The Client Service Charter will be reviewed in 2002–03 in line with the development of our new corporate plan.

A copy of the Client Service Charter is available on our web site at [www.dotars.gov.au/dept/charter.htm](http://www.dotars.gov.au/dept/charter.htm) or on written request from:

Client Service Officer  
Department of Transport and Regional Services  
GPO Box 594  
Canberra ACT 2601

The following describes how the Department has strived, in keeping with the APS and departmental values, to ensure it delivers services fairly, effectively, impartially and courteously to the Australian public and is sensitive to the diverse needs of all of the clients it serves, through feedback and consultation.

### Client information and feedback options

The Department has actively sought input from our clients and stakeholders through our many formal forums (as listed in Tables 3 and 4) and as part of all programme delivery and policy development processes. We have ensured our clients may easily access information regarding our services through:

- the availability of freecall lines and information on the Internet
- our Government policy communication strategies
- our inter-agency service agreements and memorandums of understanding
- the provision of contact details on our correspondence
- our people.

We ensured that our clients' diverse information access needs were met by providing both hard copy and electronic forms of information, and the opportunity to give feedback, compliments or complaints through:

- our Client Service Feedback freecall line—phone 1800 075 001
- our online Client Service Feedback form—  
[www.dotars.gov.au/dept/charter.htm](http://www.dotars.gov.au/dept/charter.htm)
- a detachable, postage free performance feedback form included with the hard copy Client Service Charter
- our Client Service Feedback email address—[clientservice@dotars.gov.au](mailto:clientservice@dotars.gov.au)
- our postal address (shown on the previous page).

The Department's Service Charter does not include the services or programmes delivered by the Administrations of Christmas Island, Cocos (Keeling) Islands, Norfolk Island and Jarvis Bay. The Administrators have their own charters and may be contacted at the following numbers and addresses:

Christmas Island Administration	Official Secretary or the Administrator
Deputy Administrator	Office of the Administrator
PO Box 868	Quality Row
Christmas Island WA 6798	Norfolk Island NSW 2899
Telephone: (08) 9164 7901	Telephone: (0011) 6723 22152
Fax: (08) 9164 8524	Fax: (0011) 6723 22681
Cocos (Keeling) Islands Administration	Jervis Bay Territory Administration
Deputy Administrator	Regional Director
GPO Box 93	Village Road
Cocos (Keeling) Islands	Jervis Bay NSW 2540
Indian Ocean WA 6799	Telephone: (02) 4442 1217
Telephone: (08) 9162 6615	Fax (02) 4442 1036
Fax: (08) 9162 6697	

The Department also offers a general inquiries line—phone (02) 6274 7111—and an email address, [PublicAffairs@dotars.gov.au](mailto:PublicAffairs@dotars.gov.au). There are also a number of dedicated call centres, freecall numbers and direct Internet addresses for our high demand and emergency services, including the following:

- For applications, information queries and feedback on vehicle safety standards and imports freecall 1800 815 272 or email [rvcs@dotars.gov.au](mailto:rvcs@dotars.gov.au).

- The Australian Transport Safety Bureau has a number of freecall lines
  - ~ for general inquiries freecall 1800 621 372
  - ~ for safety information freecall 1800 020 616
  - ~ for reporting of aviation, maritime or rail accidents  
freecall 1800 011 034 (open 24 hours per day)
  - ~ for confidential aviation reporting freecall 1800 020 505.
- Various Internet addresses are also available from the Bureau's web page at [www.atsb.gov.au/atsb/indxf/contact.cfm](http://www.atsb.gov.au/atsb/indxf/contact.cfm).
- For reporting of aviation security emergencies phone call (02) 6257 5777 (open 24 hours per day). Various Internet addresses are available at website [www.dotars.gov.au/avnapt/asb/asb.htm](http://www.dotars.gov.au/avnapt/asb/asb.htm).
- For information regarding the Government's services to regional Australia freecall 1800 026 222. *Commonwealth Regional Information Directory* publication is also available through 1800 026 222. Further information on these services and publications can be obtained via the website [www.regionalaustralia.gov.au](http://www.regionalaustralia.gov.au).

## Consultation with clients and stakeholders

The Department actively consulted with, and sought participation from, a wide range of organisations, groups and individuals, regarding policy formulation and the administration of our portfolio programmes during 2001–02. The insight gained through consultation and feedback assisted the Department in its provision of well balanced and informed advice to the Government.

A few examples are given below of how client feedback was sought and taken into account in the development, implementation and review of policy, and of the way we administered programmes in 2001–02 to achieve the Department's outcome:

*A better transport system for Australia; and greater recognition and opportunities for local, regional and Territory communities.*

**Table 1: Transport consultation examples**

<b>Feedback type</b>	<b>Feedback use</b>
Consultation with State and Territory road agencies and councils	<p>Consultation with State and Territory road agencies and councils is a key feature of the administration of the Commonwealth's roads programmes. Recent examples include:</p> <ul style="list-style-type: none"> <li>• changes to operational procedures for the Roads to Recovery Programme</li> <li>• suggestions provided by clients were incorporated into the revised Notes on Administration for the National Highways and Roads of Importance Programme.</li> </ul>
Aviation stakeholders addressing issues of importance in aviation and related industries	<p>The Aviation Stakeholders Conference is held twice yearly. These conferences are designed to provide a forum of information exchange for aviation stakeholders—including, but not limited to, airlines, airports, inbound tourism interests, freight forwarders, and Federal, State and local governments. The forum discusses issues of importance to international, domestic and regional aviation and related industries. It allows the opportunity for us to engage targeted clients and stakeholders that provide constructive feedback to existing policies and encourage a partnership approach to issue resolution.</p>
Consultation bringing together those involved in the export chain	<p>The Department attended and continues to attend the Australian Freight Council Network (AFCN) meetings. The AFCN comprises Executive Officers from each of the State and Territory Air and Sea Freight Export Councils. The objective of these Councils is to bring together all the players in the export chain—from growers to shippers/airlines—in order to improve the efficiency and quality of the transport and logistics chain. Involvement in this forum enables us to gauge Government policy effectiveness with a user group and to gain awareness of emerging issues.</p>



**Table 2: Regional Development consultation examples**

<b>Feedback type</b>	<b>Feedback use</b>
Locally-based Advisory Committees forge partnerships with government to identify development options for their regions	<p>Eight locally-based Advisory Committees have been established under the Sustainable Regions Programme. A number of the Advisory Committees have conducted community consultations within the regions to determine regional priorities and increase community awareness of the programme. The Department assists locally-based Advisory Communities to:</p> <ul style="list-style-type: none"> <li>• formulate and test future development options for their regions</li> <li>• identify and support specific activities to promote sustainable development</li> <li>• support community leadership in the development of local solutions</li> <li>• foster new ideas, community energy, drive and self-reliance</li> <li>• forge partnerships between the private sector and all three spheres of government.</li> </ul>
Community and business leaders develop initiatives to address challenges in their regions	<p>The New England and North West New South Wales Regional Forum was held in Tamworth on two days in September 2001. Over 150 community and business leaders attended the Forum to discuss and workshop six themes: infrastructure; communications; health and human services; education, training and employment; investment and partnerships; and community capability. Participants in the Forum developed 28 key initiatives to address the challenges identified in the six workshops. These initiatives will be taken forward under the coordination of the Northern Inland Regional Alliance.</p>

<p>The Department's communication campaign raises awareness of the Commonwealth Regional Information Service</p>	<p>Feedback from the 1999 Regional Australia Summit resulted in widespread recognition that many people in regional Australia were not aware of the services available to them.</p> <p>To address this concern, a communication campaign for the Commonwealth Regional Information Service was designed to identify ways country Australians can access useful information about the comprehensive range of programmes and services offered by the Commonwealth Government. The campaign will be launched by Minister Anderson in August 2002.</p>
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## Formal consultation forums

Detailed below is a list of formal forums in which the Department had significant involvement during 2001–02. These forums have assisted in our development, review and implementation of policy and advice to government. Like the previous list, this has been divided into two parts each addressing a core aspect of our portfolio outcome—either 'a better transport system' or 'greater recognition and opportunities for local, regional and territory communities'. The list identifies the divisions that represent the Department in these forums.

It should be noted that there are many other formal forums in which the Department participates but for which other parties have primary responsibility. Our involvement in these has further contributed to the Department's ability to enhance the quality of its advice to the Government through its provision of well researched information on issues that takes into account client and stakeholder views.

Our participation in formal forums across the board has assisted in providing the Department with the opportunity of meeting the Australian community's client and stakeholder needs to a high degree and has contributed to making our contribution to whole of government issues successful through information sharing.

**Table 3: Transport formal consultation forums**

<b>Forum</b>	<b>Description</b>
<b>Australian Transport Safety Bureau</b>	
Aerial Agricultural Association of Australia Ltd	The Aerial Agricultural Association of Australia coordinates a common approach to issues affecting aerial agricultural industry.
Australasia Traffic Policy Forum	The Australasia Traffic Policy Forum coordinates development of best practice approaches to traffic policing.
Australian Coroners' Society Inc	The Australian Coroners' Society Inc coordinates a common approach to issues affecting coroners in Australia and New Zealand.
Flag State Implementation Subcommittee of the International Maritime Organisation	This sub-committee shares international safety information (including on enhancements in techniques) and provides tutorials.
Flight Safety Forums	The Flight Safety Forums promote aviation industry safety awareness.
Flight Safety Foundation	The Flight Safety Foundation shares international safety information (including on enhancements in techniques) and provides tutorials.
Human Factors Advisory Group	The Human Factors Advisory Group shares information on human-factors activities in the Civil Aviation Safety Authority, the Australian Transport Safety Bureau, the Defence Science Technology Organisation, Airservices Australia and academia.
International Society of Air Safety Investigators	The International Society of Air Safety Investigators shares international safety information (including on enhancements in techniques) and provides tutorials.

Marine Accident Investigators' International Forum	The Marine Accident Investigators' International Forum fosters international cooperation and knowledge sharing among national marine investigators.
Motorcycle Safety Consultative Committee	The Motorcycle Safety Consultative Committee consults on motorcycle safety issues.
National Road Safety Strategy Panel	The National Road Safety Strategy Panel advises the Australian Transport Council on progress of the National Road Safety Strategy and the formulation of national action plans; shares information about best practice in road safety; and identifies emerging priorities.
Research Coordination Advisory Group	The Research Coordination Advisory Group coordinates road safety research strategies of the Commonwealth, States and Territories and advises Austroads on safety research priorities.
The Australian Research Council Key Centre for Human Factors and Applied Cognitive Psychology	The Australian Research Council Key Centre for Human Factors and applied Cognitive Psychology provides presentations on human-factors research initiatives.

#### **Aviation and Airports Policy Division**

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Aviation Stakeholders Forum	Aviation Stakeholders Forum conferences are held twice yearly—usually, one in the Australian Capital Territory and the other in a State or a different Territory. They are designed to provide a forum for aviation stakeholders, including but not limited to the airlines, airports, inbound tourism interests, freight forwarders and the Federal, State and local governments, to discuss issues of importance to international, domestic and regional aviation and related industries.
Aviation Working Group	The Aviation Working Group is a forum for Commonwealth and State/Territory aviation officials to pursue policy issues of common interest and to provide

<i>Aviation Working Group continued...</i>	advice to the Standing Committee on Transport and the Australian Transport Council.
Aviation Security Industry Consultative Group	The Aviation Security Industry Consultative Group provides a forum for Government and the aviation industry to discuss the effectiveness of the national aviation security measures and procedures in place and ensure coordination amongst those organisations responsible for implementing Australia's national aviation security programme. The group, which meets on average three times per year, comprises senior representatives of the Department, major Australian airports, major domestic airlines, the Australian Airports Association, the Board of Airline Representatives of Australia and the Regional Aviation Association of Australia. Additional members are invited on an ad hoc, as necessary basis.
International Civil Aviation Organization	The International Civil Aviation Organization discusses standards and recommended practices of accident investigation.
National Advisory Facilitation Committee (NatFAL)	Formed in accordance with Annex 9 of the Chicago Convention, NatFAL brings together airports and airlines with Commonwealth regulatory agencies, under the chair of the Department, to pursue improvements in the facilitation of passengers and freight through Australia's international airports.

#### **Economic Research and Portfolio Policy Division**

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Motor Vehicle Environment Committee	The Motor Vehicle Environment Committee was established to provide policy advice to Federal and State Governments on measures to reduce the environmental impacts of motor vehicles.
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### Transport and Infrastructure Policy Division

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Australian Bicycle Council	TIP provides the Secretariat for the Australian Bicycle Council, which is a national body—representing Commonwealth, State and Territory jurisdictions—established in June 1999 to implement ‘Australia Cycling’, a national strategy which aims to double cycling by the year 2004. Implementation of the national cycling strategy will provide social and health benefits by combating the high levels of obesity and physical inactivity in the Australian community.
Australian Freight Council Network (AFCN)	The AFCN comprises Executive Officers from each of the State and Territory Air and Sea Freight Export Councils. The objective of these Councils is to bring together all the players in the export chain—from growers to shippers/airlines—in order to improve the efficiency and quality of the transport and logistics chain. Involvement in this forum enables us to gauge government policy effectiveness with a user group and to gain awareness of emerging issues.
Australian Global Navigation Satellite System Coordination Committee	The Australian Global Navigation Satellite System Coordination Committee’s purpose is to coordinate implementation of satellite navigation systems in Australia and to provide advice to Government.
Maritime Security Working Group (MSWG)	The MSWG was established to consider security issues as they relate to the shipping, sea ports and offshore facility sectors. The MSWG acts as an industry and government forum which advises the Australian Government position on the International Maritime Organisation’s proposed raft of maritime security measures.
Standing Committee on Transport (SCOT)	SCOT is the senior coordinating body supporting the Australian Transport Council, and provides advice on a range of policy and technical matters. It is also responsible for developing the agenda for the Australian Transport Council.

SCOT Rail Group	The SCOT Rail Group is a sub-committee of SCOT—consisting of senior Federal, State and Territory rail officials—to assist, advise and support the implementation of national rail policy decisions. The SCOT Rail Group aims to work collaboratively across jurisdictions, acting as a link between Government and the rail industry, encouraging a national focus by SCOT and the Australian Transport Council on rail issues of national importance.
Supermarket to Asia Council, Transport and Logistics Working Group	The Transport and Logistics Working Group (TLWG) was established under the Supermarket to Asia initiative in recognition of the key role transport plays in ensuring food products arrive at export markets in good quality. The members of the Transport and Logistics Working Group include key industry leaders in the Transport Logistics field.
The Integrated Logistics Network	The Integrated Logistics Network was established as a means of developing a national approach to the efficient movement of goods both within Australia and for export. It consists of senior Government transport logistics officials from each State and Territory and the Commonwealth.

### **Transport Programmes Division**

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Australian Local Government Association	The Department and the Australian Local Government Association meet as needed to discuss issues such as Roads to Recovery.
Austrroads Inc	Austrroads is the association of Australian and New Zealand road transport and traffic authorities. It is responsible for researching and preparing technical standards and policy advice on a range of topics including road safety, road related costs, vehicle and road engineering standards and performance measurement. The ATSB also participates in this Forum.

Road Safety Black Spot Programme consultative panels	<p>A consultative panel has been established in each State and comprises representatives from State and local government, and independent representatives of interest groups. Each panel is chaired by a Federal Parliamentarian appointed by the Parliamentary Secretary for Transport and Regional Services.</p> <p>The role of each panel is to represent its particular constituencies and comment on all proposals for black spot funding within its State.</p>
State and Territory road authorities	<p>Forums with State and Territory road authorities address issues related to delivery of National Highway and Roads of National Importance programmes.</p>

#### **Transport Regulation Division**

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Sydney Airport Community Forum (SACF)	<p>The Federal Government established the SACF in July 1996 as part of its commitment to addressing the noise impacts from Sydney Airport in consultation with affected residents.</p> <p>SACF is the main body for consultation on the Sydney Airport Long Term Operating Plan. SACF is also an avenue for conveying information between the community and the aviation authorities on the airport's operations. The Forum includes representatives from the community, local councils, industry, and State and Federal Parliaments.</p>
Airport Environment Consultative Committees	<p>These committees are run by the airport operator, so that all stakeholders, including members of the public, can contribute to discussions on issues relating to aircraft noise.</p>



Long Term Operating Plan Implementation Monitoring Committee	<p>This Committee assists the achievement of the integrity, intent and targets of the Sydney Airport Long Term Operating Plan.</p> <p>It is chaired by Airservices Australia and the Department attends as a member. The SACF has nominated two community members to attend the meetings to convey community concerns and to report on issues at SACF meetings.</p>
Committee to Advise on Recall and Safety	<p>The Committee provides for notification and discussion of issues related to motor vehicle recalls and safety with State, Territory, industry and consumer stakeholders.</p>
Advisory Committee on the Transport of Dangerous Goods	<p>The Advisory Committee is the national forum for technical discussion and debate relating to all aspects of dangerous goods road and rail transport operations. It facilitates the development and revision of nationally uniform and internationally harmonised Australian requirements for the transport of dangerous goods.</p>
Advisory Committee to the Australian Rail Operations Unit	<p>This Committee provides advice to the Australian Rail Operations Unit on the development and implementation of the Code of Practice for the Defined Interstate Rail Network.</p>
Rail Code Management Committee	<p>This Committee provides advice on the longer-term management and future ownership of the Code of Practice for the Defined Interstate Rail Network.</p>
Accessible Transport Standards Consultative Committee	<p>This Committee provides technical advice on the draft Disability Standards for Accessible Public Transport.</p>
Technical Liaison Group	<p>The Technical Liaison Group is responsible for the development of national vehicle safety standards.</p>
Australian Motor Vehicle Certification Board	<p>The Australian Motor Vehicle Certification Board is responsible for the collection and dissemination of information from and to the States and Territories regarding vehicle certification and registration issues.</p>

**Table 4: Regional Development formal consultation forums**

<b>Forum</b>	<b>Description</b>
<b>Regional Policy Division</b>	
Regional Business Development Analysis Panel	Panel members were appointed in June 2002. The Panel members and Reference Group inaugural meeting is scheduled for July 2002. The Regional Business Development Analysis will identify drivers of growth and the range of impediments to growth in regional areas, assess the effectiveness of current Federal Government assistance and identify strategies for development and growth to achieve further improvements for business in regional Australia. The Panel is to report back to the Government with an action plan in April 2003.
Regional Women's Advisory Council	<p>The Regional Women's Advisory Council was appointed by the Minister for Transport and Regional Services in September 1999 to provide a women's perspective on regional, rural and remote issues. The terms of reference are to:</p> <ul style="list-style-type: none"> <li>• provide advice to the Federal Government through the Minister for Transport and Regional Services</li> <li>• through liaison and consultation, act as a channel for information flows between the Federal Government and regional, rural and remote communities</li> <li>• assist with input into, and implementation of, major Federal Government initiatives for regional and rural communities.</li> </ul>
Standing Committee on Regional Development (SCORD)	SCORD is the Committee of senior officers that supports the Regional Development Council. SCORD supports the Council in providing leadership to all areas of Government, industry and the community in working collaboratively to enhance regional development; and provides a forum for Commonwealth, State and Territory Governments and local government to consider and facilitate national strategic approaches to sustainable regional development.

### **Regional Programmes Division**

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Dairy Regional Assistance Programme advisory committees	The Dairy Regional Assistance Programme advisory committees seek comment on Dairy Regional Assistance Programme project proposals from key industry people and other interested parties who can provide specialist, independent advice on the project proposals.
Investment and Trade in Regional Australia Steering Group	This Steering Group provides advice on the development and implementation of the Investment and Trade in Regional Australia Package, a partnership with the Australian Local Government Association.
Prime Minister's Task Force on Newcastle	The Task Force was established by the Prime Minister advise him on matters affecting Newcastle, New South Wales. The Prime Minister has instructed the Minister for Regional Services, Territories and Local Government to seek advice from the Task Force on funding proposals.
Regional Solutions Programme Advisory Committee	This Committee considers applications for funding through the Regional Solutions Programme and makes recommendations to the Minister on grants funding.
Rural Transaction Centres Programme Advisory Committee	The RTC Programme Advisory Committee assesses project applications and makes recommendations on funding of projects to the Minister for Regional Services, Territories and Local Government.
South-West Forests Adjustment Package Advisory Committee	This Committee provides advice to the Minister for Regional Services, Territories and Local Government on the South-West Forests Adjustment Package.

Steering Committee for a forum in the New England and North-West New South Wales region (no longer operational)	The Steering Committee was set up to host a forum to discuss six themes: infrastructure; communications; health and human services; education, training and employment; investment and partnership; and community capability. Participants at the Forum developed 28 key initiatives to address the challenges identified in the six workshops. These initiatives will be taken forward under the coordination of the Northern Inland Regional Alliance.
Sustainable Regions Programme advisory committees	<p>Various forums are held in each of the eight designated regions under the Sustainable Regions Programme to plan and discuss operational aspects of the local advisory committees' work plans, to:</p> <ul style="list-style-type: none"> <li>• formulate and test future development options for the region</li> <li>• identify and support specific activities to promote sustainable development</li> <li>• support community leadership in the development of local solutions</li> <li>• foster new ideas, community energy, drive and self-reliance</li> <li>• forge partnerships between the private sector and all three spheres of government.</li> </ul>
Wide Bay Burnett Structural Adjustment Programme Advisory Committee	This Committee provides advice to the Minister for Regional Services, Territories and Local Government on the Wide Bay Burnett Structural Adjustment Programme.

#### **Territories and Local Government Division**

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Commonwealth/State Planning Officials Group	The Planning Officials Group has a broad and ongoing agenda to review planning issues of national concern.
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Development  
Assessment Forum

The Development Assessment Forum brings together the development industry, professions and governments to reform, streamline and harmonise development assessment processes without sacrificing the quality of decision making.

Local Government  
Joint Officers Group  
(LOGJOG)

LOGJOG is a high level officers' group from the State and Territory jurisdictions which supported the Local Government Ministers Conference and from which a range of task forces and working groups are drawn. From 2002 onward it will provide support to Ministers on local government matters in the newly-created Local Government and Planning Ministers' Council.

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# *Part Five*

## *M a n a g e m e n t   a n d a c c o u n t a b i l i t y*

- **Organisational governance**
- **Management framework**
- **Parliamentary and Ministerial services**
- **External scrutiny**
- **Legal issues**
- **Management of human resources**



# *Part Five*

## *Management and accountability*

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### **Organisational governance**

#### **Organisational structure**

The Department's organisational restructure was initiated in response to the Government's policy agenda needs and an external review of our corporate governance arrangements which commenced in 2000–01. The new arrangements took effect on 1 January 2002 and have improved the transparency of the Department's accountability framework and internal and external reporting functions by enabling the Department to focus on the outcome we are seeking to achieve. Refreshed horizontal linkages have been established, as have new Group Executive Teams led by our two Deputy Secretaries ensuring the Department is a high performing with clearly defined responsibilities and accountabilities.

#### **Corporate governance**

Corporate governance in DOTARS is based on the premise that good results are most likely to be delivered through good systems, structures and processes.

Our emphasis on good corporate governance ensures we strive towards achieving our Portfolio Outcomes of '*a better transport system for Australia and recognition and development opportunities for local, regional and Territory communities*', while maintaining our accountability to the taxpayer as we deliver our services and manage our organisation.

Specifically, corporate governance is a framework of interrelated mechanisms that assist us in operating efficiently and effectively with a focus on consistency and integration. Our framework facilitates the meaningful engagement of stakeholders in policy development, programme delivery, organisational decision-making and risk management.

In May 2001, the Department commissioned the National Institute of Governance (NIOG) to undertake a review of the Department's corporate governance arrangements. The objective of the review was to outline the range of governance arrangements in the Department and their effectiveness. It was also aimed at identifying areas for ongoing improvement and strategies to achieve 'better practice' corporate governance in the Department.

To complement the NIOG review, also during 2001 the Department commissioned an audit of the Department's information technology (IT) governance and engaged a consultant to assess the Department's performance management requirements and develop improved and integrated organisational performance planning and reporting over 2001–02. We also streamlined our human resource governance by adopting the Australian National Audit Office (ANAO) model of nine people management practices outlined later in Part 5 under 'Management of human resources'.

NIOG's review confirmed that the Department has a good foundation for effective corporate governance. The Department is implementing the action plan arising from the review, focusing on areas of continuous improvement including advice to staff on corporate governance, a legislation directory and a catalogue of Transport and Regional Services portfolio agencies.

The key priorities for action in 2002 include developing a whole of Department approach to:

- performance monitoring against the Department's outcomes and outputs framework
- knowledge management
- stakeholder management
- monitoring and evaluation of programmes and processes
- managing communication flows
- continuous improvement of corporate governance.

## Information technology governance

The 2001 audit of the Department's IT governance looked at the structure of relationships and processes that direct and control our IT environment in order to balance risk versus return in IT and the business processes that it supports.

The 2001 audit found that the Department could significantly improve its IT processes and reduce risk through the implementation of several key recommendations:

- The Department should establish its business enterprise architecture.
- The Department should establish an IT strategic plan.
- The Department should establish a standard IT project management methodology.
- The Department should establish an IT programme office.
- Information Services Group should restructure to achieve organisational separation between new project work and ongoing delivery and support.

All of these recommendations were implemented in the latter part of 2001 and now provide a significantly improved governance framework to support the implementation of a number of new IT initiatives and projects.

As a result of the audit an internationally accepted standard for IT governance, known as CobiT (Control Objectives for Information and Related Technology) has been adopted by the Department. The standard has been approved and adopted by the ANAO and provides guidance within the four domains of planning and organisation, acquisition and implementation, delivery and support, and monitoring.

## Corporate planning and reporting

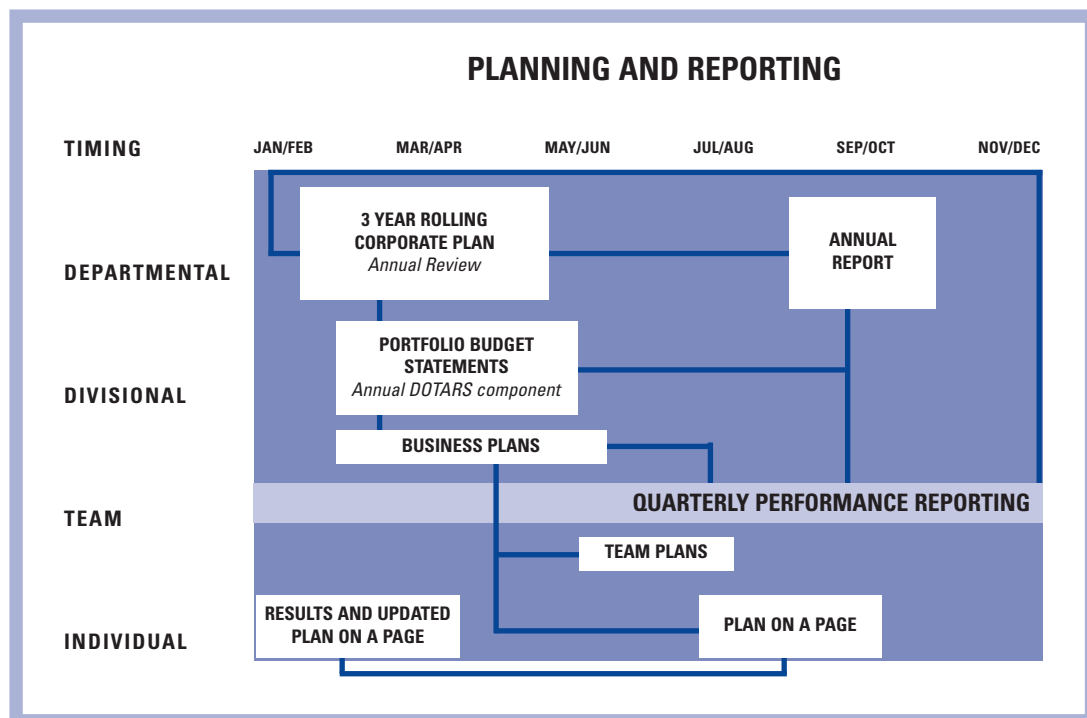
A key priority for action from the governance review was the development of a whole of Department approach to performance monitoring against our outcomes and outputs framework. Over the 2001–02 period we have focused on improving the alignment of our planning and reporting mechanisms across, and between, the individual, Divisional and Departmental levels.

The more integrated approach is based on the cascading planning and reporting model in the 2002–03 to 2003–04 Corporate Plan (Figure 6), which includes development of more robust quarterly performance reporting at Divisional and Departmental levels during 2002–03. The model includes:

- the Corporate Plan, which sets out key messages on the Department's values, roles, changing environment and its objectives as an organisation—in 2002–03, a new three-year Corporate Plan will be developed for the 2003–06 period; the current Corporate Plan is available on the Department's website at [www.dotars.gov.au/dept/corpplan/](http://www.dotars.gov.au/dept/corpplan/)
- the Portfolio Budget Statements (PBS), which identify our outputs and outcomes and their associated performance indicators, along with the budgets proposed for the portfolio
- Divisional Business Plans and the individual 'Plan on a Page' (linked to a Business Plan) that detail measurable activities under the Department's output and administered programmes as detailed in the PBS
- quarterly performance reports, which will be supported by a range of indicators to measure the achievement of external (outputs, finances and clients and stakeholders) and internal (people and business improvement) business drivers and provide the Executive with information on how the Department is performing against its PBS.

These provide guidance for our work and the results we want to achieve.

**Figure 6: Department's performance planning and reporting**



## Committees and working groups

The Department has several committees and working groups that are integral to our governance framework. These are listed below and include corporate and human resources governance groups. These committees and working groups are responsible for the decision making and consultation processes within and external to the Department.

**Table 5: Portfolio committees and working groups**

<b>Committee and membership</b>	<b>Role and responsibilities</b>	<b>Frequency and structure of meetings</b>
<p><b>Portfolio Business Meeting</b></p> <p>Minister Anderson Senior Advisers Secretary Deputy Secretaries</p>	<p>Provides a forum for the Executive of the Department to discuss issues on a regular basis with Ministers and their senior advisers.</p>	<p>Weekly whenever possible.</p> <p>Meetings with agenda but no formal papers.</p>
<p><b>Portfolio Chief Executives Forum</b></p> <p>Secretary (Chair) Chief Executive Officer (CEO) Airservices Australia CEO Civil Aviation Safety Authority CEO Australian Maritime Safety Authority CEO National Capital Authority</p>	<p>Provides a forum for CEOs of the Department's portfolio agencies to discuss issues of common interest.</p>	<p>Quarterly</p> <p>Structured meetings with agenda, papers and minutes.</p>

**Table 6: Departmental committees and working groups**

<b>Committee and membership</b>	<b>Role and responsibilities</b>	<b>Frequency of meetings</b>
<p><b>Executive Board (EB)</b>  Secretary (Chair)  Deputy Secretaries  All Division Heads  Chief Finance Officer  Assistant Secretary (AS), Parliamentary and Legal Services (Secretariat)</p>	<p>The EB is the key decision making body for the Department and supports the Secretary in his strategic responsibilities.</p>	<p>Fortnightly  Structured meetings with agenda, papers and minutes.</p>
<p><b>Departmental Executive (Group) Meetings (DEM)</b>  Secretary (Chair)  Deputy Secretaries  All Division Heads  Chief Finance Officer  AS Parliamentary and Legal Services  Special Counsel</p>	<p>The DEM provides a mechanism for regular communication and discussion of immediate issues impacting on the Department.</p>	<p>Weekly  Structured meetings with agenda and notes from all divisions.</p>
<p><b>Group Executive Teams (GETs)</b></p> <p><b>Regional GET</b>  Two Deputy Secretaries (one as Chair)  Three Regional Division Heads  Three Regional Branch Heads  Three Non-regional Branch Heads  Three Non-Senior Executive Service (SES) officers  Communications Unit representative</p> <p><b>Transport GET</b>  Two Deputy Secretaries (one as Chair)  Three Division Heads  Three Transport Branch Heads  Three Non-transport Branch Heads  Three non-SES officers  Communications Unit representative</p>	<p>The GETs have been set up to develop cross-portfolio and strategic issues, using a number of specialist working groups to address the policy issues. Each GET reports to the EB.</p>	<p>Monthly  GET working groups meet more regularly and report to the GETs on a schedule appropriate to their projects.</p>

Committee and membership	Role and responsibilities	Frequency of meetings
<p><b>Audit Committee</b></p> <p>Deputy Secretary (Chair)</p> <p>Three Division Heads</p> <ul style="list-style-type: none"> <li>• General Manager (GM), ISES</li> <li>• First Assistant Secretary (FAS), ERPP</li> <li>• FAS, Transport Programmes</li> </ul> <p>One Branch Head</p> <ul style="list-style-type: none"> <li>• AS, Regional and Statistics</li> </ul> <p>Independent External Member</p> <ul style="list-style-type: none"> <li>• Mr Paul McGrath AM</li> </ul> <p>Other Members</p> <ul style="list-style-type: none"> <li>• Secretary attends as required</li> <li>• GM Business Services attends but is not a full member</li> </ul> <p>Observers</p> <ul style="list-style-type: none"> <li>• Chief Finance Officer</li> <li>• ANAO representative</li> <li>• Director Internal Audit</li> </ul>	<p>Provides advice to the Secretary on the governance of the Department. The Audit Committee reports as required to the EB on broader issues impacting on the Department.</p>	<p>Six times a year.</p> <p>Structured meetings with agenda, papers and minutes.</p>
<p><b>Departmental Consultative Committee (DCC)</b></p> <p><i>Management representatives</i></p> <p>Secretary (Chair)</p> <p>Two Deputy Secretaries</p> <p>AS, People and Performance</p> <p>Director, Employee Services</p> <p>Elected Staff Representatives</p> <p>17 non-SES staff members each representing a division</p> <p><i>Union representatives</i></p> <ul style="list-style-type: none"> <li>• Two Community and Public Sector Union (CPSU) representatives</li> <li>• One Media, Entertainment and Arts Alliance representative</li> </ul>	<p>The DCC is the Department's peak consultative body and provides a forum to present issues of staff concern to management and to oversight the development of the Certified Agreement. There is no direct link to EB. The Secretary reports to the EB on issues as required.</p>	<p>Every six to eight weeks.</p> <p>Structured meetings with agenda, papers and minutes.</p>

Committee and membership	Role and responsibilities	Frequency of meetings
<p><b>People Management Committee (PMC)</b></p> <p>Deputy Secretary (Chair)</p> <p>Two Division Heads</p> <ul style="list-style-type: none"> <li>• FAS, ERPP</li> <li>• GM, Business Services</li> </ul> <p>Three Branch Heads</p> <ul style="list-style-type: none"> <li>• AS, Strategic Transport Planning</li> <li>• AS, Aviation Security Policy</li> <li>• AS, People and Performance</li> </ul> <p>Four non-SES staff members</p>	<p>The PMC provides strategic advice to the People and Performance Branch who then present relevant issues to EB on people management issues.</p>	<p>Monthly</p> <p>An agenda is developed but meetings are informal. Papers are tabled as required.</p>
<p><b>Graduate Development Committee (GDC)</b></p> <p>One Division Head</p> <ul style="list-style-type: none"> <li>• FAS, Territories and Local Government</li> </ul> <p>Seven Branch Heads</p> <ul style="list-style-type: none"> <li>• AS, People and Performance</li> <li>• AS, Regional Policy Development</li> <li>• AS, Stronger Regions</li> <li>• AS, Strategic Transport Planning</li> <li>• AS, Australian Transport Safety Bureau</li> <li>• AS, Non-self-governing Territories</li> <li>• AS, Regional Programmes Reform Task Force</li> </ul> <p>Graduate Coordinator (non-SES staff member of the People and Performance Branch)</p>	<p>The GDC has responsibility for the effective management of the Graduate Programme and for its continuous improvement. GDC reports to EB on critical issues.</p>	<p>Every four weeks.</p> <p>An agenda is developed but meetings are informal. Papers are tabled as required.</p>



Committee and membership	Role and responsibilities	Frequency of meetings
<p><b>Health and Safety Committee</b></p> <p>One Division Head</p> <ul style="list-style-type: none"> <li>• GM, Business Services</li> </ul> <p>One Branch Head rotated Director, Employee Services</p> <p>A non-SES representative from each division</p> <p>Two CPSU representatives</p> <p>One APESMA representative</p>	<p>Provides advice on the implementation of the Department's OH&amp;S Strategy and addresses health and safety issues at an organisational level.</p>	<p>Quarterly</p> <p>Structured meetings with agenda, papers and minutes.</p>
<p><b>Workplace Diversity Committee</b></p> <p>One Division Head (Senior Sponsor and Chair)</p> <ul style="list-style-type: none"> <li>• GM, ISES</li> </ul> <p>Workplace Diversity Coordinator</p> <p>Non-SES representatives from each division</p>	<p>The Workplace Diversity Committee develops, implements and reviews the Department's Workplace Diversity Strategy.</p>	<p>Approximately four to five times a year.</p>
<p><b>Workplace Harassment Contact Officer Network</b></p> <p>Workplace Diversity Coordinator (Chair)</p> <p>Non-SES representatives from each division</p>	<p>The harassment contact officers work with staff to address harassment issues and alleged incidents.</p> <p>Some of the representatives also belong to the Workplace Diversity Committee.</p>	<p>Approximately four to five times a year.</p> <p>An agenda is developed but meetings are informal.</p>

Committee and membership	Role and responsibilities	Frequency of meetings
<p><b>Divisional Business Managers' Forum</b></p> <p>Business Manager for Business Services (Chair)—the Chair of the group reports on outcomes of the meetings to the GM Business Services</p> <p>All Divisional Business Managers</p> <p>Departmental Continuity Managers</p>	<p>Provides a forum for Business Managers to meet with the Business Services Business Manager and Continuity Managers to discuss issues relating to the delivery of business services in the Department.</p> <p>Decisions are taken by the GM Business Services who reports on issues as required to EB.</p>	<p>Monthly</p> <p>An agenda is developed but the meetings are informal. Papers are tabled as required.</p>
<p><b>Departmental Security Committee</b></p> <p>GM, Business Services (Chair)</p> <p>GM, ISES (IT Security Adviser)</p> <p>One Division Head</p> <p>Agency Security Adviser</p> <p>Departmental Security Staff</p> <p>Four non-SES staff members from the divisions</p>	<p>Provides a forum for discussing departmental security issues.</p> <p>Implements measures arising from external reviews and EB decisions.</p>	<p>Quarterly</p> <p>An agenda is developed but meetings are informal.</p>

## Management framework

### Values

As a Federal Government Department, the Department is governed by the *Public Service Act 1999*, which allows us a good degree of flexibility to manage our organisation both strategically and on a day to day operations basis. The Department has embraced the Australian Public Service (APS) Values and Code of Conduct and takes particular pride in our people orientation. Based on the broader APS values, the Department has developed the following Department-specific values which provide a good corporate governance framework for our people to conduct business in, both within our Department and with our external clients. We are:

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

In our activities relating to audit processes, parliamentary services and legal action we have been honest, professional and accountable in our transactions with our clients and stakeholders.

### Risk management

To manage risk, the Department has established an overarching risk management plan and promoted a risk management culture. Business planning processes require each division to address risk management as an inherent part of its planning regime. In addition, a series of risk management workshops and seminars were run updating staff on appropriate risk management practices.

### Fraud control

The current fraud risk plan is available to staff via the Department's Intranet. In light of the recent release of the updated fraud control guidelines the Department will be updating its Fraud Control Plan in 2002–03.

## Internal audit

Internal audit services are largely provided by one consultant. Matters selected for internal audit are based on risk analysis, which includes the size and nature of the functional area; the inherent risk in the operations; the period since the last audit; and the results of prior reviews. In 2002–03 the Department will be reviewing its contract for the provision of internal audit and risk management arrangements.

### Australian National Audit Office activity in the Department

During 2001–02 the following ANAO audit reports were tabled in Parliament. These reports included recommendations relevant specifically to the operations of the Department or general advice for Departmental agencies more broadly.

*Audit Report No. 1—Control Structures as part of the Audits of the Financial Statements of Major Commonwealth Entities for the Year Ended 20 June 2000*

This was a cross-agency audit that included the Department. The report summarises issues relating to internal control structures financial systems, control and processes arising from the interim phase of the financial statement audits of major Commonwealth entities for 2000–01. The Department has taken action to address issues raised and priority has been given to ensuring all matters are cleared.

*Audit Report No. 5—Parliamentarians' Entitlements: 1999–2000*

This was a cross-agency audit that included the Department. The ANAO made 28 recommendations aimed at strengthening the stewardship of public money, improving the services provided to parliamentarians and enhancing public disclosure within the current parliamentary entitlements system. The Department has made changes to improve the administration of parliamentary entitlements.

*Audit Report No. 29—Audits of the Financial Statements of Commonwealth Entities for the Period Ended 30 June 2001*

This was a cross-agency audit and summarised the final results of the audits of the financial statements of Commonwealth entities, forming the second report this year on financial statement audits for the period ended 30 June 2001. It complements Audit Report No.1, discussed above.

*Audit Report No. 33—Senate Order of 20 June 2001 to February 2002*

This was a cross-agency audit. The Department is implementing changes to improve compliance with the Senate Order over time, given the degree of complexity in the arrangements and processes necessary to meet the requirements.

The Senate Order of 20 June 2001 required all FMA agencies to list contracts over \$100,000 on the Internet. FMA agencies were to indicate, amongst other things, whether each contract contained provisions requiring the parties to maintain the confidentiality of any of its provisions, or whether any provisions of the contract were regarded by the parties as confidential. The Senate Order also requested the ANAO to conduct an examination of a number of such contracts, and indicate whether any inappropriate use of confidentiality provisions was detected in that examination.

*Audit Report No. 34—Management of Travel—Use of Taxis*

This was a cross-agency audit. The report made a couple of recommendations to enhance and strengthen control and develop and document comprehensive policies and procedures for official travel and the use of Cabcharge vouchers. The Department regularly reviews travel administration and procedures and will ensure the report's recommendations are taken into account in its reviews.

*Audit Report No. 45—Recordkeeping*

An Assurance and Control Assessment audit of recordkeeping was undertaken across four Commonwealth organisations to assess whether their recordkeeping policies, systems and processes accord with requirements under the *Archives Act 1983*, with relevant Government policies, and with accepted standards and recordkeeping principles; and to identify better practices and recommend improvements. The audit addressed both electronic and traditional records.

The Department will take into account the best practice advice contained in the report.

*Audit Report No. 48—Regional Assistance Programme, Department of Transport and Regional Services*

This was a cross-agency audit. The Regional Assistance Programme (RAP) is located in the Department, and the ANAO made six recommendations that the Department agreed to implement.

The audit examined the administrative processes that the Department has in place to support the administration of RAP. The objective of the audit was to determine whether funding was being allocated in accordance with the RAP policy guidelines and whether the Department was managing RAP contracts to ensure that desired outcomes were achieved.

The ANAO concluded that the Department's administration of RAP was generally efficient and effective. The Department has a sound governance framework and has made appropriate changes to the management of the programme during the last three years to promote a higher level of accountability. Funding for the RAP community-based projects was allocated in accordance with policy guidelines.

There was a balanced distribution of funds to remote, regional and metropolitan areas.

*Audit Report No. 61—Managing People for Business Outcomes  
Benchmarking Study*

This was a cross-agency audit. A benchmarking study across 14 agencies examined how line managers plan for and manage their staff and how the human resource function supports them to do that. People management was categorised into nine practice areas, to enable comparisons between the participating agencies. The study also assessed each people management practice area against four criteria: quality, human resource integration, effectiveness and efficiency, and business contribution. The Department has noted the findings of the audit and will take into account its suggestions in future human resources strategy and initiative developments.

*Audit Report No. 66—Aviation Safety Compliance Follow-up Audit Civil Aviation Safety Authority*

The audit followed up the ANAO's original audit report into the aviation safety regulatory activities of the Civil Aviation Safety Authority (CASA) (Audit Report No.19 1999–2000, *Aviation Safety Compliance*). The objectives of the follow-up audit were to determine, in respect of issues addressed by the original audit recommendations, whether CASA had made satisfactory progress to improve its aviation safety surveillance and compliance activities; and whether the introduction of new strategies for further improvement was being appropriately managed.

The audit found that overall CASA had improved its management of aviation safety compliance since the 1999 audit, particularly in areas such as the identification of risks at the operator level; the frequency and coverage of surveillance; and enforcement of the Act.

## Purchasing

The Department's purchasing practices and procedures are consistent with the *Commonwealth Procurement Guidelines and Best Practice Guidance*, and are pragmatic to help achieve programme objectives efficiently.

Best practice contracting and procurement guidance and advice is provided to divisions by the Contracts and Purchasing Advisory Group, which is located within the Legal and Coordination Branch.

General purchasing is fully devolved to divisions, and acquisitions and expenditure are monitored at the divisional level to ensure programme objectives

are met. The Department encourages the participation of small to medium Australian and New Zealand enterprises in its purchasing activities.

In December 1997 it became mandatory for Commonwealth Government Departments and Agencies subject to the *Financial Management and Accountability Act 1997* to source at least 10 per cent of their purchases from small to medium enterprises. At the conclusion of 2000–01 the Department has achieved 41.6 per cent participation rate. These figures were provided by the Department of Finance and Administration in mid 2002.

### **Competitive tendering and contracting (CTC)**

Requests for Tender for the provision of Property, Accommodation and Security Services; Office Services; and HR and Finance Services were released during 2001–02. All were select, or restricted, tenders.

The Secretary decided to retain the provision of Legal Services in-house, and to enter into negotiations with KFPW Pty Ltd for the provision of Property, Accommodation and Security Services to the Department. A final decision on HR and Finance had not been reached as at 30 June 2002.

## **Parliamentary and Ministerial services**

A core element of the business of the Department is providing policy advice to the Government. As a result resources are used to provide Ministerial services to the Minister for Transport and Regional Services, the Minister for Regional Services, Territories and Local Government, and the Parliamentary Secretary to the Minister for Transport and Regional Services. In addition to the provision of policy advice, parliamentary services are also undertaken, including drafting responses to correspondence, drafting or responding to parliamentary questions, attending committee hearings, preparing speeches and presentations, and providing corporate support.

Performance indicators in the PBS require that Ministers and Ministers' Offices be satisfied with the quality of Ministerial services, policy advice and legislation development.

The PBS target stipulates a 95 per cent level of satisfaction. In 2001–02 the Ministerial Offices recorded a 98.9 per cent level of satisfaction with the various types of advice sent to them. This represents an improvement over the previous year's level of 96.7 per cent satisfaction. A breakdown of these figures can be found in the following Tables.

**Table 7: Ministerial service performance assessment statistics, 1 July 2001 – 31 December 2001**

<b>Division</b>	<b>Satisfactory</b>	<b>Unsatisfactory</b>	<b>Not indicated</b>	<b>Total</b>	<b>Unsatisfactory (per cent)</b>
Airports	290	3	71	364	1.03
Australian Transport Safety Bureau	292	3	39	334	1.03
Aviation	293	4	65	362	1.37
Economic Research and Environment	35	-	2	37	0.00
Land Transport	586	16	86	688	2.73
National Capital Authority	61	-	3	64	0.00
Regional Services, Development and Local Government	602	5	93	700	0.83
Territories and Regional Support	223	1	19	243	0.45
Cross-modal and Maritime	87	1	13	101	1.15
Executive Services Group	68	1	13	82	1.47
Business Group	22	-	1	23	0.00
<b>Total</b>	<b>2559</b>	<b>34</b>	<b>405</b>	<b>2998</b>	<b>1.32</b>



**Table 8: Ministerial service performance assessment statistics following departmental restructure, 1 January 2002 – 30 June 2002**

<b>Division</b>	<b>Satisfactory</b>	<b>Unsatisfactory</b>	<b>Not indicated</b>	<b>Total</b>	<b>Unsatisfactory (per cent)</b>
Executive	13	-	3	16	0.00
Aviation and Airport Policy	380	7	122	509	1.84
Transport Programmes	444	4	130	578	0.90
Information Services and Executive Services	27	-	2	29	0.00
Regional Policy	90	-	9	99	0.00
Transport Regulation	262	-	40	302	0.00
Regional Programmes	361	2	82	445	0.55
Territories and Local Government	286	1	57	344	0.35
Business Services Division	27	-	5	32	0.00
Transport and Infrastructure Policy	150	2	22	174	1.33
Economic Research and Portfolio Policy	50	-	11	61	0.00
<b>Total</b>	<b>2090</b>	<b>16</b>	<b>483</b>	<b>2589</b>	<b>0.76</b>
<b>Departmental total for year</b>	<b>4649</b>	<b>50</b>	<b>888</b>	<b>5587</b>	<b>1.08</b>

Other activities:

- In 2001–02 the Department processed 8,059 pieces of Ministerial correspondence, prepared 213 draft responses to Parliamentary Questions on notice and answered 330 questions placed on notice during the Senate Estimates Committee hearings. A further 1,814 policy briefs and 188 meeting briefs and draft speeches were provided to the Ministers and Parliamentary Secretary in the course of the year.
- Departmental officers attended various Parliamentary Committee hearings and several Senate Estimates Committee hearings. Officers represented the Ministers in a manner consistent with Government Guidelines on the Attendance of Public Servants before Parliamentary Committees.
- The Department provided administrative services to the Ministers' Offices including general purchasing support and the provision of four Departmental liaison officers (working full-time in the Ministers' and Parliamentary Secretary's offices).
- The Department administered 122 statutes in accordance with the guidelines set out in the Department of the Prime Minister and Cabinet's Legislation Handbook.
- Divisions prepared nine Cabinet Submissions in accordance with the Cabinet timetable and guidelines set out in Prime Minister and Cabinet's Cabinet Handbook.
- The Department provided formal comments on 144 Cabinet submissions from other Departments.

## Reports tabled by parliamentary committees on matters relating to the Department

The following reports were tabled during 2001–02 by the Joint Standing Committee on National Capital and External Territories:

- *In the Pink or in the Red? Health Services on Norfolk Island*
- *Risky Business: Inquiry into the tender process followed in the sale of the Christmas Island Casino.*

## External scrutiny

### Freedom of information

Section 8 of the *Freedom of Information Act 1982* (the *FOI Act*) requires Commonwealth Government agencies to make available information about their organisation, functions and operations, and about rules and practices used in making decisions that affect members of the public.

### How to get information

Under Section 15 of the *FOI Act*, any person is entitled to apply for access to documents that fall within its scope. If you need further information or wish to lodge a formal request for information under the *FOI Act*, please contact:

Freedom of Information Coordinator  
Department of Transport and Regional Services  
GPO Box 594  
Canberra ACT 2601

Telephone: (02) 6274 7844  
Fax: (02) 6274 6775  
Email: [foi@dotars.gov.au](mailto:foi@dotars.gov.au)

A request under the *FOI Act* must be in writing (email is acceptable), accompanied by a \$30 application fee, and stating an address in Australia to which notices under the *FOI Act* can be sent. In certain instances the fee is not required or can be remitted. For a quick response, provide as much information as possible about the document(s) you are seeking. It is advisable to include a telephone number in case clarification of your request is necessary.

For the purposes of the *FOI Act*, the records of the Australian Transport Safety Bureau, the Bureau of Transport and Regional Economics and the administrations of Jervis Bay Territory, Christmas Island, the Cocos (Keeling) Islands and Norfolk Island are records of the Department.

**Table 9: Freedom of information statistics, 2001–02**

<b>Requests received</b>	<b>No.</b>
On hand at 1 July 2001	15
Received 1 July 2001 – 30 June 2002	83
<b>Response time (days)</b>	
0–30	14
31–60	31
61–90	6
91+	2
Withdrawn	25
On hand at 30 June 2002	20

## Comments by the Ombudsman

During 2001–02 the Ombudsman received 40 complaints concerning the Department's actions. Of those, 36 complaints were addressed during the year with 48 separate issues identified. The Ombudsman's Office exercised its discretion not to investigate in 62.5 per cent of issues. Of the 18 issues investigated, the Ombudsman's Office found an arguable agency defect in four cases. There were no formal reports to the Minister under the provisions of the *Ombudsman Act 1976*.

The Department received no complaints under the *Privacy Act 1988* in 2001–02.

## Legal issues

### Legislation directory

In March 2002 the Department presented the Minister for Transport and Regional Services with the first edition of the *DOTARS Legislation Directory*. The Directory was compiled during 2001–02 and serves as a valuable reference document, providing a short synopsis of each Act as it is listed in the Administrative Arrangements Order for the Transport and Regional Services Portfolio.

The Directory provides our Minister with an overview of legislation and its intended purpose, his roles and responsibilities as Minister, details of any reporting requirements and a list of associated regulations, determinations and orders.

It is an important part of the Department's corporate governance documentation and is a 'living' document for this reason. It will be continually updated as legislation is added, amended or repealed in the Parliament.

A designated division and contact officer have been listed for each piece of legislation and it is their responsibility to:

- be the Department's first point of contact for the legislation
- respond to all questions relating to the legislation
- ensure the Department implements all roles and responsibilities concerning the legislation
- ensure all appropriate provisions of the legislation are observed
- make arrangements for amendments to the legislation.

The Department's Legislation Liaison Officer can be contacted on (02) 6274 7843.

## Significant legal action

*Marra v. the Department of Transport and Regional Services*

In June 2002 Deputy President Hotop of the Administrative Appeals Tribunal held that the Administrator of Vehicle Safety Standards has power under the *Motor Vehicle Standards Act 1989* to retrospectively approve the importation of a vehicle which has already arrived in Australia. The Commonwealth is seeking a Federal Court declaration that the Act does not provide such a power.

## Management of human resources

### Staffing overview

The Department employed 970 staff as at 30 June 2002. This was an increase of 109 from the previous year's total. Since 2000–01 there has been an increase in personnel numbers across most levels, with the APS 1–4 group, including graduate recruits, rising by 19 and the APS 5–6 group by 36. The Executive Level

(EL1–2) group has seen the largest movement, with an increase of 56. The only group to show a decline in numbers has been the SES, which decreased by four. Table 10 provides a breakdown of employees into ongoing and non-ongoing, full-time and part-time, and male and female.

There were 61 non-ongoing employees as at 30 June 2002, a decrease of 13 from the previous year. Representation of women in the Department increased from 45.64 per cent in 2000–01 to 46.49 per cent in 2001–02.

**Table 10: Ongoing and non-ongoing full-time and part-time employees (not including inoperative or Indian Ocean Territories staff), by gender**

Gender	Ongoing full-time		Ongoing part-time		Non-ongoing full-time		Non-ongoing part-time		Total	
	2000–01	2001–02	2000–01	2001–02	2000–01	2001–02	2000–01	2001–02	2000–01	2001–02
Male	427	488	14	11	25	18	2	2	468	519
Female	321	369	25	41	41	33	6	8	393	451
<b>Total</b>	<b>748</b>	<b>857</b>	<b>39</b>	<b>52</b>	<b>66</b>	<b>51</b>	<b>8</b>	<b>10</b>	<b>861</b>	<b>970</b>

The turnover rate for ongoing employees was 11.27 per cent, significantly lower than the previous year's figure of 15.6 per cent.

## Machinery of government changes

As a consequence of machinery of government changes 80 staff were transferred to the Department in December 2001. Of these, 77 were transferred from the Department of Employment and Workplace Relations and three from the Department of Finance and Administration. This resulted in an increase of 23 staff in the central office and 57 in regional offices. The majority of these staff are employed in the Regional Programmes Division.

The majority (886) of the Department's staff (excluding IOTs) are located in Canberra with the remaining (84) located in all States and Territories.

**Table 11: Employees by classification level and location, in 2000–01 and 2001–02**

Location	APS 1–4		APS 5–6		EL 1		EL 2		SES*/SEC		HPO*		TOTAL	
	2000–01	2001–02	2000–01	2001–02	2000–01	2001–02	2000–01	2001–02	2000–01	2001–02	2000–01	2001–02	2000–01	2001–02
ACT	192	201	246	249	176	224	168	168	48	44	-	-	830	886
NSW	-	7	2	10	-	1	2	1	-	-	-	-	4	19
NT	-	-	-	-	-	1	-	-	-	-	-	1	0	2
Pacific Ocean Territories	-	-	-	-	-	1	-	-	-	-	-	1	0	2
Qld	1	2	2	9	2	4	5	4	-	-	-	-	10	19
SA	-	1	1	4	1	2	-	1	-	-	-	-	2	8
Tas	-	-	-	2	-	-	-	-	-	-	-	-	0	2
Vic	-	2	1	9	1	2	-	-	-	-	-	-	2	13
WA	4	3	2	7	5	6	2	3	-	-	-	-	13	19
<b>TOTAL</b>	<b>197</b>	<b>216</b>	<b>254</b>	<b>290</b>	<b>185</b>	<b>241</b>	<b>177</b>	<b>177</b>	<b>48</b>	<b>44</b>	<b>-</b>	<b>2</b>	<b>861</b>	<b>970</b>

Note: \* Holder of Public Office

The Department's staff are employed under the *Public Service Act 1999*. Indian Ocean Territories (IOTs) staff are employed under either the *Christmas Island Administrative Ordinance 1968* or the *Cocos (Keeling) Islands Administrative Ordinance 1975* (with the exception of seven staff who are employed under the *Public Service Act 1999*). Staffing details for the IOTs are provided in Table 12 and Table 13 below. The number of IOTs staff has fallen by eight in the past year.

**Table 12: IOT staff – ongoing and non-ongoing, full-time and part-time employees (not including inoperatives), by gender, 2001–02**

Gender	Ongoing full-time	Ongoing part-time	Non-ongoing full-time	Non-ongoing part-time	HPO*	Casual	Total
Male	50	-	6	2	1	1	60
Female	33	6	14	6	-	4	63
<b>Total</b>	<b>83</b>	<b>6</b>	<b>20</b>	<b>8</b>	<b>1</b>	<b>5</b>	<b>123</b>

Note: Does not include inoperative staff.

**Table 13: IOT staff – employees by classification group and location, 2000–01 and 2001–02**

Location	APS 1–4 and equivalents		APS5–6 and equivalents		EL 1 and equivalents		EL 2 and equivalents		HPO		Medical officers (SES equivalent)		Total	
	2000 –01	2001 –02	2000 –01	2001 –02	2000 –01	2001 –02	2000 –01	2001 –02	2000 –01	2001 –02	2000 –01	2001 –02	2000 –01	2001 –02
IOT	87	83	16	20	4	5	9	3	1	1	-	4	117	116
WA	1	1	1	1	-	-	2	-	-	-	-	-	4	2
<b>TOTAL</b>	<b>88</b>	<b>84</b>	<b>17</b>	<b>21</b>	<b>4</b>	<b>5</b>	<b>11</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>4</b>	<b>121</b>	<b>118</b>

Note: Does not include casual or inoperative staff.

Note: Equivalents include: auxiliary, trade, domestic, technical and professional staff such as cleaners, laundry personnel, hospital cook, gardeners, marine workers, mechanics, technicians, electricians, stores manager, nurses, dentist, medical assistant, office workers, Harbour Master, Power Station Manager.

## People management philosophy

There are three distinct themes that characterise the Department's people management philosophy, and underpin our values, systems and relationships. These are:

- our strong belief in our people and in our values
- our commitment to the development of our people
- our focus on individual performance.

Like the APS, the Department has been steadily moving away from a prescriptive approach to managing people towards a more values-based approach. This approach enables line managers to better manage their staff and empowers employees to take responsibility for their personal management.

## Human resources outcome

As a knowledge-based organisation, this Department relies heavily on the competencies and skills of its people. The manner in which we attract, retain and manage our people, plus the obligations we impose on them, are fundamental to our success as an organisation. For the Department to be successful, its people management outcome is focused on achieving:

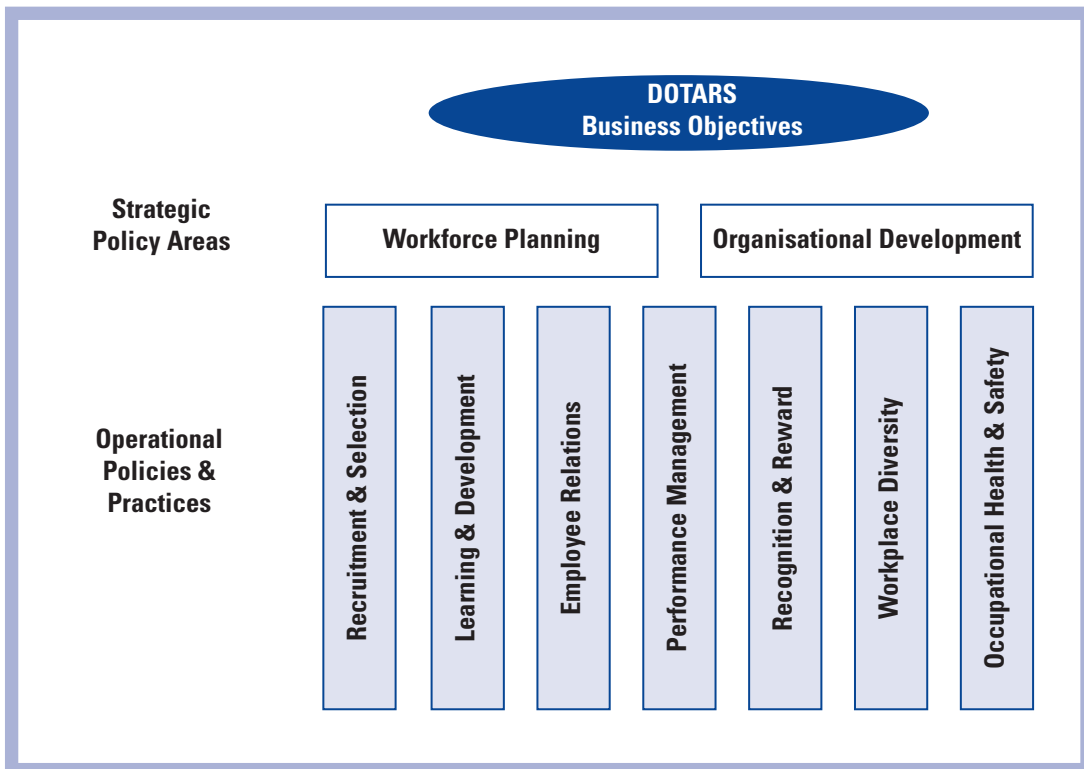
A committed, capable and productive workforce that enables the Department to achieve its outcomes.



## People management approach

The Department has adopted the ANAO model of nine people management practices in an effort to better align the Department’s people management effort and reporting. These practices are shown in the figure below.

**Figure 7: People management practices**



### Strategic policy areas

#### Workforce planning (profile)

Workforce planning is a continuous process of shaping the workforce to ensure it is capable of meeting organisational objectives both in the present and in the future. As a department delivering a range of unique outputs, workforce planning is focused on supporting the individual work unit’s needs, as part of their overall business planning. Workforce planning also looks at common workforce issues across the Department, informing the Department’s approach to recruitment and selection, learning and development and the mobility of people.

### Organisational development (informal arrangements, values, culture, behaviour)

‘Organisational development’ is a term applied to a wide range of strategies used by management to change the organisation climate and ‘style’ in which people work together, in order to improve organisational effectiveness. Our organisational development interventions have focused on how people work together, structural arrangements and work practices, cultural change, leadership and organisational learning including knowledge management.

As the Department embraces a values-based approach to managing our people we incorporate and encourage workplace behaviours consistent with the APS and departmental values. We have sought to clarify what these behaviours are and incorporate them into our performance assessments and recognition and reward criteria. This has resulted in changes to our individual performance management, recruitment and selection, learning and development and work practices.

## Operational policy and practices

### Mobility programme

Throughout 2001–02, the Department ran a mobility programme that provided opportunity for ongoing employees to express interest in and be considered for employment opportunities either at their existing levels or temporarily at higher levels.

Through the new Certified Agreement, the mobility programme requires that employment opportunities longer than six weeks generally be first advertised within the Department. An assessment of employees expressing interest in such opportunities is required before other action to fill can occur. If no suitable candidates are found through this internal process, external filling action may occur. A key feature of this new process is the provision of feedback to those who expressed interest, in order that employees can work to build skills required for future opportunities.

### Retention/separation issues

The level of staff separation in the Department fell during 2001–02, from 15.6 per cent last year to 11.27 per cent.

## Learning and development

The Department's learning and development philosophy espouses a clear commitment to the development of staff, reflected in a commitment to learning and development, a comprehensive Studybank scheme and an ongoing commitment to maintaining our Investor In People accreditation.

The *Secretary's Statement of Future Skills Requirements*, launched in April 2001, established the basis for skill development in the Department over the next three years. The statement lists a series of work practice and work culture skills that are regarded by both staff and managers as the core skills set required to be an effective officer of the Department.

## Leading in DOTARS

'Leading in DOTARS' is the foundation programme for the Department's leadership initiatives. The workshops maximise the capacity of staff to lead at all levels and focus on behaviours the Department would like to foster to achieve its desired results.

Workshops commenced in June 2001, with 411 staff completing the programme by the end of June 2002.

The Leading in DOTARS programme provides participants with the opportunity to develop and extend their leadership capabilities in a range of areas including:

- influencing others
- developing and understanding the impact of ethics and values on decision making
- managing changes that affect our work environment.

## Graduate Development Programme

The Department places great importance on the Graduate Development Programme and demonstrates this through the high level of support provided to graduates by senior level mentors and supervisors. The programme provides graduates with a challenging development year that prepares them for a successful career in the APS.

All graduates participate in a comprehensive and structured development programme consisting of three challenging workplace rotations that are complemented by three formal training blocks, a tour of portfolio industries and a workplace project.

Throughout the programme graduates are given responsibility for a diverse range of tasks and projects and are exposed to policy issues affecting the portfolio.

Nineteen graduates completed the Graduate Development Programme at the end of 2001, and a further 24 graduates are currently participating in the 2002 programme, including six recruited to the programme internally.

It is anticipated that up to 25 graduates will be recruited from across Australia for the 2003 Graduate Development Programme.

## Employee relations

### Certified agreement

The Commonwealth Department of Transport and Regional Services Certified Agreement 1999–2001 nominally expired on 31 December 2001. It was replaced by the Department of Transport and Regional Services Certified Agreement 2002–04 (the CA), which was certified on 6 June 2002. The CA has a nominal expiry date of 30 June 2004.

The CA was negotiated with the Community and Public Sector Union and the Media, Entertainment and Arts Alliance of Australia under section 170LJ of the *Workplace Relations Act 1996*. This agreement was the result of extensive negotiations between management and union and staff elected representatives. The previous and current CA cover non-SES employees only.

The new CA was designed to assist the Department to achieve high quality results, strengthen relationships, and enable flexibility through building skills and providing opportunities for staff to develop. This helps to achieve effective people management and to promote a clear understanding of the roles and responsibilities of our people. A key element of the CA is an emphasis on encouraging use of provisions designed to enable staff to better balance their work and personal lives.

The CA is a comprehensive Agreement containing a package of salaries, allowances, terms and conditions aimed at making the Department market competitive and an attractive place to work.

The CA provides for a series of pay increases for employees over the life of the Agreement. The first of these was a 3 per cent increase which became payable on 30 May 2002.

Initiatives in the CA include the introduction of flexible working arrangements, personal circumstances leave (described below) and commitments to introduce a travel card and to undertake a classification review to determine the appropriate staff profile and structure for delivery of the Department's outputs.

## Australian Workplace Agreements

All SES employees have their salary and conditions set by Australian Workplace Agreements (AWAs). In addition a number of non-SES employees are also covered by either comprehensive AWAs or AWAs which are read in conjunction with the CA.

The number of staff covered by various Agreements at 30 June 2002 is detailed below.

**Table 14: Number of staff covered by the CA and AWAs**

Classification	CA	AWA
SES	0	41
Non-SES	889	40

## Salaries

Comprehending both CA and AWA rates of pay, the following table describes the range of annual salaries paid to the Department's employees, by classification, as at 30 June 2002.

**Table 15: Range of annual salaries paid to the Department's employees, by classification, as at 30 June 2002**

Classification	Minimum salary	Maximum salary
APS Level 1	\$27 459	\$30 245
APS Level 2	\$31 098	\$34 333
Graduate APS	\$33 088	\$33 088
APS Level 3	\$35 276	\$45 000
APS Level 4	\$39 312	\$43 766
APS Level 5	\$43 888	\$47 679
APS Level 6	\$47 585	\$62 998
Executive Level 1	\$60 683	\$72 550
Executive Level 2	\$70 025	\$140 000*
SES Band 1	\$89 000	\$99 500
SES Band 2	\$107 000	\$121 500
SES Band 3	\$132 000	\$147 000

Note: \* Includes an EL2 staff member on an AWA which recognises highly specialised skills and requirements of the position.

## Non-salary benefits

Both the CA and AWAs are characterised by a range of leave provisions and flexible working arrangements to assist employees balance work and family commitments, combined with a mutual commitment to the personal and professional development of employees. These include:

- flexible working hours available for all staff, subject to operational requirements
- home-based work arrangements
- study assistance
- annual close-down over the Christmas–New Year period
- child caring facilities (a carers' room and a nursing parents room)
- 25 days (187.5 hours) accruable personal circumstances leave per annum, which is paid leave for a range of purposes including personal illness, caring responsibilities, ceremonial duties, and bereavement.

## Performance pay

There is no general non-SES performance-based pay scheme in the Department.

Through the CA, employees are able to progress through a series of salary points to a maximum, for each classification. Salary progression is usually payable after 12 months service at a particular salary point, where an employee continues to meet the requirements of a position, including satisfactory performance and behaviour.

Many of the non-SES AWAs in the Department contain payments in addition to base salary in recognition of the individual's particular skills, work performance and experience. These payments vary considerably in amount and frequency but are payable on condition that the employee maintains a high standard of performance.

Additional payments made during 2001–02 are summarised as follows:

**Table 16: Additional salary payments made during 2001–02**

<b>Classification</b>	<b>Number</b>	<b>Aggregate amount</b>	<b>Average amount</b>	<b>Range*</b>
APS 4	1	\$2 875	\$2 875	\$2 875
APS Level 6	1	\$6 267	\$6 267	\$6 267
Executive Level 1	4	\$12 750	\$3 187	\$1 680–\$6 000
Executive Level 2	15	\$84 520	\$5 635	\$1 175–\$15 000

\* per annum

SES employees, through their AWA negotiations, are offered 'pay at risk' in addition to base salary. Pay at risk is an annual payment to a maximum of 5 per cent of salary, payable on assessment of the employee against their agreed Plan on a Page, the SES Leadership Framework and their contribution to corporate development over the course of the year.

Pay at risk payments are summarised as follows:

**Table 17: Pay at risk payments**

<b>Classification</b>	<b>Number</b>	<b>Aggregate amount</b>	<b>Average amount</b>	<b>Range*</b>
SES Band 1	25	\$98 715	\$3 949	\$1 250–\$5 194
SES Band 2 and 3*	17	\$123 419	\$7 260	\$3 317–\$26 963

Note: \*Includes 2 SES Band 3 employees.

## Performance management

The fundamental purpose of the individual performance management framework is to ensure our people are focused on contributing productively to the achievement of the Department's objectives. The additional benefits from such a process include the clarification of expectations, improved communication, including feedback and recognition and reward for effective performance and achieving results. The current framework provides sufficient mechanisms to achieve these benefits. This has been reinforced through performance measures contained in the CA, which commits parties bound by the Agreement to a performance management framework that aligns organisational, Divisional, team and individual performance. The intention is to encourage managers and employees to use Plans on a Page and Results on a Page consistent with our values. These activities would need to align with the broader objectives of the organisational performance framework.

### 360-degree feedback

An electronic 360-degree feedback instrument and process was successfully piloted and evaluated in the Department during November 2001 to March 2002. As a result the 360-degree feedback process has been offered to staff on a voluntary basis in support of other Departmental development programmes.

### Rewards and recognition

As an accredited Investor in People, the Department is committed to IiP standards and principles of encouraging people to improve their own and others' performances and ensuring that contributions are acknowledged. We recognise that people work best and feel more positive when they are valued.

In addition, our new CA clearly expresses that each division should continue to recognise and reward exceptional workplace efforts by individuals and teams.

As well as the more formal awards such as Public Service Medals, Australia Day Awards and the Department's Long Service Awards, the Department's Recognition and Reward scheme offers an informal mechanism to recognise achievements by individuals and teams. Each Division has its own unique scheme to recognise and reward outstanding achievements that fall within general Departmental guidelines. They are, however, not intended to replace other methods of recognition, or the much appreciated 'thank you' from a manager to staff for a job well done.

In January 2002, the National Australia Day Council presented 10 Departmental officers with individual Australia Day Achievement Awards for noteworthy



contribution to the work of the Department or for outstanding service over a number of years. To coincide with these Australia Day awards, the Department also selected 13 teams for presentation of an in-house Australia Day Achievement Team Plaque for exceptional work-team achievements and results during 2001.

## Workforce diversity

The Department demonstrated its commitment to workplace diversity during 2001–02 through its continued implementation of the revised Workplace Diversity Programme – Continuing to Encourage Wisdom.

The goals of the programme are to:

- attract to the Department and retain a diverse range of people
- integrate the principles of diversity into management systems
- utilise the Department's variety of skills, talents and experiences to add value to our work
- create an environment of workplace diversity awareness.

The data in Table 18 provides information on equal employment opportunity (EEO) groups in the Department, listed by APS and equivalent classifications. The data do not include IOTs staff.

**Table 18: EEO Groups by classification for permanent positions, including inoperative employees**

Level	All employees			EEO groups identified			Employees who have volunteered EEO information	
	Men	Women	Total	NESB	ATSI	PWD	Total	per cent
APS 1/2	24	25	49	6	1	2	33	67
APS3	25	45	70	8	-	2	49	70
APS4	20	84	104	11	-	2	72	69
APS5	57	60	117	7	1	-	86	74
APS6	98	84	182	18	-	1	131	72
EL1	137	110	247	18	-	9	181	73
EL2	140	43	183	5	-	2	151	83
SES	28	16	44	8	-	-	44	100
<b>TOTAL</b>	<b>529</b>	<b>467</b>	<b>996</b>	<b>81</b>	<b>2</b>	<b>18</b>	<b>747</b>	<b>75</b>

Notes: The following abbreviations are used in the table: NESB—people with Non-English speaking backgrounds; ATSI—Aboriginal and Torres Strait Islander people; and PWD—people with disabilities.

Workplace diversity achievements for the year included:

- developing the new Workplace Diversity Programme for 2001–04
- continuing support for the Department's women's network and its initiatives
- publishing regular Transard articles to generate increased awareness of APS workplace diversity issues
- promoting events of cultural significance such as Harmony Day and NAIDOC Week
- implementing a Career Development Programme for Women
- introducing flexible leave provisions to encourage work/life balance.

### Career advancement of women

The 'Career Advancement for Women' action research project is a Department-initiated inquiry into the merit-based advancement of women. Through focus groups and interviews, the research project explores systemic factors that encourage and impede achievement of women's career aspirations. Outcomes of this project will inform the development of an action plan to address the merit-based advancement of women.

### Occupational health and safety

2001–02 was an excellent year for occupational health and safety (OH&S) within the Department.

### Comcare premium

The Comcare premium for 2001–02 was \$298,688, which was \$100,114 less than the premium for 2000–01. The main contributor to this decrease was a bonus of \$78,711 paid to the Department by Comcare because our claims for the three years commencing 1 March 1998 were less than anticipated when compared to other Departments.

The Department accepted nine claims for staff injuries during 2001–02. This was a reduction of 25 per cent when compared to the previous year's total. One incident was reported to Comcare under the incident reporting regulations of the *Occupational Health and Safety (Commonwealth Employment) Act 1991*.

The Department continued its strategy of prevention and rehabilitation to reduce the incidence and cost of higher impact injuries through a proactive approach to health. The key elements were:

- continuing budget commitment to promote a safe and healthy work environment
- promoting the Employee Assistance Programme to managers and staff to assist with personal and work-related problems.
- This year saw a large increase in the percentage of staff taking advantage of the OH&S programs offered to them:
  - ~ 331 staff had influenza vaccinations in March 2002 (which may be compared to 225 in 2001)
  - ~ 351 staff had health assessments in 2002 (230 had them in 2001)—these assessments involve a health professional’s providing individual private assessments with cholesterol, triglyceride and glucose testing, and disseminating health and lifestyle information
  - ~ the walking, and ‘Good health—Great futures’, programmes proved popular
- to help maintain the low incidence of workplace injury, qualified occupational therapists conducted over 60 workplace assessments during the year, and weekly soft tissue therapy sessions were held.

### Key consultative committee

The Department maintains an OH&S agreement with relevant unions in accordance with the *Occupational Health and Safety (Commonwealth Employment) Act 1991*. Under this agreement the Health and Safety Committee is the key consultative forum between the Department and the unions.

The Health and Safety Committee has representatives from each of the Department’s Divisions who are appointed through either election or direct appointment (depending on the number of nominations and the number of positions). Representatives receive five days training.

The committee met four times during the year and discussed items as varied as the correlation between OH&S programmes and the decrease in absenteeism, and understanding the work carried out in the ATSB laboratories. The raised awareness in preventative strategies that flows from these meetings appears to be reflected in the decrease in the Department’s Comcare premium.



***Part Six***  
*Financial performance*  
*reporting*

- **Overview of financial performance**
- **Summary resource tables**
- **Financial statements**

# Part Six

## Financial performance reporting

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### Overview of financial performance

An analysis of the Department's departmental and administered financial statements for 2001–02 is provided below. The Department's financial statements begin at page 231 and the resource summary of the Department's price of outputs and administered programmes is provided at page 227.

### Departmental

#### Financial performance

*Increased operating surplus—up \$17.9 million from 2000–01 and \$11.7 million from budget - due to reduced expenses.*

DOTARS achieved an operating surplus for 2001–02 of \$34.9 million before allowing for the \$24.6 million capital use charge (CUC) for assets employed. This surplus was \$17.9 million greater than the surplus in 2000–01 and \$11.7 million greater than budgeted surplus. The surplus is attributable to lower than projected expenses and in particular the approved carryover of \$6.4 million for the *Stronger Regions Programme*.

**Table 19: Summary of the 2001–02 result in comparison with the 2000–01 result and the 2001–02 budget**

	Result \$'000	Variation on 2000-01 (%)	Budget \$'000	Variation on Budget (%)
Revenue from Government	213 008	+12	225 798	-6
Own source revenue	17 366	-4	12 348	+41
<b>Total Revenue</b>	<b>230 374</b>	<b>+10</b>	<b>238 146</b>	<b>-3</b>
Employee Expenses	76 597	+11	75 638	+1
Supplier Expenses	93 153	+8	125 603	-26
Depreciation	11 231	-6	13 349	-16
Other Expenses	14 536	-46	346	+4201
<b>Total Expenses</b>	<b>195 517</b>	<b>+1</b>	<b>214 936</b>	<b>-9</b>
<b>Operating Result</b>	<b>34 857</b>	<b>+105</b>	<b>23 210</b>	<b>+50</b>

*Revenue increased by 10 per cent from 2000-01 due to...*

Total revenue of \$230.4 million was up \$21.6 million from 2000–01 but down \$7.8 million from budget. This revenue consists of Appropriation from Government of \$212.8 million and own source revenue, comprising sales of goods and services and interest, of \$17.4 million.

- Appropriations from Government increased by \$22.3 million from 2000–01 primarily due to:

*...new measures, and*

- ~ funding for new measures: Stronger Regions (\$11.2 million); Rapid Route Recovery (\$1.4 million) and Assistance to Stranded Passengers (\$1.9 million); and

*...the transfer of new functions to the Department.*

- ~ transfers of funding from the Department of Employment and Workplace Relations and the Department of Finance and Administration as a result of the machinery of government changes in November 2001 (\$7.4 million).

- Own source revenue decreased by \$0.8 million from 2000–01 due primarily to lower interest rates.

The decrease in total revenue from the original budget estimate is attributable to a \$12.7 million reduction in appropriation revenue due to the cessation of the Very High Speed Train (VHST) project, which was partially offset by higher than anticipated income on the Indian Ocean Territories (IOTs) (\$6.2 million) as a result of increased activity.



*Total Expenses increased marginally from 2000–01, but were 9 per cent lower than budget due to the cessation and deferral of some activities.*

Total operating expenses of \$195.5 million were consistent with 2000–01, increasing by only 1 per cent. However, total operating expenses were \$19.4 million or 9 per cent lower than budgeted. This decrease is primarily attributable to the cessation of the VHST project (\$12.7 million), and the deferral of expenses in relation to the Stronger Regions Programme to 2002–03 (\$6.4 million) for which appropriation revenue was received in 2001–02.

The main items comprising total operating expenses are employee expenses (\$76.6 million, up 1 per cent from budget) and payments to suppliers (\$93.2 million, down 26 per cent from budget).

## Financial Position

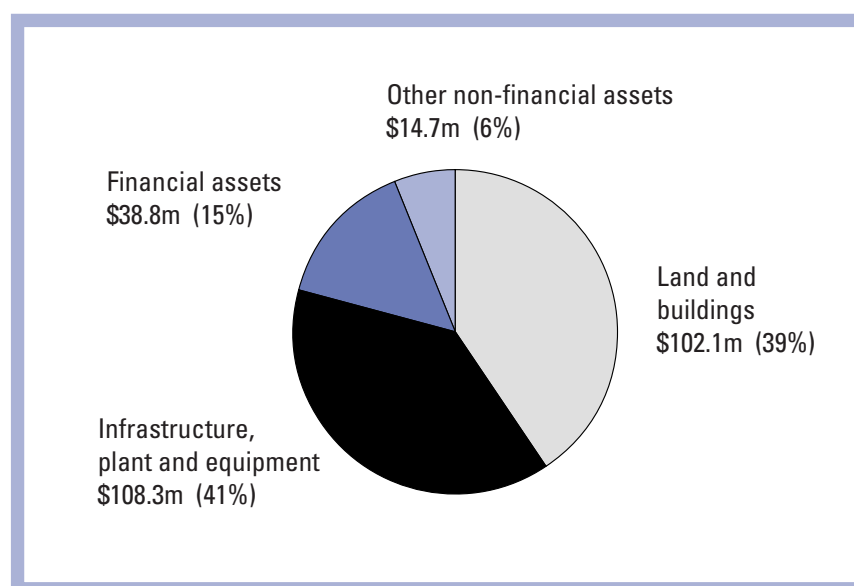
*Net equity position increased as a result of the operating surplus.*

The Department's net equity position increased to \$223.5 million, representing an increase of \$9 million from 2000–01. The increase was as a result of the operating surplus, which was partially offset by adjustments flowing from the 2001 Administrative Arrangements Orders.

*Total assets increased by \$11.3 million.*

Total assets were \$263.8 million, representing an \$11.3 million increase from 2000–01. The increase is primarily attributable to increases in infrastructure, plant and equipment on the IOTs (\$8.6 million) in accordance with the islands' asset management plan, and increased investment in intangibles relating to computer software applications (\$6.2 million). These were partially offset by a \$4 million reduction in cash and investments.

**Figure 8: Departmental Assets as at 30 June 2002**



*Primary liability, employee entitlements, increased by \$4 million to \$26.8 million*

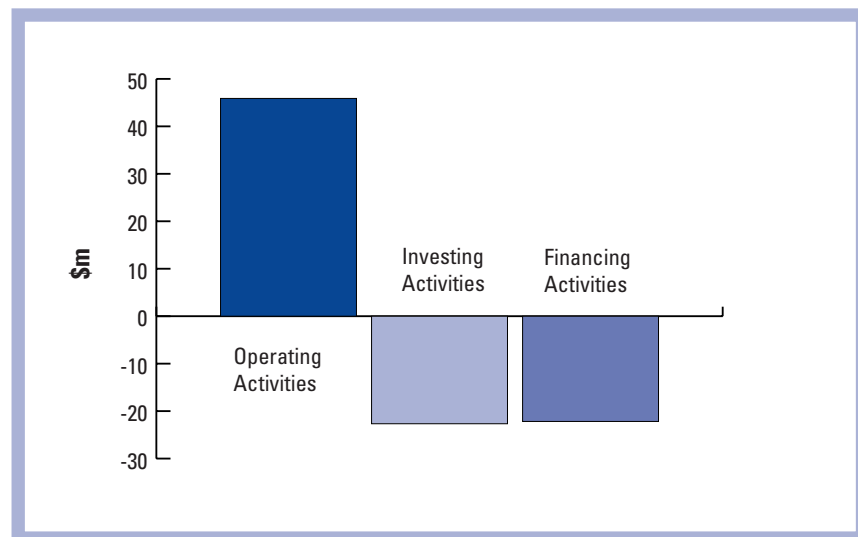
Total liabilities increased by \$2.3 million from 2000–01 to \$40.3 million. The Department's primary liability continues to be employee provisions, as a result of accruing leave entitlements for staff. This liability increased by \$4 million to \$26.8 million, primarily due to the transfer of 84 staff to the Department as a result of the machinery of government changes in November 2001 and the impact of the Department's new Certified Agreement. This increase was partially offset by a reduction in provisions for long service leave following an actuarial review of the value of these liabilities.

## Cash Flows

*Cash held decreased to \$32.8 million.*

The Department decreased its cash balance, comprising cash at bank and investments, by \$4 million to \$32.8 million during the year. These cash reserves are required to fund the Department's approved 'carry-over' of \$6.4 million operating expenses for the *Stronger Regions Programme*; for asset replacement, in particular the purchase of property, plant and equipment to maintain the delivery of services to the Indian Ocean Territories; and to meet employee leave liabilities incurred since the introduction of accrual budgeting on 1 July 1999.

**Figure 9 : Departmental Net Cash Flows**



## Administered

### Revenue and Expenses

The Department administers programmes on behalf of its Ministers with an expense budget of \$3,625.3 million in 2001–02.

**Table 20: Summary of actual expenses in comparison with the budget**

	Result	Budget	Variation on Budget
	\$'000	\$'000	(%)
<b>Non-Appropriation Revenue</b>	<b>351 602</b>	<b>327 988</b>	<b>+7</b>
Grants	3 365 959	3 412 124	-1
Subsidies	92 281	95 589	-3
Goods and Services	65 552	117 597	-44
<b>Total Expenses</b>	<b>3 523 792</b>	<b>3 625 310</b>	<b>-3</b>

*Non-appropriation revenue increased by \$23.6 million due to increased levy collections.*

Total non-appropriation revenue for 2001–02 was \$351.6 million, an increase of \$23.6 million from budget. The increase is primarily due to increased collections of the Air Passenger Ticket Levy (\$38.8 million) and unanticipated dividends from the Australia River Company (\$6.4 million). The increased revenue was partially offset by a reduction in reimbursements for the Dairy Regional Assistance Programme (\$10 million) and reduced dividends from Airservices Australia (\$12.3 million).

*Expenses decreased by \$101.5 million, primarily due to programme underspends.*

Total expenses of \$3,523.8 million represented a \$101.5 million decrease against budget, due mainly to:

- savings from programme underspends (\$84.5 million), primarily attributable to the Natural Disaster Relief Arrangements and the Upgrade of the Mainline Interstate Railway Track programmes; and
- change in timing of the implementation and completion of programmes in 2001–02 for which funds were rephased to 2002–03 and later years (\$74.5 million).

These reductions were partially offset by an increase in expenses due to a change in the accounting policy for the treatment of grant payments (\$66.4 million).

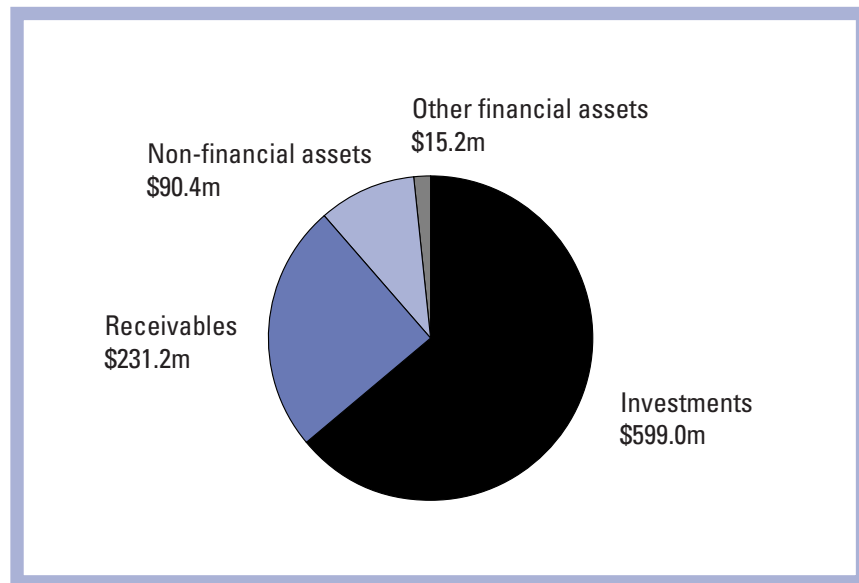
## Assets and Liabilities

*Total assets decreased by \$334.8 million due to a decrease in investments*

Total administered assets decreased by \$334.8 million from budget to \$935.8 million. This was mostly due to the transfer of investments for the National Rail Corporation (\$293.6 million) and the Australian River Company (\$38 million) to the Department of Finance and Administration, and a \$66.4 million reduction in non-financial assets due to a change in the accounting policy for the recognition of prepayments. These reductions were partially offset by a \$30 million increase in investments due to the non-receipt of an anticipated capital repayment from Airservices Australia.

*Note: In accordance with changes in accounting policy, appropriation receivable is no longer reported in the notes to the Financial Statements. Therefore, for comparative purposes, amounts relating to appropriation receivable have been excluded from the above analysis.*

**Figure 10: Administered assets as at 30 June 2002**



*Total liabilities increased by \$25.5 million due to an increase in grants and other payables.*

Total administered liabilities were \$140.4 million, representing an increase of \$25.5 million against budget due to an increase in grants and other payables by administered programmes.

## Summary resource tables

### Table 21: Summary of Expenses and Capital Resources

	2001-02 Budget \$'000	2001-02 Actual Result \$'000
<b>Expenses</b>		
Departmental Outputs	244 171	224 865
Administered Programmes	3 683 510	3 582 152
<b>Capital</b>		
Departmental Capital Injections	3 800	0
Administered Capital Injections	8 170	777
<b>Total</b>	3 939 651	3 807 794

### Table 22: Departmental Outputs

	2001-02 Budget (Price of Outputs) <sup>(a)</sup>	2001-02 Actual Result (Cost of Outputs) <sup>(b)</sup>
<b>Output Group 1</b> <i>Transport systems which are safer, more efficient, internationally competitive, sustainable and accessible</i>	95 932	80 872
1.1 Policy Advice & Legislation, Ministerial Services	35 177	25 013
1.2 Regulations and Standards	19 562	19 104
1.3 Safety Services	11 907	11 409
1.4 Services to Industry	9 564	9 467
1.5 Services to Communities	7 643	4 551
1.6 Research and Data	12 079	11 328
<b>Output Group 2</b> <i>Regional communities which have better access to opportunities and services and which are able to take the lead in their own planning and development</i>	51 755	44 930
2.1 Policy Advice & Legislation, Ministerial Services	6 781	6 815
2.2 Services to Communities <sup>(c)</sup>	43 742	36 896
2.3 Research and Data	165	166
2.4 Natural Disaster Relief Arrangements <sup>(d)</sup>	1 067	1 053
<b>Output Group 3</b> <i>Local Governments which serve their communities more effectively and efficiently</i>	2 548	2 480
3.1 Policy Advice & Legislation, Ministerial Services	1 271	1 240
3.2 Services to Local Governments	1 277	1 240
<b>Output Group 4</b> <i>Territories in which residents will have the same opportunities and responsibilities as other Australians enjoy in comparable communities</i>	93 936	96 583
4.1 Policy Advice & Legislation, Ministerial Services	5 917	4 702
4.2 Services to Territory Communities	88 019	91 881

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<b>Total Departmental Outputs</b>	<b>244 171</b>	<b>224 865</b>
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## Operating expenses

**Table 23: Administered Programmes**

	<b>2001-02 Budget \$'000</b>	<b>2001-02 Actual Result \$'000</b>
<b>Administered Programme Group 1: Services for Communities Administered on Behalf of the Commonwealth</b>		
<b>1.1 Services to Communities</b>		
Implementation of Noise Amelioration for Adelaide Airport	13 410	11 090
Implementation of Noise Amelioration for Sydney Airport	31 783	24 894
Subsidy for transition to location-specific pricing for airport control towers	7 000	7 000
Remote Air Services Subsidy Scheme	2 946	1 970
Sydney West Airports—Land Acquisition and Works	100	40
Bass Strait Passenger Vehicle Equalisation Scheme	17 443	17 054
Oil Pollution Compensation Fund	2 478	2 478
Regional Solutions Programme	25 609	25 608
Rural Transactions Centres	23 095	13 821
Special Structural Adjustment Package for the South West Forests Region of Western Australia	5 000	1 124
Understanding Rural Australia	1 091	966
2002—Year of the Outback	600	1 800
Rural Domestic Violence	15	15
Regional and Rural Development Grant	351	269
Regional and Rural Research Information and Data	132	120
Foundation for Rural and Regional Renewal	419	19
Flood Recovery Fund	4 511	2 828
Compensation payment to SACL for the sale of Sydney Airport land	2 000	0
Flood Assistance Package—Small Business Grants	2 636	1 536
Ansett - Rapid Route Recovery Scheme	30 000	11 277
Relief for Stranded Ansett Passengers	19 050	4 835
Structural Adjustment Programme for the Wide Bay Burnett region in Queensland	4 000	1 654
Sustainable Regions Programme	5 485	400
Regional Assistance Programme <sup>(e)</sup>	28 740	29 205
Dairy Regional Assistance Programme <sup>(e)</sup>	23 500	19 923
Ex-gratia Disaster Relief Package—Contribution to Christmas 2001 New South Wales Bushfire Relief Appeal	1 000	1 000
Ex-gratia Disaster Relief Package—Transportation costs for the American Helitankers	800	685
Sydney West Airports—Rental Properties	0	124
Act of Grace Payment	0	31
<b>Total</b>	<b>253 194</b>	<b>181 765</b>
<b>1.2 Grants to States/Territories and Local Government</b>		
Road Safety Black Spot Programme	45 087	49 217
Local Government Financial Assistance Grants	1 387 375	1 394 413
Local Government Incentive Programme	3 286	3 286
Payment to ACT—compensation for the effects of national capital influence on the costs of providing municipal services	21 086	21 086
Payment to ACT—assistance for water and sewerage services	8 477	8 477
Regional Flood Mitigation Programme	12 530	7 005
Natural Disaster Relief Arrangements <sup>(f)</sup>	105 000	72 376
Lismore Levee Programme	4 000	4 000
<b>Total</b>	<b>1 586 841</b>	<b>1 559 860</b>
<b>Total Administered Programme Group 1</b>	<b>1 840 035</b>	<b>1 741 625</b>

**Table 24: Operating expenses—Administered Programmes**



	2001-02 Budget \$'000	2001-02 Actual Result \$'000
<b>Administered Programme Group 2: Services for Industry Administered on Behalf of the Commonwealth</b>		
<b>2.1 Services for Industry and Economic Development</b>		
Payments to MIFCo	223	196
Tasmanian Freight Equalisation Scheme	72 300	71 860
Supermarket to Asia	167	167
Upgrade of the Mainline Interstate Railway rack	52 375	0
Management of residual issues of former Australian National Railway Commission (AN)	5 100	4 776
International Civil Aviation Organization—contribution	1 564	1 990
OECD Road Transport—contribution	40	25
National Road Transport Commission	1 240	1 239
International Maritime Organisation—contribution	300	307
Upgrade of Canberra Airport to international wide-bodied jet standard	5 625	5 625
Tamworth Australasian-Pacific Aeronautical College	1 450	1 318
Payment Scheme for Airservices Australia's Enroute Charges	2 900	1 397
Australia's response to foot and mouth disease and other quarantine risks	19 400	13 060
Ex-gratia Disaster Relief Package—Sugar Industry Assistance <sup>(f)</sup>	14 648	15 232
<b>Total</b>	<b>177 332</b>	<b>117 192</b>
<b>2.2 Grants to States/Territories and Local Government</b>		
National Highway and Roads of National Importance	1 031 174	1 093 435
Roads to Recovery Program	416 339	416 339
Roads to Recovery Program—Indian Ocean Territories and unincorporated areas	2 158	2 158
Interstate Road Transport Fees	30 100	33 941
Alice Springs to Darwin Rail Link	65 000	65 000
Federation Fund Projects	120 730	103 748
<b>Total</b>	<b>1 665 501</b>	<b>1 714 621</b>
<b>Total Administered Programme Group 2</b>	<b>1 842 833</b>	<b>1 831 813</b>
<b>Expenses not allocated to programmes</b>		
Depreciation	642	660
Net write down of assets	0	8 055
<b>Total Administered Expenses</b>	<b>3 683 510</b>	<b>3 582 152</b>



***2001-02  
Financial Statements***



# Financial statements



**INDEPENDENT AUDIT REPORT**

**To the Minister for Transport and Regional Services**

**Scope**

I have audited the financial statements of Department of Transport and Regional Services for the year ended 30 June 2002. The financial statements comprise:

- Statement by the Chief Executive;
- Statements of Financial Performance, Financial Position and Cash Flows;
- Schedules of Contingencies and Commitments; and
- Notes to and forming part of the Financial Statements.

The Department's Chief Executive is responsible for the preparation and presentation of the financial statements and the information they contain. I have conducted an independent audit of the financial statements in order to express an opinion on them to you.

The audit has been conducted in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards, to provide reasonable assurance as to whether the financial statements are free of material misstatement. Audit procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with my understanding of the Department's financial position, its financial performance and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

GPO Box 707 CANBERRA ACT 2601  
Centenary House 19 National Circuit  
BARTON ACT  
Phone (02) 6203 7300 Fax (02) 6203 7777

**Audit Opinion**

In my opinion the financial statements:

- (i) have been prepared in accordance with Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*; and
- (ii) give a true and fair view, in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Finance Minister's Orders, of the financial position of the Department as at 30 June 2002, and its financial performance and cash flows for the year then ended.

Australian National Audit Office



Darren Box  
Executive Director

Delegate of the Auditor-General

Canberra  
19 August 2002

DEPARTMENT OF TRANSPORT AND REGIONAL SERVICES  
STATEMENT BY THE CHIEF EXECUTIVE

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In my opinion, the attached financial statements for the year ended 30 June 2002 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*.



Ken Matthews  
Chief Executive

16 August 2002

## DEPARTMENT OF TRANSPORT AND REGIONAL SERVICES

## STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 30 June 2002

Budget 2001-2002 \$'000		Notes	Actual 2001-2002 \$'000	Actual 2000-2001 \$'000
	<b>Revenues from ordinary activities</b>			
225 798	Revenues from Government	4A, 16	<b>213 008</b>	190 697
10 974	Sales of goods and services	4B	<b>10 203</b>	7 244
1 374	Interest		<b>2 211</b>	3 485
-	Net gains from sale of assets	4C	-	1 173
-	Other	4D	<b>4 952</b>	6 218
238 146	<b>Total revenues from ordinary activities</b>		<b>230 374</b>	208 817
	<b>Expenses from ordinary activities (excluding borrowing costs expense)</b>			
75 638	Employees	5A	<b>76 597</b>	68 775
125 603	Suppliers	5B	<b>93 153</b>	86 221
13 349	Depreciation and amortisation	5C	<b>11 231</b>	11 953
346	Net loss from sale of assets	5D	<b>378</b>	-
-	Write-down of assets	5E	<b>1 366</b>	16 299
-	Other	5F	<b>12 791</b>	10 733
214 936	<b>Total expenses from ordinary activities (excluding borrowing costs expense)</b>		<b>195 516</b>	193 981
-	<b>Borrowing costs expense</b>	6	<b>147</b>	154
23 210	<b>Net Operating surplus (deficit) from ordinary activities</b>		<b>34 711</b>	14 682
23 210	<b>Net surplus (deficit)</b>		<b>34 711</b>	14 682
23 210	<b>Net surplus (deficit) attributable to the Commonwealth</b>	12A,13	<b>34 711</b>	14 682
-	Net credit (debit) to asset revaluation reserve		<b>146</b>	2 328
-	<b>Total revenues, expenses and valuation adjustments attributable to the Commonwealth and recognised directly in equity</b>		<b>146</b>	2 328
23 210	<b>Total changes in equity other than those resulting from transactions with other entities</b>		<b>34 857</b>	17 010

The above statement should be read in conjunction with the accompanying notes.

DEPARTMENT OF TRANSPORT AND REGIONAL SERVICES  
**STATEMENT OF FINANCIAL POSITION**  
 as at 30 June 2002

Budget 2001-2002 \$'000		Notes	Actual 2001-2002 \$'000	Actual 2000-2001 \$'000
<b>Assets</b>				
<b>Financial assets</b>				
5 051	Cash		4 824	3 781
3 063	Receivables	7A	4 928	3 866
15 641	Investments	7B	28 000	33 000
2 980	Financial instruments		1 049	2 980
26 735	<b>Total financial assets</b>		<b>38 801</b>	43 627
<b>Non-financial assets</b>				
99 624	Land and buildings	8A,D	102 058	100 590
116 231	Infrastructure, plant and equipment	8B,D	108 308	99 701
10 290	Intangibles	8C,D	10 338	4 109
2 063	Inventories	8E	2 158	2 063
2 414			2 176	2 414
230 622	<b>Total non-financial assets</b>		<b>225 038</b>	208 877
257 357	<b>Total assets</b>		<b>263 839</b>	252 504
<b>Liabilities</b>				
<b>Interest Bearing Liabilities</b>				
2 277	Lease incentives	9	2 255	2 580
2 277	<b>Total interest bearing liabilities</b>		<b>2 255</b>	2 580
<b>Provisional Liabilities</b>				
25 354	Employees	10	26 814	22 787
-	Capital use charge		1 289	-
25 354	<b>Total provisional liabilities</b>		<b>28 103</b>	22 787
11 734	Suppliers	11A	9 099	11 746
808	Other		875	896
12 642	<b>Total payables</b>		<b>9 974</b>	12 642
40 263	<b>Total liabilities</b>		<b>40 332</b>	38 009
<b>Net Assets</b>				
<b>Equity</b>				
167 637	Retained earnings or accumulated deficits	12A	178 080	167 983
37 170	Contributed equity	12A,B	32 994	34 225
12 287	Reserves	12A	12 433	12 287
217 094	<b>Total equity interest</b>	12A	<b>223 507</b>	214 495
37 986	Current liabilities		17 716	18 795
2 277	Non-current liabilities		22 616	19 214
40 263	<b>Total Liabilities</b>		<b>40 332</b>	38 009
31 212	Current assets		43 155	48 104
226 145	Non-current assets		220 704	204 400
257 357	<b>Total Assets</b>		<b>263 839</b>	252 504

The above statement should be read in conjunction with the accompanying notes.

## DEPARTMENT OF TRANSPORT AND REGIONAL SERVICES

## STATEMENT OF CASHFLOWS

for the year ended 30 June 2002

<b>Budget</b>		<b>Actual</b>	<b>Actual</b>
<b>2001-2002</b>		<b>2001-2002</b>	<b>2000-2001</b>
<b>\$'000</b>	Notes	<b>\$'000</b>	<b>\$'000</b>
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
225 798	Appropriations for outputs	212 793	190 482
12 360	Sales of goods and services	6 567	6 578
-	Interest received	2 221	3 880
-	Other	6 612	6 530
4 611	GST	7 110	4 731
242 769	<i>Total cash received</i>	235 303	212 201
<b>Cash used</b>			
74 105	Employees	74 060	69 602
125 615	Suppliers	95 518	77 343
649	Other	12 778	13 417
4 611	GST	7 209	5 938
204 980	<i>Total cash used</i>	189 565	166 300
37 789	<b>Net cash from (used by) operating activities</b>	45 738	45 901
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
-	Proceeds from sales of property, plant and equipment	3 354	1 660
17 339	Sale of investments	327 690	461 730
17 339	<i>Total cash received</i>	331 044	463 410
<b>Cash used</b>			
34 913	Purchase of property, plant and equipment and intangibles	30 870	24 427
-	Purchase of investments	322 690	463 230
34 913	<i>Total cash used</i>	353 560	487 657
(17 554)	<b>Net cash from (used by) investing activities</b>	(22 516)	(24 267)
<b>FINANCING ACTIVITIES</b>			
<b>Cash received</b>			
3 800	Appropriations - contributed equity	355	4 829
3 800	<i>Total cash received</i>	355	4 829
<b>Cash used</b>			
22 765	Capital use charge paid	22 534	27 914
22 765	<i>Total cash used</i>	22 534	27 914
(18 965)	<b>Net cash from (used by) financing activities</b>	(22 179)	(23 085)
1 270	<b>Net increase (decrease) in cash held</b>	1 043	(1 451)
3 781	Cash at the beginning of reporting period	3 781	5 232
5 051	<b>Cash at the end of reporting period</b>	4 824	3 781

The above statement should be read in conjunction with the accompanying notes.



## DEPARTMENT OF TRANSPORT AND REGIONAL SERVICES

## SCHEDULE OF COMMITMENTS

as at 30 June 2002

	2001-2002 \$'000	2000-2001 \$'000
<b>BY TYPE</b>		
CAPITAL COMMITMENTS		
Land and buildings	-	-
Infrastructure, plant and equipment <sup>1</sup>	5 865	-
Other capital commitments <sup>2</sup>	-	376
<b>Total capital commitments</b>	<b>5 865</b>	<b>376</b>
OTHER COMMITMENTS		
Operating leases <sup>3</sup>	53 737	60 858
Project commitments	-	798
Other commitments <sup>4</sup>	35 309	43 215
<b>Total other commitments</b>	<b>89 046</b>	<b>104 871</b>
COMMITMENTS RECEIVABLE <sup>5</sup>	6 068	8 429
<b>Net commitments</b>	<b>88 843</b>	<b>96 818</b>
<b>BY MATURITY</b>		
<b>All net commitments</b>		
One year or less	43 718	32 184
From one to five years	25 970	39 635
Over five years	19 155	24 999
<b>Net commitments</b>	<b>88 843</b>	<b>96 818</b>
<b>Operating Lease Commitments</b>		
One year or less	6 929	8 259
From one to five years	22 349	25 151
Over five years	19 155	27 448
<b>Net operating lease commitments</b>	<b>48 433</b>	<b>60 858</b>

**Notes**

- 1 Infrastructure, plant and equipment were in respect of development of infrastructure on Christmas Island and Cocos (Keeling) Island.
- 2 Other capital commitments were in respect of software construction.
- 3 Operating leases are effectively non-cancellable and comprise leases for office accommodation and agreements for the provision of motor vehicles to senior executive officers.
- 4 Other commitments relates to the provision of goods and services to the Department.
- 5 Commitments receivables include GST recoveries in relation to the commitments payable.

Nature of lease	General description of leasing arrangement
Leases for office accommodation	<ul style="list-style-type: none"> <li>* The Department has entered into 18 operating leases for office accommodation purposes.</li> <li>* 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.</li> </ul>
Agreement for the provision of motor vehicles to senior executive officers	<ul style="list-style-type: none"> <li>* DASFleet is the provider of vehicles for senior executive officers of the Department. The existing contract spans from 1 September 1997 to 30 August 2002.</li> <li>* Leases are for a minimum period of three months and typically extend two years. They may be extended for up to three months from the originally specified expiry date.</li> <li>* There are no existing contingent rental agreements between the Department and DASFleet.</li> <li>* There are no renewal options available on the Agreement.</li> </ul>

**DEPARTMENT OF TRANSPORT AND REGIONAL SERVICES**  
**SCHEDULE OF UNQUANTIFIABLE COMMITMENTS**  
**as at 30 June 2002**

The following departmental commitments are not disclosed in monetary terms as the contracted costs are expected to vary each year and can only be determined at that point of time

- # The operating lease with Telstra Enterprise Services (formerly Advantra Pty Ltd) for IT and other Communication support services is dependent on a number of variables. An estimated fee of \$12m is calculated for the remaining period of the contract which will expire on 14 April 2004.
- # The contract with Australian Government Solicitor for the provision of Legal Services is based on time and materials and is terminable by either party, with 90 days notice. An estimated fee of \$1.9m is calculated for the 2002-2003 financial year.
- # The contract with Gaseng Petroleum Operations Pty Ltd for fuel arrangements on Christmas Island cannot be quantified with certainty as the contract price is based on supply. The contract expires on 3 February 2005.
- # The contract with Allan Burke Real Estate for the provision of Property Management and Auction Services on Christmas Island and Cocos (Keeling) Island cannot be quantified with certainty as it is based on a percentage of gross rental collection and auction commission. The contract expires on 11 March 2004.

## DEPARTMENT OF TRANSPORT AND REGIONAL SERVICES

**SCHEDULE OF CONTINGENCIES**

as at 30 June 2002

	2001-2002	2000-2001
	\$'000	\$'000
<b>CONTINGENT LOSSES</b>		
Claims for damages/costs <sup>1</sup>	1 751	1 630
Other	-	-
<b>Total Contingent Losses</b>	<b>1 751</b>	<b>1 630</b>
<b>CONTINGENT GAINS</b>		
Claims for damages/costs	-	-
<b>Net Contingencies</b>	<b>1 751</b>	<b>1 630</b>

Remote contingencies are disclosed in Note 14.

**Details**

- 1 This amount represents an estimate of the Department's liability based on precedent cases. The Department is defending the claims.

**SCHEDULE OF UNQUANTIFIABLE CONTINGENCIES**

The Department has a number of personal injury claims, which it is defending in the courts. Costs that may arise from these claims cannot be determined and are therefore unquantifiable.

The Department is resuming 42.5 hectares of mining lease from Phosphate Resources Ltd (PRL) to build a detention centre on Christmas Island. The Department will compensate PRL for loss of phosphate mining capacity. The matter is currently in arbitration, with the first preliminary hearing to be held on 26 July 2002, the amount of compensation settlement is yet to be determined.

The Department is pursuing cross claims against suppliers for two personal injury cases that have been settled with the Department. The two cases relate to personal injury claims by former Australian National Railways Commission (ANRC) employees.

**DEPARTMENT OF TRANSPORT AND REGIONAL SERVICES****NOTES TO AND FORMING PART OF THE  
FINANCIAL STATEMENTS****For the year ended 30 June 2002**

<b>Note</b>	<b>Description</b>
1	Department Objectives
2	Summary of Significant Accounting Policies
3	Events Occurring after Balance Date
4	Operating Revenues
5	Operating Expenses
6	Borrowing Costs Expense
7	Financial Assets
8	Non-financial Assets
9	Interest Bearing Liabilities
10	Provisions
11	Payables
12	Equity
13	Cash Flow Reconciliation
14	Remote Contingencies
15	Executive Remuneration
16	Services provided by the Auditor-General
17	Average Staffing Levels
18	Act of Grace Payments and Waivers
19	Financial Instruments
20	Administered Items
21	Appropriations
22	Assets Held in Trust
23	Reporting of Outcomes

## Note 1 - Department Objectives

For the 2001-2002 financial year the Department of Transport and Regional Services (DOTARS) objective in programme delivery was expressed through the outcome statement

*“A better transport system for Australia and greater recognition and opportunities for local, regional and territory communities.”*

DOTARS activities contributing towards this outcome are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, revenues and expenses controlled or incurred by DOTARS in its own right. Administered activities involve the management or oversight by DOTARS on behalf of the Government of items controlled or incurred by the Government.

In meeting the Department's objective four key result areas have been identified:

- Output Group 1: Transport systems which are safer, more efficient, internationally competitive, sustainable and accessible.
- Output Group 2: Regional communities which have better access to opportunities and services and which are able to take the lead in their own planning and development.
- Output Group 3: Local governments which serve their communities more effectively and efficiently.
- Output Group 4: Territories in which residents will have the same opportunities and responsibilities as other Australians enjoy in comparable communities.

## Note 2 - Summary of Significant Accounting Policies

### Note 2A - Basis of Accounting

The financial statements are required by section 49 of the *Financial Management and Accountability Act 1997* and are a general purpose financial report.

The statements have been prepared in accordance with:

- The Finance Minister's Orders (being the *Financial Management and Accountability (Financial Statements 2001-2002) Orders*);
- Australian Accounting Standards and Accounting Interpretations issued by Australian Accounting Standards Boards;
- Other authoritative pronouncements of the Boards; and
- Consensus Views of the Urgent Issues Group.

## Note 2 - Summary of Significant Accounting Policies continued...

The statements have been prepared having regard to:

- Explanatory Notes to Schedule 1; and
- Finance Briefs issued by the Department of Finance and Administration.

The financial statements have been prepared on an accrual basis and are in accordance with the historical cost convention, except for certain assets which, as noted, are at valuation. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

Assets and liabilities are recognised in the Statement of Financial Position 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. Assets and liabilities arising under agreements equally proportionately unperformed are however not recognised unless required by an Accounting Standard. Liabilities and assets which are unrecognised are reported in the Schedule of Commitments and the Schedule of Contingencies (other than remote contingencies, which are reported at Note 14 and 20H).

Revenues and expenses are recognised in the Statement of Financial Performance when and only when the flow or consumption or loss of economic benefits has occurred and can be reliably measured.

The continued existence of DOTARS in its present form, and with its present outputs and programmes, is dependent on the Government's policy and on continuing appropriations by Parliament for the Department's operations and programmes. In this context it is noted that the Outcome and Output reporting structure for the Department has been revised as at 1 July 2002, although the functions of the Department are unchanged.

Administered revenues, expenses, assets, liabilities and cash flows reported in Note 20 are accounted for on the same basis and using the same policies as for Agency items, except where otherwise stated at Note 2U.

### Note 2B - Changes in Accounting Policy

The accounting policies used in the preparation of these financial statements are consistent with those used in 2000-2001, except in respect of:

- Output appropriations (refer to Note 2D);
- Equity injections (refer to Note 2E);
- Presentation and disclosure of administered items (refer to Note 2U); and
- Grant payments (refer to Note 2U).

## Note 2 - Summary of Significant Accounting Policies continued...

### Note 2C - Reporting by Outcomes

Note 23 provides an attribution of DOTARS actual revenues and expenses for 2001-2002, to the Output Groups. The percentages applied in the attribution of expenses are consistent with those used in the development of the budget and rely upon management estimation.

The note includes intra-government costs that are eliminated in calculating the actual budget outcome for the Government overall.

### Note 2D - Revenue

The revenues described in this Note are revenues relating to the core operating activities of DOTARS.

#### Revenues from Government

The full amount of the appropriation for departmental outputs for the year (less any savings offered up at Additional Estimates and not subsequently released) is recognised as revenue. This is a change in accounting policy caused by the introduction of a new requirement to this effect in the Finance Minister's Orders. (In 2000-2001, output appropriations were recognised as revenue to the extent the appropriations had been drawn down from the Official Public Account).

The change in policy had no financial effect in 2001-2002 as the full amount of the output appropriation for 2000-2001 had been drawn down in that year.

#### Resources Received Free of Charge

Services received free of charge are recognised in the Operating Statements as revenue when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised at their fair value when the asset qualifies for recognition.

#### Other Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers. Interest revenue is recognised on an accrual basis taking into account the interest rates applicable to the financial assets. Dividend revenue is recognised when the right to receive a dividend has been established. Revenue from disposal of non-current assets is recognised when control of the asset has passed to the buyer.

Agency revenue from the rendering of a service is recognised to the stage of completion of contracts or other agreements to provide services.

The stage of completion is determined according to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

**Note 2 - Summary of Significant Accounting Policies continued...****Note 2E - Transactions by the Government as Owner**

From 1 July 2001, Appropriations designated as 'Capital – equity injections' are recognised directly in Contributed equity according to the following rules determined by the Finance Minister:

To the extent that the appropriation is not dependent on future events, as at 1 July; and

To the extent that it is dependent on specified future events requiring future performance, on drawdown. (In 2000–2001, all equity injections were recognised as contributed equity on drawdown).

The change in policy has no financial effect in 2001–2002 because the full amounts of equity injections in both 2000–2001 and 2001–2002 met the criteria now required by the Finance Minister.

Net assets received under a restructuring of administrative arrangements are designated by the Finance Minister as contributions by owners and adjusted directly against equity. Net assets relinquished are designated as distributions to owners. Net assets transferred are initially recognised at the amounts at which they were recognised by the transferring agency immediately prior to the transfer.

**Note 2F - Employee Entitlements****Leave**

The liability for employee entitlements 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 by employees of DOTARS is estimated to be less than the annual entitlement for sick leave.

The liability for annual leave reflects the value of total annual leave entitlements of all employees as at 30 June 2002 and is recognised at the nominal amount.

The non-current portion of the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees as at 30 June 2002. In determining the present value of the liability, DOTARS has taken into account attrition rates (determined by an actuarial review undertaken by Trowbridge Consulting Ltd) and projected pay increases through promotion and inflation.

**Separation and Redundancy**

Provision is also made for separation and redundancy payments in circumstances where DOTARS has formally identified positions as excess to requirements and a reliable estimate of the amount of the payments can be determined.

**Superannuation**

Staff of DOTARS contribute to the Commonwealth Superannuation Scheme or the Public Sector Superannuation Scheme, as well as non-government superannuation funds in certain cases.



**Note 2 - Summary of Significant Accounting Policies continued...**

Employer contributions amounting to \$7,388,419 in relation to these schemes have been expensed in these financial statements.

No liability is shown for superannuation in the Statement of Financial Position as the employer contributions fully extinguish the accruing liability which is assumed by the Commonwealth.

Employer Superannuation Productivity Benefit contributions totalled \$1,411,245 (2000–2001 \$1,638,183).

**Note 2G - Leases**

DOTARS entered into a sale and leaseback operating lease in 1999–2000 for IT equipment. Operating lease payments are charged to the Statement of Financial Performance on a basis which is representative of the pattern of benefits derived from the leased assets. The lessor effectively retains the risks and benefits incidental to ownership.

The carrying amounts of relevant assets were written down to fair value with effect from 1 July 1999 with the consequent loss on sale of \$3.4m being amortised over three years.

The net present value of future net outlays in respect of surplus space under non-cancellable lease agreements is expensed in the period in which the space becomes surplus.

Lease incentives taking the form of 'free' leasehold improvements 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 estimated useful life or the unexpired period of the lease.

**Note 2H - Cash**

Cash includes notes and coins held, deposits held at call with a bank or financial institution, and term deposits with a bank or financial institutions.

**Note 2I - Financial Instruments**

Accounting policies for financial instruments are summarised at Note 19.

**Note 2J - Acquisition of Assets**

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken.

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 administrative arrangements. In the latter case, assets are initially recognised at the amounts at which they were recognised in the transferor agency's accounts immediately prior to the restructuring.

## Note 2 - Summary of Significant Accounting Policies continued...

### Software

Internally developed computer software is recognised when it is probable the future economic benefits will flow and the amounts can be reliably measured. The costs arising from planning the project are expensed, as these do not add to the functionality and therefore service potential of the software.

## Note 2K - Property, Plant and Equipment

### Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the Statement of Financial Position, except for purchases costing less than \$5,000. These are expensed in the year of acquisition.

Items of plant and equipment acquired as part of a leasehold fitout 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

Schedule 1 to the *Finance Management and Accountability (Financial Statements 2001–2002) Orders* requires that land and buildings, plant and equipment be progressively revalued in accordance with the 'deprival' method of valuation in successive 3 year cycles.

DOTARS is implementing this cyclical asset valuation requirement on a geographical basis and in 2001–2002, valuations were completed for Central Office assets.

Assets in each class acquired after the commencement of the progressive revaluation cycle will be reported on the basis of the value initially recognised on acquisition until the next revaluation for that asset class and location.

The application of the deprival method means DOTARS values its land at its current market buying price and its property, plant and equipment at its depreciated replacement cost. Any assets which would not be replaced or are surplus to requirements are valued at net realisable value. As at 30 June 2002, DOTARS had no such assets in this situation.

All valuations are independent.

### Recoverable amount test

Schedule 1 requires the application of the recoverable amount test to agency non-current assets in accordance with *AAS 10 Accounting for the Revaluation of Non-Current Assets*. The carrying amounts of these non-current assets have been reviewed to determine whether they are in excess of their recoverable amounts. In assessing recoverable amounts, the relevant cash flows have been discounted to their present value.

## Note 2 - Summary of Significant Accounting Policies continued..

Revaluations are accounted for by separately stating the gross amount and the related accumulated depreciation of the revalued asset, except for buildings that have been accounted for using the net value.

### Depreciation and Amortisation

Depreciable property plant and equipment assets are written-off to their estimated residual values over their estimated useful lives. In all cases, the straight-line method of depreciation is used by DOTARS. Leasehold improvements are amortised on a straight line basis over the lesser of the estimated useful life of the improvements or the unexpired period of the lease.

Depreciation/amortisation rates (useful lives) and methods are reviewed at each balance 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 price only when assets are revalued.

Depreciation and amortisation rates applying to each class of depreciable asset are as follows:

	2001-2002	2000-2001
Buildings on freehold land	<b>25 to 60 years</b>	25 to 60 years
Leasehold improvements	<b>Lease term</b>	Lease term
Infrastructure, plant and equipment	<b>3 to 80 years</b>	3 to 80 years
Intangible assets	<b>5 years</b>	5 years

The aggregate amount of depreciation allocated for each class of asset during the reporting period is disclosed in the Notes.

### Note 2L - Inventories

Inventories held for resale are valued at the lower of cost and net realisable value.

Inventory not held for resale is valued at cost, unless it is no longer required, in which case it is valued at net realisable value.

Costs incurred in bringing each item of inventory to its present location and condition are assigned as follows:

- raw materials and stores—purchase 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.

### Note 2M - Taxation

DOTARS is exempt from all forms of Commonwealth taxation except fringe benefits tax and the goods and services tax.

**Note 2 - Summary of Significant Accounting Policies continued...****Note 2N - Capital Use Charge (CUC)**

A CUC of 11% is imposed by the Commonwealth on the net agency assets of DOTARS. The charge is adjusted to take account of asset gifts, discovered assets and revaluation increments during the financial year.

Whilst funding for the CUC is reported as revenue in the Statement of Financial Performance, the repayment of CUC is not considered an expense as it is equity in nature. Payment of the CUC is reported at Note 12A.

**Note 2P - Foreign Currency**

Transactions denominated in a foreign currency are converted at the exchange rate at the date of the transaction.

**Note 2Q - Insurance**

The Commonwealth's insurable risk managed fund 'Comcover' commenced operations in 1998–1999. DOTARS has insured with the fund for assets and other risks. 'Comcare' provides DOTARS with workers compensation coverage.

**Note 2R - Comparative Figures**

Comparative figures have been adjusted to conform with changes in presentation in these financial statements where required. Note 20C, includes a reclassification of \$11.628m from land to buildings. The change reflects the Government's intention to defer development of the Badgery's Creek site for an extended period.

**Note 2S - Budget**

To assist in meeting the responsibilities of the Government to public accountability, these financial statements present Budget comparatives as presented in the Portfolio Additional Estimates Statements (PAES). The PAES supplement the original Portfolio budget statements for the year to support the Parliament's consideration of DOTARS Budget.

**Note 2T - Rounding**

Amounts have been rounded to the nearest \$1,000 except in relation to the following:

- remuneration of executives;
- remuneration of auditors; and
- act of grace payments and waivers.

Totals are the rounded sums of unrounded figures.

## Note 2 - Summary of Significant Accounting Policies continued...

### Note 2U - Reporting of Administered Activities

Administered revenues, expenses, assets, liabilities and cash flows are presented in the Notes to these financial statements. In 2000–2001, summary information was presented in Schedules following the primary Agency statements. *AAS 29 Financial Reporting by Government Departments* permits either presentation.

#### Accounting policies for administered items are stated in Note 2A above.

These financial statements do not report the receipt of administered appropriations from the Official Public Account (OPA) as administered revenues, nor are transfers of administered receipts to the OPA reported as administered expenses. This change in 2001–2002 acknowledges that the administered activities of agencies are performed on behalf of the Commonwealth Government and it is not appropriate to identify resources transferred between administered activities of different agencies as revenues and expenses of the Administered entity. Generally, therefore, the notes to these financial statements do not report any transactions or balances that are internal to the Administered entity. One exception is the disclosure of administered cash flows, since cash transferred between the OPA and DOTARS administered bank account is necessary for the completeness of the cash flow disclosures.

Accounting policies, which are relevant to, administered activities only of DOTARS are disclosed below.

#### Grant Payments

These payments were previously recognised as an asset and expensed in accordance with predetermined milestones. Grant payments are now accounted for as an expense immediately upon disbursement as the milestones are typically measures of compliance with the terms of the grant, rather than indicators that a future economic benefit is to be realised. This change in policy increased Grant Expenses Administered on Behalf of Government (refer Note 20B) by \$258.2m (the 2000–2001 change to grant expenses would be an increase of \$266.5m).

#### Grants Liabilities and Commitments

DOTARS administers a number of grant programmes on behalf of the Commonwealth.

Grant 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.

A commitment is recorded when the Commonwealth has a binding agreement to make the grants but services have not been performed, or criteria satisfied. Where grant moneys are paid in advance of performance or eligibility, a prepayment is recognised.

**Note 2 - Summary of Significant Accounting Policies continued...****Administered Investments**

Administered investments in controlled entities are not consolidated because their consolidation is relevant only at the whole-of-government level.

The Commonwealth's investment in other controlled authorities and companies in this portfolio is valued at the aggregate of the Commonwealth's share of the net assets or net liabilities of each entity fixed at 30 June 1997, as adjusted for any subsequent capital injections or withdrawals.

**Non-Financial Assets - Airport Land**

The Department has not placed a monetary valuation on freehold land at airports leased by the Commonwealth to private sector interests. This policy takes account of the fact that land at the 20 civilian airports owned by the Commonwealth 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 deprival value because of the extended period before which any future revenue stream will accrue.

Infrastructure built on the freehold land is an asset of the lessor and is also not reflected in the accompanying financial statements.

**Note 3 - Events Occurring after Balance Date**

No material events have occurred after balance date.

2001-2002	2000-2001
\$'000	\$'000

## Note 4 - Operating Revenues

### Note 4A - Revenues from Government

Appropriations for outputs	212 793	190 482
Resources received free of charge	215	215
Total	<u>213 008</u>	<u>190 697</u>

### Note 4B - Sale of Goods and Services

Revenues from Services		
Airport/Marine	1 190	838
Electricity, water and sewerage	4 898	4 470
Health/Housing	855	795
Services provided to other government agencies	1 829	-
Other	1 431	1 141
Total	<u>10 203</u>	<u>7 244</u>

Services were sold as follows:

Government	425
Non-Government	9 778
Total	<u>10 203</u>

### Note 4C - Net Gain from Sale of Assets

Land and Buildings		
Proceeds from sale	-	3 556
Net book value at sale	-	1 134
Net Gain	<u>-</u>	<u>2 422</u>

Infrastructure, plant and equipment		
Proceeds from sale	-	80
Net book value at sale	-	1 329
Net Loss	<u>-</u>	<u>(1 249)</u>

Total Net Gain from sale of assets	-	1 173
Write down of assets (Note 5E)	-	16 299
Net (Loss) on disposal of property, plant and equipment and intangibles	<u>-</u>	<u>(15 126)</u>

### Note 4D - Other Revenue

Insurance Recoveries	126	2 500
Other	4 826	3 718
Total	<u>4 952</u>	<u>6 218</u>

	2001-2002 \$'000	2000-2001 \$'000
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## Note 5 - Operating Expenses

### Note 5A - Employee Expenses

Remuneration (for services provided)	72 712	61 794
Separation and redundancy	1 664	3 473
Total remuneration	<u>74 376</u>	<u>65 267</u>
Other employee expenses	2 221	3 508
Total	<u>76 597</u>	<u>68 775</u>

### Note 5B - Suppliers Expenses

Road works	4 277	3 992
Property operating costs	13 493	14 467
Repairs & maintenance	3 907	2 283
Transport	3 868	3 184
Communication	11 940	9 998
Professional services	27 635	25 046
Fuel & electricity	5 989	5 645
Law enforcement	2 273	2 343
Travel	5 460	5 306
Housing rental	318	335
Health care	1 470	2 319
Education	9 683	7 854
Other	2 840	3 449
Total	<u>93 153</u>	<u>86 221</u>

### Note 5C - Depreciation and Amortisation

Depreciation of property, plant and equipment	9 281	10 702
Amortisation of leasehold improvements	839	496
Amortisation of intangibles	1 111	755
Total	<u>11 231</u>	<u>11 953</u>

The aggregate amounts of depreciation or amortisation expensed during the reporting period for each class of depreciable assets are as follows:

Buildings on freehold land	2 270	2 371
Leasehold improvements	839	496
Infrastructure, plant and equipment	7 011	8 331
Intangibles	1 111	755
Total	<u>11 231</u>	<u>11 953</u>

No depreciation/amortisation was allocated to the carrying amounts of other assets.



	2001-2002 \$'000	2000-2001 \$'000
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### Note 5 - Operating Expenses continued...

#### Note 5D - Net Loss from Sale of Assets

Land and Buildings		
Proceeds from sale	3 138	-
Net book value at sale	3 445	-
Net Gain/(Loss)	<u>(307)</u>	-
Infrastructure, plant and equipment		
Proceeds from sale	229	-
Net book value at sale	300	-
Net Loss	<u>(71)</u>	-
Total Net Loss from sale of assets	( 378)	-
Write down of assets (Note 5E)	(1 366)	-
Net Gain/(Loss) on disposal of property, plant and equipment and intangibles	<u>(1 744)</u>	-

#### Note 5E - Write Down of Assets

Non-financial assets		
Land & buildings	463	431
Land & buildings—revaluation decrement	364	-
Infrastructure, plant and equipment	406	15 615
Intangibles	133	253
Total write down of assets	<u>1 366</u>	16 299

#### Note 5F - Other Expenses

Local government grants	5 389	4 104
Rebates and subsidies	771	769
Insurance	1 440	2 558
Recognition of asset revaluation decrement	1 473	-
Compensation	59	-
Other operating expenses	3 659	3 302
Total	<u>12 791</u>	10 733

	2001-2002 \$'000	2000-2001 \$'000
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### Note 6 - Borrowing Costs Expense

#### Note 6 - Borrowing costs expense

Leases	147	154
	<u>147</u>	<u>154</u>

### Note 7 - Financial Assets (see note 19)

#### Note 7A - Receivables

Capital Use Charge	-	791
Goods and services	4 264	2 360
GST	1 273	1 222
less: Provision for doubtful debts	(609)	(507)
Total	<u>4 928</u>	<u>3 866</u>

*Receivables (Gross) are aged as follows:*

Not Overdue	3 511	3 214
Overdue by:		
less than 30 days	253	268
30 to 60 days	100	91
60 to 90 days	44	-
more than 90 days	1 630	800
Total	<u>5 537</u>	<u>4 373</u>

#### Note 7B - Investments

Term Deposits	28 000	33 000
Total	<u>28 000</u>	<u>33 000</u>

	2001-2002 \$'000	2000-2001 \$'000
<b>Note 8 - Non-Financial Assets</b>		
<b>Note 8A - Land and Buildings</b>		
Land—at valuation (up to 30 June 2001)	4 301	4 674
Total Land	<u>4 301</u>	<u>4 674</u>
Buildings on freehold land—at cost	11	1 211
Accumulated depreciation	-	(3)
	<u>11</u>	<u>1 208</u>
Buildings on freehold land—at valuation (up to 30 June 2001)	84 259	88 092
Accumulated depreciation	(2 584)	(373)
	<u>81 675</u>	<u>87 719</u>
Buildings—work in progress	<u>8 574</u>	
Leasehold Improvements—at cost	-	7 786
Accumulated amortisation	-	(797)
	<u>-</u>	<u>6 989</u>
Leasehold Improvements—at valuation (30 June 2002)	7 497	-
	<u>7 497</u>	<u>-</u>
Leasehold improvements—work in progress	-	1 090
Total Buildings	<u>97 757</u>	<u>97 006</u>
Total Land and Buildings	<u>102 058</u>	<u>101 680</u>

Leasehold improvements were revalued as at 30 June 2002, in accordance with the progressive revaluation policy stated at Note 2. The valuations were completed by an independent valuer, Brian Hurrell (AAPI) of the Australian Valuation Office. A revaluation decrement of \$363,953.46 was expensed.

	2001-2002 \$'000	2000-2001 \$'000
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### Note 8 - Non-Financial Assets continued...

#### Note 8B - Infrastructure, Plant and Equipment

Infrastructure, plant and equipment—at cost	15	2 565
Accumulated depreciation	-	(369)
	<b>15</b>	<b>2 196</b>
Infrastructure, plant and equipment—at valuation (30 June 1996 to 2000)	167	2 526
Accumulated depreciation	(93)	(732)
	<b>74</b>	<b>1 794</b>
Infrastructure, plant and equipment—at valuation (up to 30 June 2001)	95 961	88 368
Accumulated depreciation	(7 574)	(866)
	<b>88 387</b>	<b>87 502</b>
Infrastructure, plant and equipment—at valuation (30 June 2002)	2 540	-
Accumulated depreciation	(13)	-
	<b>2 527</b>	<b>-</b>
Infrastructure, plant and equipment—work in progress	17 305	8 209
Total infrastructure, plant and equipment	<b>108 308</b>	<b>99 701</b>

In accordance with the progressive revaluation policy stated at Note 2, items of infrastructure, plant and equipment were revalued as at 30 June 2002. The valuations were completed by an independent valuer, Simon O'Leary (AAPV) of the Australian Valuation Office. A revaluation decrement of \$64,576.23 for infrastructure plant and equipment was transferred to the asset revaluation reserve.

#### Note 8C - Intangibles

Intangibles—computer software—at cost	6 040	4 015
Accumulated amortisation	(2 341)	(1 348)
	<b>3 699</b>	<b>2 667</b>
Intangibles—computer software—work in progress	6 639	1 442
Total intangibles	<b>10 338</b>	<b>4 109</b>

**Note 8 - Non-Financial Assets continued...****Note 8D - Analysis of Property, Infrastructure, Plant and Equipment, and Intangibles****TABLE A - Movement Summary 2001-2002 for all assets irrespective of valuation basis**

Item	Land	Buildings	Buildings- Leasehold Improvements	Total land & buildings	Infrastructure, plant and equipment	Computer Software Intangibles	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Gross value as at 1 July 2001</b>	4 675	89 303	7 786	101 764	101 669	5 456	208 889
Additions	-	7 495	1 711	9 206	16 371	7 474	33 051
Revaluations: write-ups/(downs)	-	-	(1 699)	(1 699)	(875)	-	(2 574)
Assets transferred in/(out)	-	(360)	-	(360)	17	-	(343)
Write-offs	(14)	(771)	(301)	(1 086)	(632)	(251)	(1 969)
Disposals	(360)	(3 125)	-	(3 485)	(439)	-	(3 924)
<b>Gross value as at 30 June 2002</b>	4 301	92 542	7 497	104 340	116 111	12 679	233 130
<b>Accumulated depreciation/ amortisation as at 1 July 2001</b>		(377)	(797)	(1 174)	(1 968)	(1 348)	(4 490)
Depreciation/amortisation charge for the year		(2 270)	(839)	(3 109)	(7 011)	(1 111)	(11 231)
Additions	n/a	-	-	-	-	-	-
Revaluations	n/a	-	1 335	1 335	810	-	2 145
Assets transferred in/(out)	n/a	3	-	3	-	-	3
Write-offs	n/a	322	301	623	226	118	967
Disposals	n/a	40	-	40	140	-	180
<b>Accumulated depreciation/ amortisation as at 30 June 2002</b>	-	(2 282)	-	(2 282)	(7 803)	(2 341)	(12 426)
<b>Net book value as at 30 June 2002</b>	4 301	90 260	7 497	102 058	108 308	10 338	220 704
<b>Net book value as at 1 July 2001</b>	4 675	88 926	6 989	100 590	99 701	4 108	204 399

**Note 8 - Non-Financial Assets continued...**

Note 8D - Analysis of Property, Infrastructure, Plant and Equipment, and Intangibles continued...

TABLE B - Assets at Valuation

Item	Land	Buildings	Buildings- Leasehold Improvements	Total land & buildings	Infrastructure, plant and equipment	Computer Software Intangibles	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 30 June 2002</b>							
Gross value	4 301	84 259	7 497	96 057	98 668	-	194 725
Accumulated depreciation/ amortisation	-	(2 584)	-	(2 584)	(7 680)	-	(10 264)
Net book value	4 301	81 675	7 497	93 473	90 988	-	184 461
<b>As at 30 June 2001</b>							
Gross value	4 675	89 303	7 786	101 764	101 669	5 456	208 889
Accumulated depreciation/ amortisation	-	(377)	(797)	(1 174)	(1 968)	(1 348)	(4 490)
Net book value	4 675	88 926	6 989	100 590	99 701	4 108	204 399

TABLE C - Assets Under Construction

Item	Land	Buildings	Buildings- Leasehold Improvements	Total land & buildings	Infrastructure, plant and equipment	Computer Software Intangibles	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 30 June 2002</b>							
Gross value	-	8 574	-	8 574	17 305	6 639	32 518
Accumulated depreciation/ amortisation	-	-	-	-	-	-	-
Net book value	-	8 574	-	8 574	17 305	6 639	32 518
<b>As at 30 June 2001</b>							
Gross value	-	-	1 091	1 091	8 209	1 442	10 742
Accumulated depreciation/ amortisation	-	-	-	-	-	-	-
Net book value	-	-	1 091	1 091	8 209	1 442	10 742

	2001-2002 \$'000	2000-2001 \$'000
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**Note 8 - Non-Financial Assets continued...****Note 8E - Inventories**

Finished goods held for sale (at cost)	8	22
Stores not held for sale (at cost)	2 150	2 041
Total	<u>2 158</u>	<u>2 063</u>

**Note 8F - Other Non Financial Assets**

Prepayments	2 176	2 062
Other assets—deferred loss	-	352
Total	<u>2 176</u>	<u>2 414</u>

**Note 9 - Interest Bearing Liabilities****Note 9 - Lease Incentives**

Lease incentives (12 months or less)	358	325
Lease incentives (more than 12 months)	1 897	2 255
	<u>2 255</u>	<u>2 580</u>
Current	358	325
Non-current	1 897	2 255

**Note 10 - Provisions****Note 10 - Employee Provisions**

Salaries and wages	1 725	1 454
Annual leave	10 233	8 314
Long service leave	13 971	12 164
Superannuation	254	218
Aggregate employee entitlement liability	<u>26 183</u>	22 150
Other	631	637
Total	<u>26 814</u>	<u>22 787</u>
Current	6 095	5 899
Non-current	20 719	16 888

	2001-2002 \$'000	2000-2001 \$'000
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### Note 11 - Payables

#### Note 11A - Supplier Payables

Trade creditors	2 189	3 686
Accrued expenses	6 794	7 877
Operating lease rentals	7	7
Other	109	176
Total	<u>9 099</u>	<u>11 746</u>
Current	9 099	11 746
Non-current	-	-

#### Note 11B - Other Payables

Surplus Lease Space Liability (12 months or less)	71	109
Surplus Lease Space Liability (more than 12 months)	-	71
Unearned Income	804	716
Total	<u>875</u>	<u>896</u>
Current	875	825
Non-current	-	71



**Note 12 - Equity****Note 12A - Analysis of Equity**

Item	Accumulated Results		Asset Revaluation Reserve		Total Reserves		Contributed Equity		TOTAL EQUITY	
	2001-2002 \$'000	2000-2001 \$'000	2001-2002 \$'000	2000-2001 \$'000	2001-2002 \$'000	2000-2001 \$'000	2001-2002 \$'000	2000-2001 \$'000	2001-2002 \$'000	2000-2001 \$'000
<b>Opening Balance</b>										
<b>1 July</b>	<b>167 983</b>	179 803	<b>12 287</b>	9 959	<b>12 287</b>	9 959	<b>34 225</b>	29 396	<b>214 495</b>	219 158
Net surplus after extraordinary items	<b>34 711</b>	14 682	-	-	-	-	-	-	<b>34 711</b>	14 682
Net revaluation increment/(decrement)	-	-	<b>146</b>	2 328	<b>146</b>	2 328	-	-	<b>146</b>	2 328
Capital use charge	<b>(24 614)</b>	(26 502)	-	-	-	-	-	-	<b>(24 614)</b>	(26 502)
Contribution of Equity: appropriation	-	-	-	-	-	-	-	4 829	-	4 829
Restructuring transfers	-	-	-	-	-	-	-	(1 231)	<b>(1 231)</b>	-
<b>Closing Balance</b>										
<b>30 June</b>	<b>178 080</b>	167 983	<b>12 433</b>	12 287	<b>12 433</b>	12 287	<b>32 994</b>	34 225	<b>223 507</b>	214 495

**Note 12 - Equity continued...****Note 12B - Restructuring**

As a result of administrative arrangements, DOTARS assumed responsibility on 26 November 2001 for the following functions:

- The Area Consultative Committees and the Regional Assistance Programme from the Department of Employment and Workplace Relations; and
- Natural Disaster Relief Arrangements from the Department of Finance and Administration.

DOTARS relinquished its responsibility for the customs functions in the Indian Ocean Territories to the Australian Customs Service, in accordance with Customs Amendment Ordinance 2001 (No 1).

In respect of the functions assumed, the net book values of assets and liabilities transferred to DOTARS for no consideration and recognised as at the date of transfer were:

	2001-2002 \$'000	2000-2001 \$'000
Total assets recognised	659	-
Total liabilities recognised	(1 514)	-
<b>Net assets assumed</b>	<b>(855)</b>	-
In respect of functions relinquished, the following assets and liabilities were transferred by DOTARS:		
Total assets relinquished	(376)	-
Total liabilities relinquished	-	-
<b>Net assets relinquished</b>	<b>(376)</b>	-
<b>Net contribution by Government as owner during the year</b>	<b>(1 231)</b>	-
<b>Area Consultative Committees &amp; Regional Assistance Programme</b>		
<i>Revenues</i>		
Recognised by the Department of Employment and Workplace Relations	5 579	-
Recognised by DOTARS	4 594	-
<b>Total revenues</b>	<b>10 173</b>	-
<i>Expenses</i>		
Recognised by the Department of Employment and Workplace Relations	5 576	-
Recognised by DOTARS	3 556	-
<b>Total expenses</b>	<b>9 132</b>	-
<b>Natural Disaster Relief Arrangements</b>		
<i>Revenues</i>		
Recognised by the Department of Finance	120	-
Recognised by DOTARS	1 515	-
<b>Total revenues</b>	<b>1 635</b>	-
<i>Expenses</i>		
Recognised by the Department of Finance	120	-
Recognised by DOTARS	825	-

	2001-2002 \$'000	2000-2001 \$'000
<b>Total expenses</b>	<b>945</b>	-

### Note 13 - Cash Flow Reconciliation

*Reconciliation of operating surplus (deficit) to net cash provided by operating activities:*

<b>Net surplus (deficit)</b>	<b>34 711</b>	<b>14 682</b>
Revenues from government	-	-
Other revenue (Discovered Assets)	<b>(620)</b>	(1 851)
Depreciation/Amortisation	<b>11 231</b>	11 953
(Profit) Loss on sale of non-current assets	<b>378</b>	837
Assets write down	<b>1 366</b>	16 299
Increase in net assets from restructuring		
<i>Changes in assets/liabilities:</i>		
Decrease (increase) in receivables	<b>(1 779)</b>	(1 673)
Decrease (increase) in accrued revenue	<b>1 930</b>	(2 214)
Decrease (increase) in inventories	<b>(96)</b>	387
Decrease (increase) in other assets	<b>238</b>	2 411
(Decrease) increase in other debt	<b>( 325)</b>	2,147
(Decrease) increase in payables	<b>(3 788)</b>	4 268
(Decrease) increase in employee provisions	<b>2 513</b>	(825)
(Decrease) increase in unearned income	<b>(21)</b>	(520)
<b>Net cash provided by operating activities</b>	<b>45 738</b>	45 901

### Note 14 - Remote Contingencies

The following claims against the Department have been reported as remote contingencies as there is a low likelihood of the matters being resolved against the Department.

#### Arcadia & Anor V Brown & Anors

The plaintiffs allege that Minister Brown and employees of the Department negligently made statements regarding the Motor Vehicle Standards Act and imposition of a \$12,000 import tariff on second hand vehicles. The amount being claimed is \$3.6m.

#### Ain bin Marsh V Commonwealth

A claim for \$1.5m is being made against the Commonwealth by ex-Christmas Island residents for unconscionable conduct.

#### AA Transport Projects P/L & Glennan V Commonwealth & NSW

The plaintiffs are claiming \$0.75m damages resulting from the operation of Sydney airport.

The Department has claims against Phosphate Resources Ltd for the recovery of unpaid electricity charges. The amount being claimed is \$113,000.

**Note 15 - Executive Remuneration**

	2001-2002	2000-2001
The number of executives who received or were due to receive total remuneration of \$100,000 or more:		
\$100 000 to \$110 000	-	1
\$110 001 to \$120 000	2	3
\$120 001 to \$130 000	2	2
\$130 001 to \$140 000	9	5
\$140 001 to \$150 000	7	1
\$150 001 to \$160 000	5	13
\$160 001 to \$170 000	4	6
\$170 001 to \$180 000	4	1
\$180 001 to \$190 000	2	1
\$190 001 to \$200 000	1	4
\$200 001 to \$210 000	2	-
\$210 001 to \$220 000	1	-
\$350 001 to \$360 000	1	1
	<b>40</b>	<b>38</b>

The aggregate amount of total remuneration of Executives shown above:

**\$6 377 838**    \$5 975 268

The aggregate amount of separation and redundancy payments during the year to Executives shown above:

**\$ 0**    \$315 510

A determination in respect of performance pay of the Chief Executive had not been made at the time of finalisation of these statements.

**Note 16 - Services provided by the Auditor-General**

Financial statement audit services are provided free of charge to the Department. The fair value of audit services provided was:

**\$ 215 000**    \$ 215 000

**Note 17 - Average Staffing Levels**

Average staffing levels for the Agency during the year were:

**1 045**    971

### Note 18 - Act of Grace Payments, Waivers and Defective Administration Scheme

	2001-2002 \$	2000-2001 \$
No 'Act of Grace' payments were made during the reporting period.	Nil	Nil
No waivers of amounts owing to the Commonwealth were made pursuant to subsection 34(1) of the <i>Financial Management and Accountability Act 1997</i> .	Nil	Nil
No payments were made under the Defective Administration Scheme during the reporting period.	Nil	Nil

**Note 19 - Financial Instruments****Note 19A - Terms, Conditions and Accounting Policies**

Financial Instrument	Notes	Accounting Policies and Methods (including recognition criteria and measurement basis)	Nature of Underlying Instrument (including significant terms and conditions affecting the amount, timing and certainty of cash flows)
<b>Financial Assets</b>			
Cash	13	Financial assets are recognised when control over future economic benefits is established and the amount of the benefit can be reliably measured.	
Receivables for goods and services	7A	Deposits are recorded at their nominal amounts. Interest is credited to revenue as it accrues. These receivables 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 collection of the debt is judged to be less rather than more likely.	The Department invests funds at call with a commercial bank.  Credit terms are net 30 days (2000-2001: 30 days).
Investments	7B	Term deposits are recorded at their nominal amounts. Interest is credited to revenue as it accrues.	The Department invests term deposits with a commercial bank.
Accrued revenue		Revenues are recognised as the Department becomes entitled to the revenue.	

## Note 19A - Terms, Conditions and Accounting Policies continued...

Financial Instrument	Notes	Accounting Policies and Methods (including recognition criteria and measurement basis)	Nature of Underlying Instrument (including significant terms and conditions affecting the amount, timing and certainty of cash flows)
<b>Financial liabilities</b>			
Lease incentives	9	<p>Financial liabilities are recognised when a present obligation to another party arises and the amount of the liability can be reliably measured.</p> <p>The lease incentive is recognised as a liability on receipt of the incentive. The amount of the liability is reduced on a straight-line over the life of the lease by allocating lease payments between rental expense and reduction of the liability for financial leases and against the rental expense for operating leases.</p>	<p>The Department has received the following lease incentives:</p> <ul style="list-style-type: none"> <li>a rent-free period on the transfer of a property operating lease to the Department in June 1999</li> <li>contributions towards the cost of fitting-out two buildings, August and November 2000</li> </ul>
Surplus lease Space Liability	11B	<p>When a lease is non-cancellable and future payments are for surplus space, a liability and an expense shall be recognised.</p>	<p>At the reporting date, the Department had surplus lease space liability with terms averaging 3 years and a maximum term of 5 years. The incremental borrowing rate used averaged 5.63%. The lease assets secure the lease liabilities.</p>
Trade creditors	11A	<p>Creditors and accruals are recognised at their nominal amounts, being the amounts at which the liabilities will be settled. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).</p>	<p>Settlement is usually made net 30 days.</p>

**Note 19 - Financial Instruments continued...**  
**Note 19B - Interest Rate Risk**

Financial Instrument	Notes	Floating Interest Rate	Fixed Interest Rate				Non-Interest Bearing	Total	Weighted Average Effective Interest Rate
			1 year or less	1 to 2 years	2 to 5 years	> 5 years			
		01-02 \$'000	01-02 \$'000	01-02 \$'000	01-02 \$'000	01-02 \$'000	01-02 \$'000	01-02 %	
<b>Financial Assets</b>									
Cash		-	4 824	3 781	-	-	4 824	3 781	2
Receivables	7A	-	-	-	-	4 928	4 928	3 866	n/a
Investments	7B	-	28 000	33 000	-	-	28 000	33 000	5
Accrued Revenue		-	-	-	-	1 049	1 049	2 980	n/a
<b>Total Financial Assets (Recognised)</b>		-	32 824	36 781	-	5 977	38 801	43 627	
<b>Total Assets</b>							263 839	252 504	
<b>Financial Liabilities</b>									
Suppliers	11A	-	-	-	-	9 099	9 099	11 746	n/a
Unearned income	11B	-	-	-	-	804	804	716	n/a
<b>Total Financial Liabilities (Recognised)</b>		-	-	-	-	9 903	9 903	12 462	
<b>Total Liabilities</b>							40 332	38 009	



**Note 19 - Financial Instruments continued...****Note 19C - Net Fair Values of Financial Assets and Liabilities**

	Note	2001-2002		2000-2001	
		Total Carrying Amount \$'000	Aggregate Net Fair Value \$'000	Total Carrying Amount \$'000	Aggregate Net Fair Value \$'000
<b>Financial Assets</b>					
Cash at Bank		4 824	4 824	3 781	3 781
Receivables for goods and services	7A	4 928	4 928	3 866	3 866
Investments	7B	28 000	28 000	33 000	33 000
Accrued Revenue		1 049	1 049	2 980	2 980
<b>Total Financial Assets</b>		<b>38 801</b>	<b>38 801</b>	43 627	43 627
<b>Financial Liabilities</b>					
Suppliers	11A	9 099	9 099	11 746	11 746
Unearned income	11B	804	804	716	716
<b>Total Financial Liabilities</b>		<b>9 903</b>	<b>9 903</b>	12 462	12 462

**Financial Assets**

The net fair values of cash and non-interest bearing monetary financial assets approximate their carrying amounts.

**Financial Liabilities**

The net fair values of the surplus lease space and lease incentive liabilities are based on discounted cash flows using current interest rates for liabilities with similar risk profiles.

The net fair values for trade creditors are approximated by their carrying amounts.

**Note 19D - Credit Risk Exposures**

The Department's maximum exposure to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Statement of Financial Performance.

The Department has no significant exposures to any concentrations of credit risk.

All figures for credit risk referred to do not take into account the value of any collateral or other security.

**Note 20 - Administered Items****Note 20A - Revenues Administered on Behalf of Government  
for the year ended 30 June 2002**

	2001-2002 \$'000	2000-2001 \$'000
<b>Revenues</b>		
<b>Levies, fees and fines</b>		
Taxation		
Levies	240 204	138 123
Fees	32 479	28 668
Fines	2 736	2 784
Royalties	448	717
	<u>275 867</u>	<u>170 292</u>
<b>Interest</b>		
Loans—State and Territory Governments	13 035	12 671
Loans—Commonwealth Entities	-	5
	<u>13 035</u>	<u>12 676</u>
<b>Dividends</b>		
Commonwealth entities	11 400	22 100
Associated companies	22 110	23 750
	<u>33 510</u>	<u>45 850</u>
<b>Sales of goods and services</b>		
Provision of goods and services—Other	6 844	7 238
	<u>6 844</u>	<u>7 238</u>
<b>Other Revenue</b>		
Industry Contributions	16 090	-
Lease	1 545	1 213
Other	4 711	3 847
	<u>22 346</u>	<u>5 060</u>
<b>Total Revenues Administered on Behalf of Government</b>	<u><u>351 602</u></u>	<u><u>241 116</u></u>

	2001-2002 \$'000	2000-2001 \$'000
<b>Note 20B - Expenses Administered on Behalf of Government for the year ended 30 June 2002</b>		
<b>Expenses</b>		
<b>Grants</b>		
Non-profit institutions	54 435	13 463
State and Territory Government	2 815 465	2 275 425
Local Government	419 852	41 046
Overseas Entities	2 322	1 778
Private Sector	60 870	9 515
Related Entities—Commonwealth Authorities	13 015	56 847
	<b>3 365 959</b>	<b>2 398 074</b>
<b>Subsidies</b>		
Payable to related entities	3 367	1 484
Tasmanian Freight Equalisation Scheme	71 860	68 811
Other	17 054	15 070
	<b>92 281</b>	<b>85 365</b>
<b>Suppliers</b>		
Supply of Goods and Services	52 714	41 959
Other	4 123	17 737
	<b>56 837</b>	<b>59 696</b>
<b>Depreciation and Amortisation</b>	<b>660</b>	<b>723</b>
<b>Write-down of assets</b>		
Non Financial Assets	1 147	-
Receivables	6 908	217 823
Cash	-	65
Investments	-	324 972
	<b>8 055</b>	<b>542 860</b>
<b>Total Expenses Administered on Behalf of Government</b>	<b>3 523 792</b>	<b>3 086 718</b>

	2001-2002 \$'000	2000-2001 \$'000
<b>Note 20C - Assets Administered on Behalf of Government as at 30 June 2002</b>		
<b>Financial Assets</b>		
<b>Cash</b>		
Agency	16	529
<b>Receivables</b>		
Fees and Fines	6 831	6 463
Less: Provision for doubtful debts	(180)	(15)
	<b>6 651</b>	<b>6 448</b>
Loans		
<i>State and Territory Governments</i>	197 205	184 787
<i>Other</i>	8 100	1 600
Less: Provision for waiving of debts	(8 100)	(1 600)
	<b>197 205</b>	<b>184 787</b>
Other Receivables		
Levies	14 500	-
Other	12 614	2 775
	<b>27 114</b>	<b>2 775</b>
Provision for Doubtful Debts	(2 771)	(2 738)
Goods and Services Tax	2 951	1 499
<b>Total</b>	<b>231 150</b>	<b>192 771</b>
<b>Investments</b>		
<i>Shares in Commonwealth companies</i>		
Australian River Company	-	37 965
National Rail Corp	-	293 615
	-	331 580
<i>Commonwealth Authorities</i>		
Airservices Australia	353 203	353 203
Albury Woodonga Development Corp	99 783	99 783
Australian Maritime Safety Authority	54 617	54 617
Australian National Rail Commission	-	-
Civil Aviation Safety Authority	18 670	18 670
Federal Airports Corporation	-	-
National Road Transport Commission	200	200
Australian Maritime College	58 518	58 518
Stevedoring Industry Finance Committee	14 053	14 053
Maritime Industry Finance Company Limited	-	-
	<b>599 044</b>	<b>599 044</b>
<b>Total</b>	<b>599 044</b>	<b>930 624</b>
<b>Accrued Revenue</b>		
Interest <sup>A</sup>	1 664	1 726
Oil Pollution Fund	7 443	9 708
Taxes, Fees and Fines	2 660	5 282
Dairy Regional Assistance Programme	3 389	-
<b>Total</b>	<b>15 156</b>	<b>16 716</b>
<b>Other</b>		
Prepayments	-	266 505
<b>Non Financial Assets</b>		
<b>Land and Buildings</b>		
Land <sup>B</sup>	58 305	43 191
Buildings <sup>B</sup>	27 470	26 603
<b>Total</b>	<b>85 775</b>	<b>69 794</b>
<b>Infrastructure, Plant and Equipment</b>		
Plant and Equipment	-	1
<b>Total</b>	-	1
<b>Intangibles</b>		
Intangibles	4 670	4 958
<b>Total</b>	<b>4 670</b>	<b>4 958</b>
<b>Total Assets Administered on Behalf of Government</b>	<b>935 811</b>	<b>1 481 898</b>

Note A - Net Interest Accrued consists of \$1,882,880.27 total interest accrued and a provision of \$219,045.21  
Note B - Prior year comparatives adjusted to reflect reallocation of current year land and buildings

Note 20C - Analysis of Property, Infrastructure, Plant, Equipment and Intangibles - Administered continued...

TABLE A - Movement Summary 2001-2002 for all assets irrespective of valuation basis

Item	Land	Buildings	Total land & buildings	Infrastructure, plant and equipment	Intangibles	TOTAL
			\$'000	\$'000	\$'000	\$'000
<b>Gross value as at</b>						
<b>1 July 2001</b>	43 191	26 952	70 143	12	5 000	75 155
Additions	-	-	-	-	-	-
Revaluations: write-up/ (down)	15 114	2 379	17 493	-	-	17 493
Write-offs	-	(1 152)	(1 152)	-	-	(1 152)
Disposals	-	-	-	-	-	-
<b>Gross value as at</b>						
<b>30 June 2002</b>	58 305	28 179	86 484	12	5 000	91 496
<b>Accumulated depreciation/ amortisation as at</b>						
<b>1 July 2001</b>	-	349	349	11	42	402
Depreciation/amortisation charge	-	371	371	1	288	660
Additions	-	-	-	-	-	-
Revaluations: write-up/ (down)	-	(6)	(6)	-	-	(6)
Write-offs	-	(5)	(5)	-	-	(5)
Disposals	-	-	-	-	-	-
<b>Accumulated depreciation/ amortisation as at</b>						
<b>30 June 2002</b>	-	709	709	12	330	1 051
<b>Net book value as at</b>						
<b>30 June 2002</b>	58 305	27 470	85 775	-	4 670	90 445
<b>Net book value as at</b>						
<b>1 July 2001</b>	43 191	26 603	69 794	1	4 958	74 753

	2001-2002 \$'000	2000-2001 \$'000
<b>Note 20D - Liabilities Administered on Behalf of Government as at 30 June 2002</b>		
<b>Payables</b>		
<b>Suppliers</b>		
Trade Creditors	8 899	16 627
<b>Grants</b>		
State and Territory Governments	22 122	8 445
Private sector	1 571	-
Non-Profit Institutions	1 601	247
	<b>25 294</b>	8 692
<b>Subsidies</b>		
Other		
Unearned Revenue	-	269
Appropriation for GST	2 854	1 462
	<b>2 854</b>	1 731
<b>Total Payables</b>	<b>140 395</b>	157 016
<b>Total Liabilities Administered on Behalf of Government</b>	<b>140 395</b>	157 016

	2001-2002 \$'000	2000-2001 \$'000
<b>Note 20E - Administered Cash Flows</b>		
<b>for the year ended 30 June 2002</b>		
<b>OPERATING ACTIVITIES</b>		
<b>Cash received</b>		
TAXATION		
Other Taxes, Levies, fees and fines	205 734	112 956
Total taxation	<u>205 734</u>	<u>112 956</u>
NON-TAXATION		
Sales of goods and services	6 484	7 792
Interest & Dividends	46 389	58 981
Cash from Official Public Account	3 259 856	2 727 597
Other	22 346	4 285
Total non-taxation	<u>3 335 075</u>	<u>2 798 655</u>
<b>Total cash received</b>	<u>3 540 809</u>	<u>2 911 611</u>
<b>Cash used</b>		
Subsidies	118 899	113 545
Grants	3 082 896	2 585 694
Suppliers	60 284	33 284
Cash to Official Public Account	276 701	184 623
Goods and Services Tax paid	80	1 497
Other	4 240	17 737
<b>Total cash used</b>	<u>3 543 100</u>	<u>2 936 380</u>
<b>Net cash from/(used by) operating activities</b>	<u>(2 291)</u>	<u>(24 769)</u>
<b>INVESTING ACTIVITIES</b>		
<b>Cash received</b>		
Equity repayments	-	40 552
Repayment of loans	9 737	5 936
Proceeds from sales of land, PP&E and intangibles	-	-
<b>Total cash received</b>	<u>9 737</u>	<u>46 488</u>
<b>Cash used</b>		
Purchase of property, plant and equipment	-	685
Advances made	9 692	359
Cash to Official Public Account	-	46 358
<b>Total cash used</b>	<u>9 692</u>	<u>47 402</u>
<b>Net cash from/(used by) investing activities</b>	<u>45</u>	<u>(914)</u>
<b>FINANCING ACTIVITIES</b>		
<b>Cash received</b>		
Cash from Official Public Account	341	359
GST Appropriations	14 688	8 503
<b>Total cash received</b>	<u>15 029</u>	<u>8 862</u>
<b>Cash used</b>		
Return of GST Appropriations to OPA	13 296	7 043
<b>Total cash used</b>	<u>13 296</u>	<u>7 043</u>
<b>Net cash from/(used by) financing activities</b>	<u>1 733</u>	<u>1 819</u>
<b>Net increase/(decrease) in cash held</b>	<u>(513)</u>	<u>(23 864)</u>
Cash at the beginning of reporting period	529	24 458
Write off	-	(65)
<b>Cash at the end of reporting period</b>	<u>16</u>	<u>529</u>

	2001-2002 \$'000	2000-2001 \$'000
<b>Note 20F - Administered Commitments as at 30 June 2002</b>		
<b>SCHEDULE OF COMMITMENTS DISCLOSURE</b>		
<b>BY TYPE</b>		
CAPITAL COMMITMENTS		
Land & Buildings	-	-
Infrastructure, Plant and Equipment	-	-
Investments	-	-
Intangibles	-	-
Other Capital Commitments	-	-
<b>Total Capital Commitments</b>	<b>-</b>	<b>-</b>
OTHER COMMITMENTS		
Operating Leases	-	-
Project Commitments	<b>3 318 768</b>	3 556 900
Research & Development	-	-
Goods & Services	<b>5 127</b>	-
Other Commitments	<b>41 246</b>	165
<b>Total Other Commitments</b>	<b>3 365 141</b>	3 557 065
COMMITMENTS RECEIVABLE	<b>1 538</b>	2 462
<b>Net Commitments</b>	<b>3 363 603</b>	3 554 603
<b>BY MATURITY</b>		
<b>All Net Commitments</b>		
One year or less	<b>1 109 060</b>	1 138 830
From one to five years	<b>2 254 543</b>	2 409 523
Over five years	-	6 250
<b>Net Commitments</b>	<b>3 363 603</b>	3 554 603
<b>Operating Lease Commitments</b>		
One year or less	-	-
From one to five years	-	-
Over five years	-	-
<b>Net Commitments</b>	<b>-</b>	<b>-</b>



	2001-2002 \$'000	2000-2001 \$'000
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## Note 20G - Administered Contingencies as at 30 June 2002

### CONTINGENT LOSSES

Claims for damages/costs	-	2 799
Other	-	-
<b>Total Contingent Losses</b>	<b>-</b>	<b>2 799</b>

### CONTINGENT GAINS

Claims for damages/costs	-	-
<b>Net Contingencies</b>	<b>-</b>	<b>2 799</b>

### UNQUANTIFIABLE ADMINISTERED CONTINGENCIES

#### **Australian Capital Territory (ACT) funding agreements**

As at 30 June 2002 the Commonwealth is party to ongoing funding agreements with the Australian Capital Territory (assistance for water and sewerage, and compensation for national capital influences). The future liabilities of these agreements cannot be reliably measured.

#### **Australian Maritime Safety Authority (AMSA) – litigation**

AMSA is subject to a professional negligence claim seeking unspecified damages arising from a search and rescue incident involving loss of one life. The flotation device manufacturer and the retailer are second and third defendants. The claim is being defended, although it is not possible to estimate the amounts of any eventual payments that may result.

#### **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. The Commonwealth has agreed that AMSA's responsibility should be limited to a maximum expense of \$10million, and has arranged a stand by loan facility for this purpose. The Commonwealth will provide funds in the event that costs exceed the limit. In all circumstances, the Authority is responsible for making appropriate efforts to recover the costs of any such incidents.

## Note 20H - Administered Remote Contingencies

### Aviation War Risk Insurance – indemnities for Australian carriers, airports and service providers

Following terrorist attacks in the United States on 11 September 2001, regular insurance cover for claims arising out of war and terrorism was withdrawn or significantly limited, placing global aviation operations at risk. The Commonwealth agreed to provide third party war indemnity up to US\$5 billion per aircraft per event. As at 30 June 2002 the Department holds 28 Deed Polls of Indemnity for aviation war risk cover for airlines, airports and other aviation service providers. The value of each indemnity is stated in either Australian dollars, United States dollars or Pounds Sterling. The total value of the indemnities is \$27.235 billion Australian. Values of indemnities in foreign currencies have been converted into Australian dollars using the exchange rate at 30 June 2002.

	Indemnities in \$A		Indemnities in \$US		Indemnities in UK Pound Sterling		Total Indemnities in \$A. <sup>1</sup>	
	No.	(\$'000)	No.	(\$'000)	No.	(\$'000)	No.	(\$'000)
Airlines	1	180 000	5	3 700 000	0	0	6	6 730 992
Airports	12	11 500 000	1	50 000	0	0	13	11 588 527
Other Service and Facility Providers	5	2 966 000	3	2 750 000	1	400 000	9	8 916 061
<b>Total</b>	<b>18</b>	<b>14 646 000</b>	<b>9</b>	<b>6 500 000</b>	<b>1</b>	<b>400 000</b>	<b>28</b>	<b>27 235 580</b>

1 Foreign currencies converted at 30 June 2002.

### 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 Commonwealth, 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 Commonwealth 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 Commonwealth's potential liability to the lessee's financiers is limited to the value received for the affected Airport Lease or the valuation of the airport site. Where the Commonwealth is able to sell on the Airport Lease, secured financiers have a limited ability to recover their loans from funds obtained by the Commonwealth from selling on the Airport Lease, subject to higher ranking claims being met

### Note 20H - Administered Remote Contingencies continued...

first. Where the Airport Lease is not sold on, the Commonwealth 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 Commonwealth 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 on the Airport Lease.

#### **Federal Airports Corporation (FAC) transfer of liabilities to the Commonwealth**

On 24 September 1998, the Commonwealth assumed responsibility for all remaining assets, liabilities and contracts of the FAC on the wind-up of the Corporation. All of the known liabilities have been settled, however there is a risk that undisclosed liabilities remain.

#### **Maritime Industry Finance Company Limited – board members' indemnity**

Indemnities for MIFCo board members have been provided to protect against civil claims relating to employment and conduct as directors of MIFCo. These indemnities are unquantifiable and no expiry date has been set. As at 30 June 2002, no claims have been made.

#### **National Codes of Practice for Railways – Industry Advisory Committee**

Under an Inter-Governmental Agreement on Rail Operational Uniformity, an advisory committee has been formed to provide advise to the Australian Rail Operations Unit on all aspects of the development and implementation of uniform operational codes for the defined interstate rail network. The Commonwealth indemnifies members of the advisory committee as if they were Commonwealth employees. It is not possible to quantify the liability.

## Note 20I - Administered Investments

	C'wlth Interest	2001-2002 \$'000	2000-2001 \$'000
<b>Shares in Commonwealth companies:</b>			
Australian River Company	-	-	37 965
National Rail Corporation Limited	-	-	293 615
<b>Commonwealth authorities:</b>			
Airservices Australia	100%	<b>353 203</b>	353 203
Albury Wodonga Development Corporation	99%	<b>99 783</b>	99 783
Australian Maritime Safety Authority	100%	<b>54 617</b>	54 617
Australian National Rail Commission	100%	-	-
Civil Aviation Safety Authority	100%	<b>18 670</b>	18 670
National Road Transport Commission	35%	<b>200</b>	200
Australian Maritime College	100%	<b>58 518</b>	58 518
Australian Rail Track Corporation	100%	-	-
Stevedoring Industry Finance Committee	100%	<b>14 053</b>	14 053
Maritime Industry Finance Company Limited	100%	-	-
<b>Total</b>		<b>599 044</b>	930 624

The principal activities of each of the investments of controlled entities listed above are as follows:

*Australian River Company*—established to manage residual matters and obligations remaining after the sale of the maritime shipping activities of the Australian National Line Limited.

*National Rail Corporation Limited*—conducts national interstate rail freight operations.

*Airservices Australia*—provides services to national air transport including air traffic control and navigation facilities, as well as airport firefighting services.

*Albury Wodonga Development Corporation*—facilitates an orderly sale of the corporation's assets, in particular land development holdings.

*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 regulations.

*National Road Transport Commission*—provides advice to Australian governments on road transport issues and reform, including safety, uniformity and environmental policies.

*Australian Maritime College*—provides education and training for the shipping and fishing industries.

*Australian Rail Track Corporation*—manages access to the national interstate rail track and infrastructure network, as well as train control services.

*Stevedoring Industry Finance Committee*—manages residual matters and obligations arising from its former functions to oversee and control the disposal of levies imposed on the stevedoring industry.

*Maritime Industry Finance Company Limited*—provides financial assistance in connection with the reform and restructuring of the maritime (shipping and stevedoring) industry.

## Note 20J – Administered Financial Instruments

### a) Terms, Conditions and Accounting Policies

Financial Instrument	Notes	Accounting Policies and Methods (including recognition criteria and measurement basis)	Nature of Underlying Instrument (including significant terms and conditions affecting the amount, timing and certainty of cash flows)
<b>Financial Assets</b>			
Cash	20C	<p>Financial assets are recognised when control over future economic benefits is established and the amount of the benefit can be reliably measured.</p> <p>Deposits are recognised at their nominal amounts. Interest is credited to revenue as it accrues.</p>	<p>The Department invests term deposits and funds at call with a commercial bank. Monies remaining in the Administered's bank accounts are swept into the Official Public Account nightly and interest is earned on the daily balance at rates based on money market call rates. Rates on these investments have averaged 9% for the year (2000-01: 9%). Interest is paid at month end.</p>
Receivables for goods and services	20C	<p>These receivables 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 collection of the debt is judged to be less rather than more likely.</p>	<p>All receivables are with entities external to the Commonwealth. Credit terms are net 30 days (2000-01: 30 days).</p>
Investments	20C	<p>Administered Investment in other Commonwealth agencies are valued at the aggregate of the Commonwealth's share of the net assets or net liabilities of each entity, fixed as at 30 June 1997, as adjusted for subsequent capital injections or withdrawals.</p>	<p>Dividends may be received from investments. Capital repayments are accounted for as a reduction in the carrying value of the investment.</p>
Accrued revenue	20C	<p>Interest is credited to revenue as it accrues. Interest on term deposits is on maturity and overnight deposits is paid quarterly. Dividends from portfolio bodies are recognised when a determination is made by the Minister.</p>	<p>The basis for the payment of dividends is a memorandum of understanding between Ministers.</p>

## Note 20J – Administered Financial Instruments continued...

a) Terms, Conditions and Accounting Policies continued...

Financial Instrument	Notes	Accounting Policies and Methods (including recognition criteria and measurement basis)	Nature of Underlying Instrument (including significant terms and conditions affecting the amount, timing and certainty of cash flows)
Loans	20C	Loans are recognised at the amounts lent. Collectability of amounts outstanding is reviewed at balance date. Provision is made for bad and doubtful loans where collection of the loan or part thereof is judged to be not likely. In rare circumstances, loan repayment may be waived. Interest is credited to revenue as it accrues.	Loans are made under contract. No security is generally required. Interest rates are fixed. Loan repayments are generally made annually. Some loan repayments are required bi-annually and loan payments are split between principal and interest.
<b>Financial liabilities</b>			
	20D	Financial liabilities are recognised when a present obligation to another party arises and the amount of the liability can be reliably measured.	
Trade creditors	20D	Creditors and accruals are recognised at their nominal amounts, being the amounts at which the liabilities will be settled. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).	All creditors are entities that are not part of the Commonwealth legal entity. Settlement is usually made net 30 days.
Grants Payable	20D	Grant liabilities are measured at nominal value. Grant liabilities are recognised to the extent that: <ol style="list-style-type: none"> <li>1) the services required to be performed by the grantee have been performed; or</li> <li>2) the grant eligibility criteria have been met.</li> </ol>	Grant payments are normally required to be made as specified by each individual grant agreement

## Note 20J – Administered Financial Instruments continued...

## b) Interest Rate Risk

Financial Instrument	Notes	Floating Interest Rate		Fixed Interest Rate					Non-Interest Bearing	Total	Weighted Average Effective Interest Rate			
		01-02 \$'000	00-01 \$'000	1 to 2 years	2 to 5 years	> 5 years	01-02 \$'000	00-01 \$'000				01-02 \$'000	00-01 \$'000	01-02 %
<b>Financial Assets</b>														
Cash	20C	-	-	-	-	-	-	-	16	529	16	529	n/a	n/a
Fees Receivables	20C	-	-	-	-	-	-	-	30 200	6 485	30 200	6 485	n/a	n/a
Loans to State and Territory Govts	20C	-	-	6 213	6 960	19 479	20 970	165 642	-	-	197 205	184 787	9	9
Other loans	20C	-	-	-	-	-	-	-	-	-	-	-	n/a	n/a
Investments	20C	-	-	-	-	-	-	-	599 044	930 624	599 044	930 624	n/a	n/a
Accrued revenues	20C	-	-	-	-	-	-	-	15 156	16 716	15 156	16 716	n/a	n/a
<b>Total Financial Assets (Recognised)</b>		-	-	<b>5 871</b>	<b>6 213</b>	<b>19 479</b>	<b>20 970</b>	<b>165 642</b>	<b>644 416</b>	<b>954 354</b>	<b>841 621</b>	<b>1 139 141</b>		
<b>Total Assets</b>											<b>935 811</b>	<b>1 481 898</b>		
<b>Financial Liabilities</b>														
Subsidies	20D	-	-	-	-	-	-	-	103 348	129 966	103 348	129 966	n/a	n/a
Grants	20D	-	-	-	-	-	-	-	25 294	8 692	25 294	8 692	n/a	n/a
Other	20D	-	-	-	-	-	-	-	11 753	18 358	11 753	18 358	n/a	n/a
<b>Total Financial Liabilities (Recognised)</b>		-	-	-	-	-	-	-	<b>140 395</b>	<b>157 016</b>	<b>140 395</b>	<b>157 016</b>		
<b>Total Liabilities</b>											<b>140 395</b>	<b>157 016</b>		
<b>Liabilities not recognised</b>														
Contingencies		-	-	-	-	-	-	-	-	-	-	-	n/a	n/a
Guarantee to authority		-	-	-	-	-	-	-	-	-	-	-	n/a	n/a
Other guarantees		-	-	-	-	-	-	-	-	-	-	-	n/a	n/a
Indemnities		-	-	-	-	-	-	-	-	-	-	-	n/a	n/a
<b>Total Financial Liabilities (Unrecognised)</b>		-	-	-	-	-	-	-	-	-	-	-	n/a	n/a
* Unquantifiable														

## Note 20J – Administered Financial Instruments continued...

## c) Net Fair Values of Administered Financial Assets and Liabilities

	Note	2001-2002		2000-2001	
		Total Carrying Amount \$'000	Aggregate Net Fair Value \$'000	Total Carrying Amount \$'000	Aggregate Net Fair Value \$'000
<b>Financial Assets</b>					
Cash	20C	16	16	529	529
Fees Receivables	20C	30 200	30 200	6 485	6 485
Loans to State and Territory Govts	20C	197 205	197 205	184 787	184 787
Investments	20C	599 044	599 044	930 624	930 624
Accrued revenues	20C	15 156	15 156	16 716	16 716
<b>Total Financial Assets</b>		<b>841 621</b>	<b>841 621</b>	1 139 141	1 139 141
<b>Financial Liabilities (Recognised)</b>					
Subsidies	20D	103 348	103 348	129 966	129 966
Grants	20D	25 294	25 294	8 692	8 692
Other	20D	11 753	11 753	18 358	18 358
<b>Total Financial Liabilities (Recognised)</b>		<b>140 395</b>	<b>140 395</b>	157 016	157 016

## Note 20K - Administered Act of Grace Payments, Waivers and Defective Administration Scheme

	2001-2002 \$'000	2000-2001 \$'000
One Act of Grace Payment was made during the reporting period	30 774	100 000
No waivers of amounts owing to the Commonwealth were made pursuant to subsection 34(1) of the <i>Financial Management and Accountability Act 1997</i> .	-	-
No payments were made under the Defective Administration Scheme during the reporting period.	-	-



**Note 21 - Appropriations**  
**Note 21A - Appropriation Acts (No. 1/3) 2001-2002**

Particulars	Administered	Departmental	Total
	Expenses Outcome 1 \$	Outputs \$	\$
<b>Year ended 30 June 2002</b>			
Balance carried from previous year	9 965 718	36 103 000	46 068 718
Appropriation for reporting period (Act 1)	203 445 000	199 845 000	403 290 000
Appropriation for reporting period (Act 3)	125 782 000	18 545 000	144 327 000
Adjustments determined by the Finance Minister	(43 311 000)	-	(43 311 000)
Funding for Very High Speed Train—withdrawn	-	(12 700 000)	(12 700 000)
Amounts from Advance to the Finance Minister	-	-	-
Amounts from Comcover receipts	-	-	-
Refunds credited (FMA s 30)	-	-	-
GST credits (FMA s 30A)	10 675 570	7 110 000	17 785 570
Annotations to 'net appropriations' (FMA s 31)	-	18 754 000	18 754 000
Other annotations	-	-	-
Transfer to/from other agencies (FMA s 32)	42 024 995	7 457 821	49 482 816
Administered expenses lapsed (expended)	(71 573 588)	-	(71 573 588)
Available for payments	<b>277 008 695</b>	<b>275 114 821</b>	<b>552 123 516</b>
Payments made	<b>268 360 489</b>	<b>242 969 000</b>	<b>511 329 489</b>
Balance carried to next year	<b>8 648 206</b>	<b>32 145 821</b>	<b>40 794 027</b>
<b>Year ended 30 June 2001</b>			
Available for payments 2001	205 844 512	249 847 000	455 691 512
Payments made 2001	195 878 794	213 744 000	409 622 794
Balance carried forward to 1 July 2001	9 965 718	36 103 000	46 068 718

FMA = Financial Management and Accountability Act 1997

Act 1 = Appropriations Act (No.1) 2001-2002

Act 3 = Appropriations Act (No.3) 2001-2002

There were no savings offered up during the year and there have been no savings offered up in previous years that are still ongoing.

Any amounts of administered appropriations for 2001-2002 shown above as lapsed are estimates only.

Prior year 'available' figures have been adjusted where the final determinations of amounts lapsed differed to that reported in 2000-2001.

## Note 21B - Appropriation Acts (No. 2/4) 2001-2002

Particulars	Administered		Capital			Total
	SPPs	Other	Admin Capital	Equity	Departmental Loans	
	\$	\$	\$	\$	\$	\$
<b>Year ended 30 June 2002</b>						
Balance carried from previous year	557 479	-	3 170 116	-	-	3 727 595
Current appropriation (Act 2)	96 617 000	-	-	-	-	96 617 000
Current appropriation (Act 4)	6 476 000	-	-	3 800 000	-	10 276 000
Adjustments determined by the Finance Minister	-	-	-	-	-	-
Amounts from Advance to the Finance Minister	-	-	-	-	-	-
Amounts from Comcover receipts	-	-	-	-	-	-
Refunds credited (FMA s 30)	-	-	-	-	-	-
GST credits (FMA s 30A)	-	-	-	-	-	-
Annotations to 'net appropriations' (FMA s 31)	-	-	-	-	-	-
Other annotations	-	-	-	-	-	-
Transfer to/from other agencies (FMA s 32)	63 722 801	-	4 563 517	-	-	68 286 318
Administered expenses lapsed under determination	(35 854 439)	-	(4 246 433)	-	-	(40 100 872)
Available for payments	<b>131 518 841</b>	-	<b>3 487 200</b>	<b>3 800 000</b>	-	<b>138 806 041</b>
Payments made	<b>131 518 841</b>	-	<b>341 340</b>	-	-	<b>131 860 181</b>
Balance carried to next year	-	-	<b>3 145 860</b>	<b>3 800 000</b>	-	<b>6 945 860</b>
<b>Year ended 30 June 2001</b>						
Available for payments 2001	57 474 744	2 528 350	3 784 260	4 829 000	-	4 829 000
Payments made 2001	56 917 265	2 528 350	614 144	4 829 000	-	4 829 000
Balance carried forward to 1 July 2001	557 479	-	3 170 116	-	-	-

Act 2 = Appropriations Act (No.2) 2001-2002

Act 4 = Appropriations Act (No.4) 2001-2002

There were no savings offered up during the year and there have been no savings offered up in previous years that are still ongoing.

Any amounts of administered appropriations for 2001-02 shown above as lapsed are estimates only.

Prior year 'available' figures have been adjusted where the final determinations of amounts lapsed differed to that reported in 2000-2001.

### Note 21C - Special Appropriations (Unlimited Amount)

Particulars of legislation providing appropriation (including purpose)	Administered	
	2001-2002 \$	Expenses Outcome 1 2000-2001 \$
<i>Australian Land Transport Development Act 1988</i>		
Budget estimate	1 063 269 000	875 707 000
<b>Payments made</b>	<b>1 063 268 999</b>	<b>875 442 653</b>
Refunds credited (section 30)		
<i>Interstate Road Transport Act 1985</i>		
Budget estimate	30 100 000	27 100 000
<b>Payments made</b>	<b>31 340 964</b>	<b>26 570 092</b>
Refunds credited (section 30)		
<i>Local Government (Financial Assistance) Act 1995</i>		
Budget estimate	1 382 138 103	1 322 492 783
<b>Payments made</b>	<b>1 382 138 103</b>	<b>1 322 492 783</b>
Refunds credited (section 30)		
<i>Protection of the Sea (Oil Pollution Compensation Fund) Act 1993</i>		
Budget estimate	4 742 745	5 900 000
<b>Payments made</b>	<b>4 742 745</b>	<b>4 200 792</b>
Refunds credited (section 30)		
<i>Stevedoring Levy Collection Act 1998</i>		
Budget estimate	28 965 000	29 940 000
<b>Payments made</b>	<b>28 778 333</b>	<b>29 883 795</b>
Refunds credited (section 30)		
<i>Roads to Recovery Act 2000</i>		
Budget estimate	300 000 000	150 000 000
<b>Payments made</b>	<b>300 000 000</b>	<b>150 000 000</b>

Refunds credited (section 30)

### Note 21D - Special Accounts

#### Australian Land Transport Development

*Legal Authority: Australian Land Transport Development Act 1988*

*Purpose:* to provide assistance to the States and Territories for land transport upgrading and maintenance, including funding for urban public transport and land transport research.

Particulars	Administered Account 7	
	2001-2002 \$	2000-2001 \$
Balance carried from previous year	-	-
Appropriations for reporting period	1 063 268 999	875 442 653
Receipts from other sources	-	-
Refunds credited (FMA s 30)	-	-
GST credits (FMA s 30A)	-	-
<b>Available for payments</b>	<b>1 063 268 999</b>	<b>875 442 653</b>
<b>Payments made</b>	<b>1 063 268 999</b>	<b>875 442 653</b>
Balance carried to next year	-	-

#### Interstate Road Transport Charges

*Legal Authority: Interstate Road Transport Act 1985*

*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.

Particulars	Administered Account 7	
	2001-2002 \$	2000-2001 \$
Balance carried from previous year	-	-
Appropriations for reporting period	31 340 964	26 570 092
Receipts from other sources	-	-
Refunds credited (FMA s 30)	-	-
GST credits (FMA s 30A)	-	-
<b>Available for payments</b>	<b>31 340 964</b>	<b>26 570 092</b>
<b>Payments made</b>	<b>31 340 964</b>	<b>26 570 092</b>
Balance carried to next year	-	-

Note 21D - Special Accounts continued...

### Rural Transaction Centres

*Legal Authority: Telstra (Further Dilution of Public Ownership) Act 1999*

*Purpose:* enabling people in rural areas to have access to services and technology that enable them to obtain information or carry out transactions

Particulars	Administered Account 1	
	2001-2002 \$	2000-2001 \$
Balance carried from previous year	52 877 718	59 097 297
Appropriations for reporting period	-	-
Receipts from other sources	-	-
Refunds credited (FMA s 30)	-	-
GST Credits (FMA s 30A)	7 32 960	6 28 241
<b>Available for payments</b>	<b>53 610 678</b>	<b>59 725 538</b>
<b>Payments made</b>	<b>14 659 859</b>	<b>6 847 820</b>
Balance carried to next year	38 950 819	52 877 718

### Federation Fund Reserve

*Legal Authority: Financial Management and Accountability Act 1997: s20*

*Purpose:* to fund projects of national significance to mark the Centenary of Federation

Particulars	Administered Account 1	
	2001-2002 \$	2000-2001 \$
Balance carried from previous year	1 44 830 040	221 130 823
Appropriations for reporting period	-	(20 000 000)
Receipts from other sources	-	-
Refunds credited (FMA s 30)	-	-
GST credits (FMA s 30A)	2 98 422	40
<b>Available for payments</b>	<b>1 45 128 462</b>	<b>201 130 863</b>
<b>Payments made</b>	<b>59 046 679</b>	<b>56 300 863</b>
Balance carried to next year	86 081 783	1 44 830 040

**Note 22 - Assets Held in Trust**

	2001-2002 \$'000	2000-2001 \$'000
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*Moneys which are held on behalf of third parties:*

**Road Safety Research and Public Education**

*Legal authority—Financial Management and Accountability Act 1997*

*Purpose:* to accept funds from public and private sector sources towards the cost of particular projects.

Balance as at 1 July	370	477
add: receipts from third parties	130	-
Available funds for allocation	<u>500</u>	<u>477</u>
less: expenditure	-	( 107)
Balance as at 30 June	<u><u>500</u></u>	<u><u>370</u></u>

**Services for Other Government and Non-Agency Bodies**

*Legal authority—Financial Management and Accountability Act 1997*

*Purpose:* for expenditure in connection with services performed on behalf of other Governments and bodies that are not FMA agencies.

Balance as at 1 July	876	1 332
add: receipts from third parties	1 481	7 321
Available funds for allocation	<u>2 357</u>	<u>8 653</u>
less: expenditure	<u>(1 332)</u>	<u>(7 777)</u>
Balance as at 30 June	<u><u>1 025</u></u>	<u><u>876</u></u>

**Other Trust Moneys Reserve**

*Legal authority—Financial Management and Accountability Act 1997*

*Purpose:* for receipt of moneys temporarily held on trust or otherwise for the benefit of a person other than the Commonwealth.

Balance as at 1 July	673	517
add: receipts from third parties	391	745
Available funds for allocation	<u>1 064</u>	<u>1 262</u>
less: expenditure	<u>( 428)</u>	<u>( 589)</u>
Balance as at 30 June	<u><u>636</u></u>	<u><u>673</u></u>

**Note 23 - Reporting of Outcomes****Note 23A - Total Cost/Contribution of Outcomes (Whole of Government)**

	Actual \$'000	Outcome 1 Budget \$'000
Net taxation, fees and fines revenues	(275 867)	(192 369)
Other administered revenues	(75 735)	(135 619)
Net subsidies, benefits and grant expenses	3 458 240	3 507 713
Other administered expenses	65 552	117 597
Net cost of departmental outputs	178 082	202 588
Cost of outcome before extraordinary items	3 350 272	3 499 910
Extraordinary items	-	-
<b>Net cost to Budget outcome</b>	<b>3 350 272</b>	<b>3 499 910</b>

**Note 23B - Major Departmental Revenues and Expenses by Output Group**

	Output Group 1 01-02 \$'000	00-01 \$'000	Output Group 2 01-02 \$'000	00-01 \$'000	Output Group 3 01-02 \$'000	00-01 \$'000	Output Group 4 01-02 \$'000	00-01 \$'000	Total 01-02 \$'000	00-01 \$'000
<b>Operating revenues</b>										
Revenues from Government	76 724	80 920	46 018	22 809	2 547	3 677	87 719	83 291	213 008	190 697
Sale of Goods and Services	2 338	1 138	304	158	-	5	7 561	5 943	10 203	7 244
Other non-taxation revenues	3 745	4 403	1 144	1 377	14	214	2 260	4 882	7 163	10 876
<b>Total operating revenues</b>	<b>82 807</b>	<b>86 461</b>	<b>47 466</b>	<b>24 344</b>	<b>2 561</b>	<b>3 896</b>	<b>97 540</b>	<b>94 116</b>	<b>230 374</b>	<b>208 817</b>
<b>Operating expenses</b>										
Employees	37 667	42 398	22 698	11 376	1 265	1 916	14 967	13 085	76 597	68 775
Suppliers	34 806	34 961	11 669	10 533	1 007	1 704	45 671	39 023	93 153	86 221
Depreciation and Amortisation	1 566	1 108	639	471	8	49	9 018	10 325	11 231	11 953
Other	5 800	4 996	3 554	1 849	198	256	5 130	19 931	14 682	27 032
<b>Total operating expenses</b>	<b>79 839</b>	<b>83 463</b>	<b>38 560</b>	<b>24 229</b>	<b>2 478</b>	<b>3 925</b>	<b>74 786</b>	<b>82 364</b>	<b>195 663</b>	<b>193 981</b>

**Note:**

- The methodology adopted is consistent with the 2002-2003 Portfolio Budget Statements and involves management estimates of percentage of expenditure and revenue attributable to each output group.
- The Capital Use Charge, although reflected in Revenue from Government, it is not reflected in the Total Expenses in accordance with accounting policy.

## Note 23C - Major Classes of Departmental Assets and Liabilities by Output Group

	Output Group 1		Output Group 2		Output Group 3		Output Group 4		Non-Attributable		Total	
	01-02 \$'000	00-01 \$'000	01-02 \$'000	00-01 \$'000	01-02 \$'000	00-01 \$'000	01-02 \$'000	00-01 \$'000	01-02 \$'000	00-01 \$'000	01-02 \$'000	00-01 \$'000
<b>Output Specific departmental assets</b>												
Inventories	8	-	-	-	-	-	2 150	-	-	2 063	2 158	2 063
Land	-	-	-	-	-	-	4 301	-	-	4 674	4 301	4 674
Buildings on freehold land	-	-	-	-	-	-	90 260	-	-	88 927	90 260	88 927
Investments	-	-	-	-	-	-	21 546	-	-	-	21 546	-
Goods and services receivable	292	-	338	-	99	-	2 854	-	-	-	3 583	-
Less: provision for doubtful debts	-	-	-	-	-	-	(609)	-	-	-	(609)	-
Accrued revenue	257	-	243	-	-	-	540	-	-	-	1 040	-
Infrastructure, plant and equipment	-	-	-	-	-	-	105 776	-	-	-	105 776	-
Other non-financial assets	41	-	150	-	-	-	1 177	-	-	-	1 368	-
<b>Total output specific departmental assets</b>	<b>598</b>	<b>-</b>	<b>731</b>	<b>-</b>	<b>99</b>	<b>-</b>	<b>227 995</b>	<b>-</b>	<b>-</b>	<b>95 664</b>	<b>229 423</b>	<b>95 664</b>
<b>Other departmental assets</b>												
Cash at bank and on hand	-	-	-	-	-	-	-	-	4 824	3 781	4 824	3 781
Investments	-	-	-	-	-	-	-	-	6 454	33 000	6 454	33 000
Goods and services receivable	-	-	-	-	-	-	-	-	681	2 360	681	2 360
Net GST receivable	-	-	-	-	-	-	-	-	1 273	1 222	1 273	1 222
Capital use charge receivable	-	-	-	-	-	-	-	-	-	791	-	791
Less: provision for doubtful debts	-	-	-	-	-	-	-	-	-	(507)	-	(507)
Accrued revenue	-	-	-	-	-	-	-	-	9	2 980	9	2 980
Leasehold improvements	-	-	-	-	-	-	-	-	7 497	6 989	7 497	6 989
Infrastructure, plant & equipment	-	-	-	-	-	-	-	-	2 532	99 701	2 532	99 701
Intangibles	-	-	-	-	-	-	-	-	10 338	4 109	10 338	4 109
Other non-financial assets	-	-	-	-	-	-	-	-	808	2 414	808	2 414
<b>Total other departmental assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34 416</b>	<b>156 840</b>	<b>34 416</b>	<b>156 840</b>
<b>Output specific departmental liabilities</b>												
Employees	12 008	-	4 372	-	207	-	2 587	-	-	-	19 174	-
Payables suppliers	1 389	-	1 289	-	127	-	1 958	-	-	-	4 763	-
Payables other	431	-	-	-	-	-	216	-	-	-	647	-
<b>Total other departmental liabilities</b>	<b>13 828</b>	<b>-</b>	<b>5 661</b>	<b>-</b>	<b>334</b>	<b>-</b>	<b>4 761</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24 584</b>	<b>-</b>
<b>Other departmental liabilities</b>												
Lease incentives	-	-	-	-	-	-	-	-	2 255	2 580	2 255	2 580
Employees	-	-	-	-	-	-	-	-	7 640	22 787	7 640	22 787
Payables suppliers	-	-	-	-	-	-	-	-	4 336	11 746	4 336	11 746
Payables other	-	-	-	-	-	-	-	-	1 517	896	1 517	896
<b>Total other departmental liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15 748</b>	<b>38 009</b>	<b>15 748</b>	<b>38 009</b>

**Note:**

- Where assets and liabilities could not be reliably allocated to Output Groups, they are classified as non-attributable.
- The ability to accurately attribute all assets and liabilities to Output Groups has been affected by the organisational restructuring of the Department on 1 January 2002.

As disclosure of assets and liabilities by Output Groups is a new requirement in 2002, the 2001 figures have not been attributed to Output Groups.



## Note 23D - Major Classes of Administered Revenues and Expenses by Outcome

	Outcome 1	
	2001-2002 \$'000	2000-2001 \$'000
<b>Operating Revenues</b>		
Levies, Fees and Fines	275 867	170 292
Interest	13 035	12 676
Dividends	33 510	45 850
Sales of Goods and Services	6 844	7 238
Other	22 346	5 060
<b>Total operating revenues</b>	<b>351 602</b>	<b>241 116</b>
<b>Operating expenses</b>		
Grants	3 365 959	2 398 074
Subsidies	92 281	85 365
Suppliers	56 837	59 696
Depreciation	660	723
Other	8 055	542 860
<b>Total operating expenses</b>	<b>3 523 792</b>	<b>3 086 718</b>

### Note 23E - Major Classes of Administered Assets and Liabilities by Outcome

	Outcome 1	
	2001-2002 \$'000	2000-2001 \$'000
<b>Outcome specific administered assets</b>		
Fees and Fines receivable	6 831	6 463
Less: provision for doubtful debts	(180)	(15)
Loans receivables	205 305	186 387
Less: provision for waiving of debts	(8 100)	(1 600)
<b>Total outcome specific administered assets</b>	<b>203 856</b>	<b>191 235</b>
<b>Other administered assets</b>		
Cash	16	529
Investments	599 044	930 624
Other	45 221	287 495
Non Financial assets	90 445	74 753
<b>Total other administered assets</b>	<b>734 726</b>	<b>1 293 401</b>
<b>Outcome specific administered liabilities</b>		
Suppliers	8 899	16 627
Grants Payable	25 294	8 692
Subsidies	103 348	129 966
<b>Total outcome specific administered liabilities</b>	<b>137 541</b>	<b>155 285</b>
<b>Other Administered liabilities</b>		
Other	2 854	1 731
<b>Total other administered liabilities</b>	<b>2 854</b>	<b>1 731</b>

***Part Seven***  
*A p p e n d i c e s*

- **Status of transport safety recommendations and safety advisory notices issued by the Australian Transport Safety Bureau in 2001–02**
- **Environmental performance reporting**
- **Commonwealth Disability Strategy reporting**
- **Consultancy services**
- **Advertising and market research**
- **Discretionary grant programmes**

# *Part 7*

## *Appendices*

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### **Status of transport safety recommendations and safety advisory notices issued by the Australian Transport Safety Bureau in 2001–02**

This appendix provides detailed information on the status of safety recommendations and safety advisory notices issued by the Australian Transport Safety Bureau (ATSB) in 2001–02.

#### **Aviation**

Under existing memorandums of understanding, both the Civil Aviation Safety Authority and Airservices Australia have agreed to respond to the ATSB within 60 days of the date of issue of any safety recommendations. No other organisations are obliged to respond.

In 2001–02, ATSB issued 30 recommendations and received 17 responses. Two of the recommendations were accepted, one was partly accepted, eight remain open and eight are being monitored.

The Bureau also issued eight safety advisory notices. Responses are not required for these.

#### **Marine**

Five investigation reports released in 2001–02 contained safety recommendations. There is no regulatory requirement for the shipping industry to respond to these.

## Rail

ATSB released three rail investigation reports, all of which included recommended safety actions.

ATSB conducts rail investigations at the request of State/Territory authorities under State/Territory legislation. While the Bureau provides the completed investigation report to these authorities, formal arrangements regarding responses to recommendations are a matter for the authorities concerned.

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**Table 26: Summary of Australian Transport Safety Bureau recommendations issued to the aviation industry in 2001–02**

Recommendation	Issue date	Receiving organisation	Response due date	Status of response
R20000189 The ATSB recommends that Bell Helicopter Textron Inc. revise the maintenance manual for the Bell 206B III series helicopter to require the lubrication of the hydraulic pump drive splines on a calendar basis regardless of the time in service of the helicopter.	3 Dec 2001	Bell Helicopter Co	1 Feb 2002 No response at 30 Jun 2002	No response
R20000191 The ATSB recommends that the Federal Aviation Administration note the findings of this accident. It also recommends that the Federal Aviation Administration alert all operators of Bell 206B III series helicopters to the deficiency in the maintenance manual.	3 Dec 2001	United States Federal Aviation Administration	1 Feb 2002 No response at 30 Jun 2002	No response
R20000301 The ATSB recommends that Airservices Australia review the documentation in relation to air traffic controller recency requirements, in particular, the methodology of how individuals can meet the requirements.	19 Oct 2001	Airservices Australia	17 Nov 2001 No response at 30 Jun 2002	Open

Recommendation	Issue date	Receiving organisation	Response due date	Status of response
R20000302 The ATSB recommends that the Civil Aviation Safety Authority review the requirements for air traffic controller recency and specify the number of hours required, the shifts that do or do not qualify for such recency, and the documentation for recording such recency.	19 Oct 2001	Civil Aviation Safety Authority	17 Nov 2001 No response at 30 Jun 2002	Open
R20010072 The ATSB recommends that the Civil Aviation Safety Authority publish information for the guidance of operators and pilots regarding the correct procedures for simulating engine failures in turbo-propeller aircraft.	20 Dec 2001	Civil Aviation Safety Authority	20 Feb 2002 received at 2 Jan 2002	Monitor
R20010121 The ATSB recommends that General Electric Aero Engines: <ul style="list-style-type: none"> <li>• review the suitability of using Inconel 625 alloy consumables during the weld repair of high pressure turbine blades</li> <li>• review the life estimate and inspection intervals for high pressure turbine blades repaired under the procedures using Inconel 625 alloy consumables</li> <li>• notify all operators using CFM56-2C, CFM56-2A/2B, CFM56-3 or similar engines of the possibility of catastrophic engine failure due to failure of high pressure turbine blades repaired using Inconel 625 alloy consumables.</li> </ul>	25 Oct 2001	General Electric USA	17 Nov 2001 No response at 30 Jun 2002	Closed— No response



Recommendation	Issue date	Receiving organisation	Response due date	Status of response
R200101123 The ATSB recommends that the US Federal Aviation Administration: <ul style="list-style-type: none"> <li>review the life estimate and inspection intervals for high pressure turbine blades repaired under the procedures using Inconel 625 alloy consumables</li> <li>notify all operators using CFM56-2C, CFM56-2A/2B, CFM56-3 or similar engines of the possibility of catastrophic engine failure due to failure of high pressure turbine blades repaired using Inconel 625 alloy consumables.</li> </ul>	25 Oct 2001	United States Federal Aviation Administration	17 Nov 2001 No response at 30 Jun 2002	Closed— No response
R200101123 The ATSB recommends that the Civil Aviation Safety Authority notify all operators using CFM56-2C, CFM56-2A/2B, CFM56-3 or similar engines of the possibility of catastrophic engine failure due to failure of high pressure turbine blades repaired using Inconel 625 alloy consumables.	3 Dec 2001	Civil Aviation Safety Authority	1 Feb 2002 Received 20 Mar 2002	Closed— Accepted
R200101133 The ATSB recommends that the Civil Aviation Safety Authority, in conjunction with appropriate specialist organisations, develop and promulgate requirements that specify which fuel cylinder fittings are suitable for use in balloons, and suitable configurations for those fittings.	13 Aug 2001	Civil Aviation Safety Authority	12 Oct 2001 Received 4 Mar 2002	Monitor

Recommendation	Issue date	Receiving organisation	Response due date	Status of response
R20010134 The ATSB recommends that the Civil Aviation Safety Authority ensure that balloon owners and operators identify and remove gas tank fittings that are not suitable for balloon operations.	13 Aug 2001	Civil Aviation Safety Authority	12 Oct 2001 Received 4 Mar 2002	Closed – Accepted
R20010168 The ATSB recommends the Civil Aviation Safety Authority conduct a review of all Boeing jet aircraft maintenance documentation to ensure completeness of main cabin door escape slide deactivation and activation to return to service following maintenance action.	7 Nov 2001	Civil Aviation Safety Authority	6 Jan 2002 Received 17 Sep 2001	Open
R20010185 The ATSB recommends that the Australian Parachute Federation advise its members of the need to use exit techniques and positions that avoid any contact between the parachute container and the aircraft.	22 Apr 2002	Australian Parachute Federation	21 Jun 2002 No response at 30 Jun 2002	No Response
R20010186 The ATSB recommends that the Australian Skydiving Association advise its members of the need to use exit techniques and positions that avoid any contact between the parachute container and the aircraft.	22 Apr 2002	Australian Skydiving Association	21 Jun 2002 No response at 30 Jun 2002	No Response

Recommendation	Issue date	Receiving organisation	Response due date	Status of response
R20010187 The ATSB recommends that the Civil Aviation Safety Authority, the Australian Parachute Federation and the Australian Skydiving Association review the safety advantages of requiring pilots, where practicable, to wear parachutes during parachute operations.	22 Apr 2002	Australian Parachute Federation	21 Jun 2002 No response at 30 Jun 2002	No Response
R20010187 The ATSB recommends that the Civil Aviation Safety Authority, the Australian Parachute Federation and the Australian Skydiving Association review the safety advantages of requiring pilots, where practicable, to wear parachutes during parachute operations.	22 Apr 2002	Australian Skydiving Association	21 Jun 2002 No response at 30 Jun 2002	No Response
R20010187 The ATSB recommends that the Civil Aviation Safety Authority, the Australian Parachute Federation and the Australian Skydiving Association review the safety advantages of requiring pilots, where practicable, to wear parachutes during parachute operations.	22 Apr 2002	Civil Aviation Safety Authority	20 Jun 2002 No response at 30 Jun 2002	Closed— Accepted
R20010192 The ATSB recommends that the Australian Civil Aviation Safety Authority assess the adequacy of the Turbomeca Arriel engine MO3 bearing lubrication installation to determine if it meets the applicable design standard requirements to ensure the continued airworthiness of relevant Australian registered aircraft.	18 Sep 2001	Civil Aviation Safety Authority	17 Nov 2001 Received 25 Feb 2002	Closed— Not accepted

Recommendation	Issue date	Receiving organisation	Response due date	Status of response
R20010193 The ATSB recommends that the Direction Generale de l'Aviation Civile (DGAC) assess the adequacy of the Turbomeca Arriel engine MO3 bearing lubrication installation to determine if it meets the applicable design standard requirements.	18 Sep 2001	Direction Generale de l'Aviation Civile	17 Nov 2001 Received 15 Jan 2002	Monitor
R20010195 The ATSB recommends that the Civil Aviation Safety Authority consider proposing an increase in the operations' classification, and/or the minimum safety standards required, for organisations that transport their own employees and similar personnel (for example contractors, personnel from related organisations, or prisoners, but not fare-paying passengers) on a regular basis. This recommendation applies to all such operations, regardless of the take-off weight of the aircraft involved.	7 Sep 2001	Civil Aviation Safety Authority	6 Nov 2001 Received 4 Feb 2002	Monitor
R20010196 The ATSB recommends that the Australian Civil Aviation Safety Authority take appropriate action to ensure the continued airworthiness of Australian registered aircraft fitted with Turbomeca Arriel engines incorporating modification TU204.	18 Sep 2001	Civil Aviation Safety Authority	17 Nov 2001 Received 15 Jan 2002	Monitor

Recommendation	Issue date	Receiving organisation	Response due date	Status of response
R20010197 The ATSB recommends that the Direction Generale de l'Aviation Civile take appropriate action to ensure the continued airworthiness of aircraft fitted with Turbomeca Arriel engines incorporating modification TU204.	18 Sep 2001	Direction Generale de l'Aviation Civile	17 Nov 2001 No response at 30 Jun 2002	Closed – Partially accepted
R20010230 The ATSB recommends that Rolls Royce Ltd expedite the development, trial and implementation of a suitable engineering solution to prevent the mis-installation of combustion fairings on RB211–524 and RB211–22B engines.	5 Feb 2002	Rolls Royce Ltd	6 Apr 2002 Received at 24 Apr 2002	Monitor
R20010251 The ATSB recommends that the Australian Civil Aviation Safety Authority ensure that all Boeing 717–200 aircraft on the Australian Register are fitted with a flight recorder system that complies with the requirements of all applicable Australian Civil Aviation Orders.	20 Dec 2001	Civil Aviation Safety Authority	18 Feb 2002 received at 28 Feb 2002	Open
R20010252 The ATSB recommends that the Australian Civil Aviation Safety Authority review flight recorder start/stop logic for all types in the Australian fleet where a type acceptance certificate has been issued to ensure that the aircraft meets the requirements of the Australian Civil Aviation Orders.	20 Dec 2001	Civil Aviation Safety Authority	18 Feb 2002 Received at 28 Feb 2002	Open

Recommendation	Issue date	Receiving organisation	Response due date	Status of response
R20010253 The ATSB recommends that the Australian Civil Aviation Safety Authority ensure that all aircraft entering the Australian Register be subject to appropriate scrutiny to ensure that the aircraft complies with the requirements of the Australian Civil Aviation Regulations and Civil Aviation Orders.	20 Dec 2001	Civil Aviation Safety Authority	18 Feb 2002 Received at 28 Feb 2002	Open
R20010254 The ATSB recommends that the Federal Aviation Administration (Piston Engine Certification Directorate) review the certification requirements of piston engines with respect to the operating conditions under which combustion chamber deposits that may cause preignition are formed.	19 Dec 2001	United States Federal Aviation Administration	17 Feb 2002 Received at 20 Mar 2002	Open
R20010255 The ATSB recommends that the Federal Aviation Administration (Piston Engine Certification Directorate) review the practice during assembly of applying anti-galling compounds to the backs of connecting rod bearing inserts with respect to its effect on the safety margin for engine operation of the bearing insert retention forces achieved.	19 Dec 2001	United States Federal Aviation Administration	17 Feb 2002 received at 8 May 2002	Open

Recommendation	Issue date	Receiving organisation	Response due date	Status of response
R20010256 The ATSB recommends that Textron Lycoming review the practice during assembly of applying anti-galling compounds to the backs of connecting rod bearing inserts with respect to its effect on the safety margin for engine operation of the bearing insert retention forces achieved during assembly.	19 Dec 2001	Textron Lycoming	17 Feb 2002 No response at 30 Jun 2002	No response
R20010257 The ATSB recommends that the Civil Aviation Safety Authority review the operating and maintenance procedures for high powered piston engines fitted to Australian registered aircraft to ensure adequate management and control of combustion chamber deposits, preignition and detonation.	19 Dec 2001	Civil Aviation Safety Authority	17 Feb 2002 Received at 6 Mar 2002	Monitor
R20010258 The ATSB recommends that the Civil Aviation Safety Authority educate industry on procedures and techniques that may maximise the chances of survival of a ditching event. Part of that education programme should include the development of formal guidance material of the type contained in the UK CAA General Aviation Safety Senses leaflet 21A 'Ditching'.	19 Dec 2001	Civil Aviation Safety Authority	17 Feb 2002 Received at 6 Mar 2002	Monitor

Recommendation	Issue date	Receiving organisation	Response due date	Status of response
R20020120 The ATSB recommends that the Civil Aviation Safety Authority continue to examine the circumstances of electrical discharge damage to the number-1 bearing of the Pratt and Whitney (Canada) PT6A engine models equipped with certain TRW Lucas starter-generators and develop an appropriate safety assurance strategy to ensure the continuing airworthiness of Australian registered aircraft fitted with similar engine and starter-generator combinations.	12 Jun 2002	Civil Aviation Safety Authority	11 Aug 2002 No response at 30 Jun 2002	Not assigned status as not overdue at 30 Jun 2002
R20020121 The ATSB recommends that the United States Federal Aviation Administration examine the circumstances of electrical discharge damage to the number-1 bearing of the Pratt and Whitney (Canada) PT6A engine models equipped with TRW Lucas starter-generators and develop an appropriate safety assurance strategy.	12 Jun 2002	United States Federal Aviation Administration	11 Aug 2002 No response at 30 Jun 2002	Not assigned status as not overdue at 30 Jun 2002



**Table 27: Summary of Australian Transport Safety Bureau safety advisory notices issued to the aviation industry in 2001–02**

Safety Advisory Notice	Issue date	Receiving organisation	Response received date	Status of response
<p>SAN20010223</p> <p>The Civil Aviation Safety Authority note the safety deficiency identified in this report relating to single-engine Cessna aircraft seat stops and, as a matter of some urgency, alert aircraft owners, aircraft maintenance engineers and pilots to the potentially dangerous consequences of using other than the specified seat stops and to the importance of correctly locating those seat stops and ensuring that the seat pin securely engages a locating hole on the rail.</p>	14 Nov 2001			
<p>SAN20010222</p> <p>The ATSB advises airlines that Passenger Entertainment Landscape Camera systems have the potential to cause passenger distraction during non-normal and emergency situations. Emergency procedures should ensure that the system is operated in a way that will not divert passengers' attention from instructions given by the flight or cabin crew in such situations.</p>	5 Feb 2002	Federal Aviation Administration (United States) Joint Aviation Authority		No response
<p>SAN20010244</p> <p>The ATSB alerts all operators in the transport industry, particularly those involved in extended-hours operations, to the possibility of crew members suffering sleep inertia and suggests that operators take steps to mitigate the effects of sleep inertia. The steps should not include subjecting employees to sleep deprivation.</p>	15 Apr 2002			

Safety Advisory Notice	Issue date	Receiving organisation	Response received date	Status of response
<p>SAN20010245</p> <p>The ATSB suggests that the Civil Aviation Safety Authority alert all aviation industry operators to the possibility of sleep inertia impairing performance, particularly that of flight and maintenance crews.</p>	15 Apr 2002	Civil Aviation Safety Authority	14 May 2002	Monitor
<p>SAN20020035</p> <p>The ATSB suggests that the Civil Aviation Safety Authority ensure that operators have strategies in place to mitigate the effects of sleep inertia as part of their fatigue management systems.</p>	15 Apr 2002	Civil Aviation Safety Authority	14 May 2002	Monitor
<p>SAN20020122</p> <p>The ATSB suggests that Transport Canada should note the deficiencies identified relating to electrical discharge damage to the number-1 bearing of the Pratt and Whitney (Canada) PT6A engine models equipped with TRW Lucas, model 23078 and 23085, starter-generators.</p>	12 Jun 2002	Transport Canada	12 Jul 2002	Monitor

Safety Advisory Notice	Issue date	Receiving organisation	Response received date	Status of response
<p>SAN20020123</p> <p>The ATSB suggests that Pratt and Whitney Canada should note the deficiencies identified relating to electrical discharge damage to the number-1 bearing of the Pratt and Whitney (Canada) PT6A engine models equipped with TRW Lucas, model 23078 and 23085, starter-generators.</p>	12 Jun 2002	Pratt and Whitney (Canada)		
<p>R20010124</p> <p>The ATSB suggests that the United Kingdom Civil Aviation Authority should note the deficiencies identified relating to electrical discharge damage to the number-1 bearing of the Pratt and Whitney (Canada) PT6A engine models equipped with TRW Lucas, model 23078 and 23085, starter-generators.</p>	12 Jun 2002	Civil Aviation Authority (United Kingdom)		

**Table 28: Summary of Australian Transport Safety Bureau recommendations issued to the marine industry in 2001–02**

Recommendation	Date of issue
<p data-bbox="424 479 485 965">■ <i>Independent Investigation into the Grounding of the Kuwaiti Flag Product Tanker Al Deerab, Garden Island in the Tamar River, Tasmania on 30 April 2000</i></p> <p data-bbox="513 479 612 965">The ATSB recommended that the Port of Launceston Authority review the conditions, including tidal conditions, under which vessels enter and depart the port, consulting as appropriate with the owners and managers of such vessels.</p>	14 Sept 2001
<p data-bbox="663 479 724 965">■ <i>Independent Investigation into the Collision involving the Chinese Bulk Carrier Hai Teng and the Australian Recreational Vessel Chester East of Mooloolaba, Queensland on 19 March 2000</i></p> <p data-bbox="756 479 895 965">The ATSB recommends that training establishments and authorities issuing certificates of competency, or boating or similar licences, place greater emphasis on training and examining candidates for full knowledge and proper understanding of the International Regulations for Preventing Collisions at Sea, 1972, as amended and in force for Australia.</p>	20 Dec 2001

Examinees should be aware of the requirement to maintain the proper lookout on all vessels at all times. In addition, they should be aware that the Collision Regulations do not exonerate any vessel, the owner, master or crew from the consequences of any neglect to comply with the Rules.

The ATSB also recommends that Australian shipowners, managers, pilots and agents take note of Safety Bulletin 02 attached to this report and available on the ATSB website, bringing it to the attention of as many vessels as possible. The bulletin points out that the only explanations for most collisions are the lack of a proper visual lookout, or an over-reliance on radar detection when the radar set has not been correctly set up, or has not been maintained properly.

Recommendation	Date of issue
<p data-bbox="336 389 400 1628">■ <i>Independent Investigation Into the Collision between the Liberian Flag Bulk Cargo Vessel Silver Bin and the Fishing Vessel Chinderah Star off the North Queensland Coast of Australia on 25 March 2000</i></p> <p data-bbox="427 389 528 1628">The ATSB recommended that all fishing industry bodies, together with State and Territory authorities draw the attention of fishing vessel skippers and owners to ATSB Safety Bulletin No. 01 (Attachment 1) highlighting the risks to fishing vessels from large trading ships and to the limitations of ships' radar.</p> <p data-bbox="555 389 619 1628">That Australian ship managers, pilot services and Australian shipping agents note and distribute as widely as possible to vessels, ATSB Safety Bulletin No. 02 (Attachment 2).</p> <p data-bbox="646 389 710 1628">The bulletin draws attention to the dangers of over-reliance on radar, the possible shortcomings of radar, and the importance of maintaining a proper visual lookout in all conditions.</p>	14 Jan 2002
<p data-bbox="759 389 823 1628">■ <i>Independent Investigation into the Grounding of the Australian Flag Training Vessel Wyuna in the Tamar River, Tasmania on 19 October 2000</i></p> <p data-bbox="850 389 873 1628">The ATSB recommended that</p> <ul data-bbox="900 389 1160 1628" style="list-style-type: none"> <li data-bbox="900 389 927 1628">• the AMC document and implement an appropriate safety management system for the operation of Wyuna</li> <li data-bbox="954 389 981 1628">• the AMC review manning levels for the vessel</li> <li data-bbox="1008 389 1072 1628">• a roster of duties for Wyuna be maintained as well as a daily record of hours worked by each member of the ship's crew to facilitate the monitoring of fatigue levels of individuals</li> <li data-bbox="1099 389 1160 1628">• clear unambiguous written instructions are formulated as part of the safety management system to identify who has conduct of the vessel at any given phase of the voyage.</li> </ul>	27 Mar 2002

Recommendation	Date of issue
<p>■ <i>Independent Investigation Into the Collision between the Hong Kong Flag Bulk Cargo Vessel Handymariner and the Fishing Vessel Lipari off the South Coast of Western Australia on 18 January 2001</i></p> <p>The ATSB recommended that:</p> <ul style="list-style-type: none"> <li>• all State and Territory registered commercial vessels operating offshore be required to carry an operational VHF radio capable of maintaining a continuous watch on 156.8 MHz (channel 16)</li> <li>• the State and Territory marine regulatory authorities, via the National Marine Safety Committee, and in consultation with the Australian Seafood Industry Council, ensure the safety and welfare of fishing vessel crews by reviewing the minimum manning, crew certification and work practices on Australian fishing vessels with a view to establishing guidelines for the management of crew fatigue.</li> </ul>	12 Jun 2002

**Table 29: Summary of Australian Transport Safety Bureau recommendations issued to the rail industry in 2001–02**

Recommendation	Date of issue to regulator	Target organisation
<p>■ <i>Derailment of Coal Train EG37, Connors Range on 1 July 2001</i></p> <p>Review the interface between accident investigation and recovery operations in order that all relevant evidence is collected and/or recorded in a systematic manner and that potentially safety-critical evidence is not damaged or destroyed as a result of the recovery operation.</p>	26 Oct 2001	Queensland Transport Queensland Rail
<p>■ <i>Derailment of Coal Train EG37, Connors Range on 1 July 2001</i></p> <p>Review the requirement of the two-hour timeframe for the conduct of drug and alcohol tests, as prescribed by the <i>Transport Infrastructure Act 1994</i>, in light of practical constraints that are often posed by the circumstances of rail accidents and incidents.</p>	26 Oct 2001	Queensland Transport
<p>■ <i>Derailment of Coal Train EG37, Connors Range on 1 July 2001</i></p> <p>Continue to pursue and address the underlying reason/s for the extended loss of Locomotive radio communications on the Connors Range as was experienced by EG37. Evaluate whether there may be exposure to similar risks at other locations within the Queensland Rail (QR) network.</p> <p>Consider the development of threshold limits for both frequency and length of Locomotive radio communication interruptions, in conjunction with requirements for braking in the particular area, as part of an overall strategy to address any unacceptable exposure to risk within the QR network.</p> <p>Explore options that will allow real-time information about the status of train brake continuity to be communicated to the driver and/or will provide a driver with other</p>		

Recommendation	Date of issue to regulator	Target organisation
<p>mechanisms or options that result in improved train braking efficiency in abnormal and emergency situations.</p> <p>A further review of train maintenance practices and procedures, taking into consideration human factors issues, to ensure safety-critical systems are subject to more rigorous quality control.</p> <p>Implement strategies that will reinforce the notion that drivers should operate, as far as is practicable, in accordance with prescribed procedures in order to avoid unnecessary exposure to increased operational risks.</p> <p>Clarify existing arrangements in relation to Authorised Persons to ensure that those personnel know their rights and obligations and that information about alcohol and drugs as a potential factor in an occurrence is collected in a timely fashion.</p> <p>Consider an expanded programme for the fitment of Dataloggers, or similar technology, to ELRC units and all locomotives in order to provide safety investigation personnel with additional and timely information about potentially safety-critical issues.</p>	26 Oct 2001	Queensland Rail
<p>■ <i>Collision between Suburban Electric Passenger Train 6369 and the Empty Express Electric Train 6371, Footscray, Victoria 5 June 2001</i></p> <p>Medical standards should be reviewed to:</p> <ul style="list-style-type: none"> <li>• better monitor drivers' health and ensure a full past history and current medication regime is taken</li> <li>• include an appropriate assessment of the current physiological and psychiatric status of all drivers to ensure operators have all relevant information on which to base an informed decision on driver fitness</li> </ul>		



Recommendation	Date of issue to regulator	Target organisation
<ul style="list-style-type: none"> <li>• provide a system to monitor self-medication of over-the-counter and non prescription medicine medication</li> <li>• include a system to identify drivers 'at potential risk', with provision for monitoring ongoing fitness</li> <li>• ensure that medical examination periods are strictly adhered to and drivers suspended if not holding current medical license</li> <li>• include assessment of psychological and psychiatric fitness</li> <li>• require drivers to produce proof of medical fitness at any time</li> <li>• create an audit system that will allow confirmation of compliance with such standards.</li> </ul> <p>The medical examination procedures should be reviewed to ensure no perception of any conflict of interest may be present in future medical fitness system and whether such examinations should be conducted by a panel of doctors appointed by, and responsible, to the accreditation authority.</p>	Nov 2001	Victorian Department of Infrastructure
<p>■ <i>Collision between Suburban Electric Passenger Train 6369 and the Empty Express Electric Train 6371, Footscray, Victoria 5 June 2001</i></p> <p>Australian Standard AS 4292 should be reviewed in respect of the monitoring of the health and fitness of rail safety staff.</p>	Nov 2001	Victorian Department of Infrastructure State/Territory rail accreditation authorities

Recommendation	Date of issue to regulator	Target organisation
<p>■ <i>Collision between Suburban Electric Passenger Train 6369 And The Empty Express Electric Train 6371, Footscray, Victoria 5 June 2001</i></p> <p>The anti-collision posts on motor cars on Com Eng trains should be investigated to identify any deficiency in their design.</p> <p>Rail accident response plans should be reviewed to provide procedures to ensure immediate safety of the track infrastructure, training for station staff at manned stations in immediate response procedures and rapid deployment of staff at unmanned stations.</p>	Nov 2001	National Express
<p>■ <i>Collision between Suburban Electric Passenger Train 6369 and the Empty Express Electric Train 6371, Footscray, Victoria 5 June 2001</i></p> <p>The signalling system and overlap should be reviewed with a view to ensuring trains passing a signal at danger are stopped within a safe distance. In sections before a station this distance should ensure a train is brought to a halt before a possible collision with another train stopped at the station.</p> <p>The use of hand and foot pilot valves should be reviewed, given their limitations, to determine whether the system can be made more effective or whether an alternative, equivalent system might make a better safeguard.</p> <p>The train system radio network should be reassessed for radio reliability.</p>	Nov 2001	Victorian Department of Infrastructure National Express

Recommendation	Date of issue to regulator	Target organisation
<p>■ <i>Derailment of Passenger Train 8622, Sydney – Melbourne Daylight XPT Service, Wodonga, Victoria 25 April 2001</i></p> <p>It is recommended that Australian Rail Track Corporation (ARTC) ensure that the Victorian track under their control meets the requirements of the PTC Civil Engineering Circulars with respect to the number of spring spikes fitted to sleeper plates on curves.</p> <p>It is recommended that ARTC ensure that the Victorian track under their control has ballast regulated to allow all track fastenings to be effectively inspected.</p> <p>It is recommended that ARTC track project management practice in future includes effective consultation and communication with line maintenance staff to ensure that contracted track rectification and maintenance activities are properly coordinated and completed.</p> <p>It is recommended that line maintenance practices in future include sufficient risk assessment to ensure that vulnerable sites are adequately monitored and maintained.</p>	6 Jun 2002	Australian Rail Track Corporation
<p>■ <i>Derailment of Passenger Train 8622, Sydney – Melbourne Daylight XPT Service, Wodonga, Victoria 25 April 2001</i></p> <p>It is recommended that XPT maintenance practices are reviewed to ensure that their rolling stock in service meets the required standards with regard to wheel flange thickness.</p> <p>It is recommended that XPT maintenance practices are modified to improve the serviceability of the NHA bogie side bearer friction surfaces and ensure that the design X factor of the bogies is maintained.</p>	6 Jun 2002	New South Wales State Rail

Recommendation	Date of issue to regulator	Target organisation
<p>■ <i>Derailment of Passenger Train 8622, Sydney – Melbourne Daylight XPT Service, Wodonga, Victoria 25 April 2001</i></p> <p>It is recommended that Countrylink implement their Emergency and Evacuation Preparedness Plan as a priority and provide the necessary training for their train crews.</p>	6 Jun 2002	Countrylink

## Environmental performance reporting

The *Environment Protection and Biodiversity Conservation Act 1999* (the EPBC Act) outlines principles of ecologically sustainable development (ESD), which are to guide Commonwealth involvement in matters of national environmental importance and actions by Commonwealth agencies and in Commonwealth administered regions. The following are the ESD principles as defined by section 3A of the EPBC Act:

- (a) decision-making processes should effectively integrate both long-term and short-term economic, environmental, social and equitable considerations
- (b) if there are threats of serious or irreversible environmental damage, lack of full scientific certainty should not be used as a reason for postponing measures to prevent environmental degradation (the 'precautionary principle')
- (c) the principle of inter-generational equity—that the present generation should ensure that the health, diversity and productivity of the environment is maintained or enhanced for the benefit of future generations
- (d) the conservation of biological diversity and ecological integrity should be a fundamental consideration in decision making
- (e) improved valuation, pricing and incentive mechanisms should be promoted.

A significant amount of the Department's activities are concerned with the day to day implementation of ESD principles. Also, in working with other Commonwealth agencies and other levels of government, the Department is active in the development of policies and implementation of programmes that have positive environmental and social impacts.

In accordance with reporting requirements under the EPBC Act, this section describes how activities in each of the Department's divisions have accorded with the principles of ESD, as well as, where applicable, the measures they have taken to minimise environmental impacts and contribute to ESD.

**Table 30: Environmental performance reporting**

Description of activity	ESD principle(s)	Effect of this activity on the environment	Measures taken to minimise negative impacts on the environment  Mechanisms for reviewing and increasing effectiveness of those measures
<b>■ Australian Transport Safety Bureau</b>			
Carry out safety investigations and research.	(b) If there are threats of serious or irreversible environmental damage, lack of full scientific certainty should not be used as a reason for postponing measures to prevent environmental degradation (the 'precautionary principle').	The purpose of safety investigations and research is to reduce accidents and incidents that adversely impact on people and the environment.	Not applicable.
<b>■ Transport and Infrastructure Policy</b>			
Supported the Industry Steering Committee, in developing and implementing the Freight Transport Logistics Industry Action Agenda.	(a) Decision-making processes should effectively integrate long-term and short-term economic, environmental, social and equitable considerations.	The Action Agenda report, endorsed in March 2002, recommends actions that may impact on the environment and sustainability of the freight logistics sector, including: <ul style="list-style-type: none"> <li>• building industry awareness of technologies available to eliminate waste from freight logistics chains</li> <li>• developing knowledge of the benefits of improved logistics management and eco-efficiency in resource management</li> <li>• developing environmental accreditation and industry standards</li> </ul>	Not applicable.

<ul style="list-style-type: none"> <li>developing and supporting wider take-up of technological and Intelligent Transport System (ITS)-based solutions for improving freight efficiency and reducing congestion and its associated impacts on air quality and greenhouse gas emissions.</li> </ul>		<p>Not applicable.</p>
<p>Provision of secretariat services for the Australian Bicycle Council, established to coordinate implementation of the Australia Cycling National Strategy.</p>	<p>(a) Decision-making processes should effectively integrate long-term and short-term economic, environmental, social and equitable considerations.</p>	<p>Australia Cycling seeks to increase participation in cycling in order to contribute to growth and improvements in transport, urban development, public health and the environment. It is implementing strategies to improve bicycle safety and promote awareness of cycling issues in professions such as planning and urban development and within appropriate areas of education and training.</p>
<p>Responsible for studies (undertaken by Maunsell Consultancy):</p> <ul style="list-style-type: none"> <li>investigating opportunities of using Intelligent Transport Systems, e-commerce and other technologies to reduce freight transport emissions and improve air quality; and</li> <li>investigating options available to reduce greenhouse gas emissions, encouraging a shift of freight from road to rail and sea transport.</li> </ul>	<p>(c) The principle of inter-generational equity—that the present generation should ensure that the health, diversity and productivity of the environment is maintained or enhanced for the benefit of future generations.</p> <p>(a) Decision-making processes should effectively integrate long-term and short-term economic, environmental, social and equitable considerations.</p>	<p>Both studies contributed to the Department's implementation of Measure 5.14 of the National Greenhouse Strategy to identify opportunities to reduce freight transport emissions.</p> <p>The studies identify and evaluate a wide range of options for reducing vehicle emissions in the transport sector and alleviating future environmental degradation.</p>

Table 30: Environmental performance reporting continued...

Description of activity	ESD principle(s)	Effect of this activity on the environment	Measures taken to minimise negative impacts on the environment  Mechanisms for reviewing and increasing effectiveness of those measures
<b>■ Aviation and Airports Policy</b>			
<p>Developing policy options for attaining compatible land use around smaller and regional airports. The Government has retained ownership of the Badgerys Creek site (western Sydney) and will be implementing measures to protect the site from incompatible development in surrounding areas. No decision has been made as to whether or not Badgerys Creek will be the location for a second major airport for Sydney.</p>	<p>(a) Decision-making processes should effectively integrate long-term and short-term economic, environmental, social and equitable considerations.</p> <p>(c) The principle of inter-generational equity—that the present generation should ensure that the health, diversity and productivity of the environment is maintained or enhanced for the benefit of future generations.</p>	<p>Anticipate will lead to communities being exposed to lower aircraft noise levels and reduce restrictions on airport operations. This ensures long-term compatibility between economic imperatives (the need for airports) and environmental/health/social downsides (primarily aircraft noise).</p>	<p>Exploring policy options for developing and implementing an appropriate land-use planning regime to achieve the Government's objectives.</p>
<p>Developing ways to describe aircraft noise which are easily understandable by the non-expert.</p>	<p>(a) Decision-making processes should effectively integrate long-term and short-term economic, environmental, social and equitable considerations.</p>	<p>Aimed at reducing tensions between airports and their surrounding communities, which resulted from communication breakdowns over reporting of what constitutes aircraft noise. This ensures ongoing compatibility between economic imperatives (the need for airports) and the environmental/health/social downsides of aircraft noise.</p>	<p>The type of information produced allows, for example, noise sensitive persons to be aware of aircraft noise exposure before they consider whether to buy a house near a flight path.</p>



Reviewing activities carried out to manage aircraft noise around airports (for example, noise and flight path monitoring, operation of noise inquiry units, environmental reporting) in relation to performance.

(a) Decision-making processes should effectively integrate long-term and short-term economic, environmental, social and equitable considerations.

Ongoing compatibility between economic imperatives (the need for airports) and the environmental/health/ social downsides of aircraft noise will remain.

The current regime clearly defines roles and responsibilities, is effective and is appropriately funded under the 'polluter pays' principle.

### ■ Transport Regulation

Provides strategic input into integrated oceans management policies under Regional Marine Plans being developed by the National Oceans Office and the planning arrangements for Commonwealth Marine Protected Areas managed by Environment Australia.

(a) Decision-making processes should effectively integrate long-term and short-term economic, environmental, social and equitable considerations.

Integrated oceans management attempts to integrate long-term and short term economic, environmental and social considerations. This activity recognises the importance of shipping to Australia's economic and social well being, while managing the risks of negative impacts on the environment.

Not applicable.

Membership of the National Introduced Marine Pest Coordination Group (NIMPCG).

(a) Decision-making processes should effectively integrate long-term and short-term economic, environmental, social and equitable considerations.

NIMPCG is tasked with developing a national regime to minimise the risk of marine pest incursions, including from discharge of ballast water. The economic objective of trading is integrated with the environmental objective to protect natural resources and ecosystems.

National regime is still to be developed.

Table 30: Environmental performance reporting continued...

Description of activity	ESD principle(s)	Effect of this activity on the environment	Measures taken to minimise negative impacts on the environment  Mechanisms for reviewing and increasing effectiveness of those measures
Development of domestic policy consistent with implementation of the international ban on Tributyltin (TBT) anti-fouling substances through the International Convention on the Control of Harmful Anti-fouling Substances on Ships 2001.	(a) Decision-making processes should effectively integrate long-term and short-term economic, environmental, social and equitable considerations.	Anti-fouling systems prevent the build up of marine organisms, such as barnacles on vessel hulls, enabling ships to move faster through water, consume less fuel and prevent the spread of exotic marine organisms.	The policy assists in minimising harmful effects of TBT-based anti-fouling substances to the environment while maintaining the economic and environmental benefits of antifouling systems.
Member of committee which undertook a Review of the Great Barrier Reef Ship Safety and Pollution Prevention Measures.	(a) Decision-making processes should effectively integrate long-term and short-term economic, environmental, social and equitable considerations.  (d) The conservation of biological diversity and ecological integrity should be a fundamental consideration in decision making.	Enhances measures to protect the world heritage area of the Great Barrier Reef while maintaining economic activity.	Review recommendations are designed to build on existing measures to improve ship safety and environmental protection in the Great Barrier Reef and Torres Strait.

<p>Provided input into activities of the International Maritime Organisation, Marine Environment Protection Committee, the Asia Pacific Economic Transportation Working Group and a range of international environmental forums which will culminate in the World Summit on Sustainable Development in August 2002.</p>	<p>(a) Decision-making processes should effectively integrate long-term and short-term economic, environmental, social and equitable considerations.</p>	<p>The importance of shipping to Australia's economic and social well being is recognised alongside the need for environmentally responsible, safe and cost effective transport.</p>	<p>Not applicable.</p>
<p>The Department's airport environment strategies provide the basis for airport lessees to manage the environmental impacts of their operations. The Department and its airport environment officers work with airport operators and airport tenants to ensure a high level of compliance with the <i>Airports Act 1996</i> and Airports (Environment Protection) Regulations 1997.</p>	<p>(a) Decision-making processes should effectively integrate long-term and short-term economic, environmental, social and equitable considerations.</p>	<p>Airport environment strategies encompass measures to prevent or minimise:</p> <ul style="list-style-type: none"> <li>• environmental pollution at airport sites</li> <li>• impact on biota or habitat</li> <li>• interference with sites of heritage value or sites of significance to Aboriginal or Torres Strait Islander People.</li> </ul>	<p>As part of the Department's ongoing environmental commitment at Australian airports, airport environment officers encourage the education of environmental awareness and responsibilities. This includes monitoring of training in areas such as spills management and prevention and water quality. Continued advice, regulation and guidance has heightened consideration of potential environmental impacts.</p>
<p>Airport environment officers monitor groundwater and stormwater quality. They also regulate on-airport noise and monitor any impact on local residents and on-site tenants.</p>	<p>(a) Decision-making processes should effectively integrate long-term and short-term economic, environmental, social and equitable considerations.</p>	<p>Groundwater monitoring is an important benefit to the community, as groundwater flowing through the airport site is in some cases used for stock and irrigation off-site.</p>	<p>The policy protects groundwater quality through early detection and isolation of potential negative environmental impacts from the commercial operation of airports. Water quality is currently being addressed under the Australia and New Zealand Environment and Conservation Council (ANZECC) guidelines.</p>

Table 30: Environmental performance reporting continued...

Description of activity	ESD principle(s)	Effect of this activity on the environment	Measures taken to minimise negative impacts on the environment  Mechanisms for reviewing and increasing effectiveness of those measures
Essendon Airport has an Interim Heritage Listing on the Register of National Estate.	(c) The principle of inter-generational equity—that the present generation ensures that the health, diversity and productivity of the environment is maintained or enhanced for the benefit of future generations.	Essendon airport contains areas of Aboriginal significance which are preserved.  To preserve the significant historical role these two airports played in Australia's development.	Not applicable.  Not applicable.
From April 1 2002 it became mandatory for aircraft flying in Australian airspace to comply with noise standards under the Air Navigation (Aircraft Noise) Regulations 1984, unless they have a permit allowing a dispensation. Two permits (allowing a dispensation from the noise standards) granted for historical aircraft were revoked in May 2002	(a) Decision-making processes should effectively integrate long-term and short-term economic, environmental, social and equitable considerations.	The adoption of these standards has resulted in noisier aircraft being banned from Australian airspace, to the benefit of residents and fauna living in the vicinity of airports. It also prevents further disturbance of residential communities and world heritage areas.	Noise standards for aircraft are reviewed through a subcommittee of ICAO and its decisions are fed back into Australian standards, providing a decision-making process in line with world best-practice. Review of a noise permit's use is usually carried out upon notification of noise disturbance from an affected community.

<p>Fuel spillage from aircraft is monitored. Operators of aircraft identified as conducting unapproved spillages are required to explain the reason for spillage and are subject to fines.</p>	<p>(a) Decision-making processes should effectively integrate long-term and short-term economic, environmental, social and equitable considerations.</p> <p>(e) Improved valuation, pricing and incentive mechanisms should be promoted.</p>	<p>This process is in place to reduce unapproved spillages, thereby discouraging pollution.</p>	<p>Monitoring of fuel spillage is conducted and fines are issued to aircraft operators accordingly.</p>
<p>At the instigation of the Commonwealth, Airport Environment Consultative Committees are in place at all major leased airports in Australia.</p>	<p>(a) Decision-making processes should effectively integrate long-term and short-term economic, environmental, social and equitable considerations.</p>	<p>The consultative committees are intended to provide stakeholders, including the public, an opportunity to contribute to discussions on issues such as aircraft operational effects on residential amenity, flight paths, noise abatement procedures, compatible land use planning and on-airport noise issues.</p>	<p>Consultative committees may give advice and recommendations to organisations with administrative and legislative responsibilities for specific issues. Membership usually includes representatives from each airport, the Commonwealth Government, State/Territory governments, airlines, the aviation industry, Federal/State members of parliament and local community groups.</p>

■ **Transport Programmes**

<p>The National Highway and Roads of National Importance programmes provide funding to State and Territory governments for construction, rehabilitation and maintenance of Australian roads.</p>	<p>(a) Decision-making processes should effectively integrate long-term and short-term economic, environmental, social and equitable considerations.</p>	<p>The Commonwealth seeks to minimise environmental degradation associated with the construction, rehabilitation and maintenance of roads.</p>	<p>Funding provided for projects is dependent on States and Territories receiving appropriate environmental approvals under the EPBC Act and complying with any environmental conditions relating to those approvals.</p>
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Table 30: Environmental performance reporting continued...

Description of activity	ESD principle(s)	Effect of this activity on the environment	Measures taken to minimise negative impacts on the environment  Mechanisms for reviewing and increasing effectiveness of those measures
The Commonwealth is providing up to \$191.4 million for construction of the Alice Springs to Darwin Railway.	(a) Decision-making processes should effectively integrate long-term and short-term economic, environmental, social and equitable considerations.	It is anticipated that this will prevent unnecessary environmental degradation resulting from construction of the railway.	An Environmental Management Plan (EMP) was developed for the project in 1997. The Commonwealth has agreements in place to ensure project proponents comply with requirements of the EMP and recommendations the Commonwealth Minister for the Environment made regarding the project.
Committed to funding (\$50 million) a remediation programme to provide a safer environment for communities with railway facilities no longer in use. Involves environmental remediation of these facilities in all States and Territories (except Victoria and Queensland) to an agreed standard following the winding up of the Australian National Railways Commission (AN).	(c) The principle of inter-generational equity. That is, that the present generation should ensure that the health diversity and productivity of the environment is maintained or enhanced for the benefit of future generations.	The programme's objective is to remediate former AN land to the environmental standards applicable in the relevant jurisdiction in 1997, and having regard to the purpose for which the land was used at that time.	Not applicable.

The Federal Government is contributing \$20.45 million from the Centenary of Federation Fund to help re-establish a heritage railway linking Strahan and Queenstown on Tasmania's West Coast, known as the Abt Railway. It is also contributing \$5 million from the Fund for the restoration of a heritage railway and re-opening of the Beaudesert branch line for heritage railway purposes.

(a) Decision-making processes should effectively integrate long-term and short-term economic, environmental, social and equitable considerations.

The project will provide a significant and ongoing economic, social and cultural contribution to the region and deliver employment creation and job skills training.

The projects may impact on matters of national environmental significance.

The Commonwealth has agreements in place with the Abt Railway and Beaudesert Rail projects. This ensures the grantee acknowledges referral processes under the EPBC Act if the project will, or is likely to have, a significant impact on a matter of national environmental significance.

### ■ Regional Policy

Work in cooperation with Environment Australia and the Department of Agriculture, Fisheries and Forestry-Australia on programmes such as the National Action Plan for Salinity and Water Quality and Phase Two of the Natural Heritage Trust.

(c) The principle of inter-generational equity – that the present generation ensures that the health, diversity and productivity of the environment is maintained or enhanced for the benefit of future generations.

In cooperation with other Departments, facilitates the appropriate use of natural resources without compromising their necessary environmental services.

Not applicable.

Table 30: Environmental performance reporting continued...

Description of activity	ESD principle(s)	Effect of this activity on the environment	Measures taken to minimise negative impacts on the environment  Mechanisms for reviewing and increasing effectiveness of those measures
<b>Regional Programmes</b>			
<p>Ongoing administration and funding of the Sustainable Regions Programme. The programme aims to include assisting eight regions across Australia to undergo major economic, social and environmental change to build a viable foundation for the future. The Federal Government assists locally-based Advisory Committees established under the programme to, for example:</p>	<p>(a) Decision-making processes should effectively integrate long-term and short-term economic, environmental, social and equitable considerations.</p> <p>(c) The principle of inter-generational equity—that the present generation ensures that the health, diversity and productivity of the environment is maintained or enhanced for the benefit of future generations.</p>	<p>Negative impacts on the environment are reduced through an increased awareness of these issues by locally-based advisory committees. Advisory committees assist in identifying and supporting specific activities to promote sustainable development.</p>	<p>A mandatory funding requirement is that all proposals must comply with relevant planning and environment laws.</p> <p>To measure effectiveness of outputs and outcomes of the programme, CSIRO Sustainable Ecosystems is developing an evaluation framework using performance measures and <i>Regional Profiles</i> produced by the Australian Bureau of Statistics for each region.</p>
<ul style="list-style-type: none"> <li>• formulate and test future development options for regions</li> <li>• identify and support specific activities to promote sustainable development</li> <li>• support community leadership in the development of local solutions</li> <li>• foster new ideas, community energy, drive and self-reliance</li> <li>• forge partnerships between the private sector and all three spheres of government.</li> </ul>			



## ■ Territories and Local Government

<p>Employ an environmental officer who monitors and advises on environmental issues in areas outside National Parks on Christmas Island and Cocos (Keeling) Islands, and applies particular sections of the <i>WA Environment Protection Act 1986</i> (WA) (Christmas Island) (Cocos (Keeling) Islands) including licence and permit provision.</p>	<p>(a) Decision-making processes should effectively integrate long-term and short-term economic, environmental, social and equitable considerations.</p>	<p>Facilitates the effective implementation of environmental legislation on the Islands.</p>	<p>Not applicable.</p>
<p>At the Jervis Bay Territory the Department conducted a groundwater quality audit on land within and abutting the Booderee National Park.</p>	<p>(b) If there are threats of serious or irreversible environmental damage, lack of full scientific certainty should not be used as a reason for postponing measures to prevent environmental degradation (the 'precautionary principle').</p>	<p>The audit will provide information on the short and long-term viability of activities affecting this resource while maintaining its integrity by facilitating informed management by the Department.</p>	<p>Not applicable.</p>
	<p>(c) The principle of inter-generational equity—that the present generation should ensure that the health, diversity and productivity of the environment is maintained or enhanced for the benefit of future generations.</p>		

Table 30: Environmental performance reporting continued...

Description of activity	ESD principle(s)	Effect of this activity on the environment	Measures taken to minimise negative impacts on the environment  Mechanisms for reviewing and increasing effectiveness of those measures
<p>The Department facilitated the approval process for the Christmas Island Shire's Town Planning Scheme, which was approved by the Minister for Regional Services, Territories and Local Government. Cocos (Keeling) Islands Shire is in the process of completing their Scheme.</p>	<p>(a) Decision-making processes should effectively integrate both long-term and short-term economic, environmental, social and equitable considerations.</p> <p>(c) The principle of inter-generational equity—that the present generation should ensure that the health, diversity and productivity of the environment is maintained or enhanced for the benefit of future generations.</p>	<p>This process will result in the protection of potentially environmentally sensitive areas.</p>	<p>Not applicable.</p>
<p>Responsible for obtaining land and constructing housing and infrastructure associated with the Immigration Reception and Processing Centre on Christmas Island. The Minister for the Environment and Heritage granted exemptions under section 158 and 303A of the EPBC Act, to proceed without the usual environmental impact assessment on the grounds that it is in the national interest to</p>	<p>(a) Decision-making processes should effectively integrate long-term and short-term economic, environmental, social and equitable considerations.</p> <p>(d) The conservation of biological diversity and ecological integrity should be a fundamental consideration in decision making.</p>	<p>The proximity of these activities to Christmas Island National Park means they may have the potential to affect protected species and areas of National Park, however impacts will be minimised by the necessity of being bound by the EPBC Act.</p>	<ul style="list-style-type: none"> <li>• Ensured all contractors submitted Environmental Management Plans to Parks Australia and the Christmas Island environment officer setting out a framework for environmental management to ensure all precautionary steps are taken to protect the environment.</li> <li>• A suitably qualified person has been appointed to provide environmental advice and oversight of the project, including monitoring for protected</li> </ul>

<p>do so. Despite the EPBC Act exemption, processes are in place to ensure the developments are carried out in a manner reflecting best practice environmental management.</p>	<p>species and the application of mitigation measures should the proposed action have any adverse impacts on those species.</p> <ul style="list-style-type: none"> <li>Required permits have been obtained relating to locally occurring species protected by the EPBC Act and relevant authorisations from the Director of National Parks have been sought in relation to activities that might impact on the Christmas Island National Park.</li> </ul>	
<p>Facilitate the provision of land and establish the requirements for construction of the Asia Pacific Space Centre on Christmas Island.</p>	<p>The legislation provides for the appointment of an environmental officer to oversee construction. Additionally, an Environmental Management Plan (EMP) is being assessed by Environment Australia under the EPIP Act. Full construction of the facility cannot commence until the construction EMP has been approved.</p>	<p>The Asia Pacific Space Centre activities are subject to full environmental scrutiny of applied WA legislation as well as the requirements imposed by the former <i>Environment Protection (Impact of Proposals) (EPIP) Act 1974</i>.</p>
<p>Responsible for strengthening and extending the Christmas Island Airport runway to accommodate heavy transport aircraft (Antonov and Boeing 747).</p>	<p>The Federal Minister for Environment and Heritage will be able to impose conditions on his decision about the projects to ensure appropriate environmental measures are taken.</p>	<p>Due to the potential for environmental impacts, the Department completed an environmental impact statement under the EPBC Act. A draft for this report has been released for public comment.</p>
	<p>(d) The conservation of biological diversity and ecological integrity will be fundamental to decision making.</p>	<p>(a) Decision-making processes should effectively integrate both long-term and short-term economic, environmental, social and equitable considerations.</p> <p>(d) The conservation of biological diversity and ecological integrity should be a fundamental consideration in decision making.</p>

Table 30: Environmental performance reporting continued...

Description of activity	ESD principle(s)	Effect of this activity on the environment	Measures taken to minimise negative impacts on the environment  Mechanisms for reviewing and increasing effectiveness of those measures
Responsible for constructing an additional port facility to improve port access to Christmas Island during the swell season.	<p>(a) Decision-making processes should effectively integrate both long-term and short-term economic, environmental, social and equitable considerations.</p> <p>(d) The conservation of biological diversity and ecological integrity should be a fundamental consideration in decision making.</p>	Due to the potential for environmental impacts, the Minister for Environment and Heritage required a Public Environment Report, recently published, to be prepared under the EPBC Act.	The Federal Minister for Environment and Heritage will be able to impose conditions on his decision about the projects to ensure appropriate environmental measures are taken.
Responsible for upgrading the existing Linkwater Road from the additional port facility to the upper terrace of Christmas Island.	<p>(a) Decision-making processes should effectively integrate both long-term and short-term economic, environmental, social and equitable considerations.</p> <p>(d) The conservation of biological diversity and ecological integrity should be a fundamental consideration in decision making.</p>	The Minister for Environment and Heritage has determined that this facility may be assessed by preliminary information under the EPBC Act.	The Federal Minister for Environment and Heritage will be able to impose conditions on his decision about the projects to ensure appropriate environmental measures are taken.

<p>Oversees the leases and provisions of the phosphate mine on Christmas Island. The Department collects a conservation levy from mining operations based on tonnage of product shipped by the mine. The rehabilitation process is currently conducted by Parks Australia, but this arrangement is under review.</p>	<p>(e) Improved valuation, pricing and incentive mechanisms should be promoted.</p>	<p>The conservation levy is directed towards a rainforest rehabilitation programme.</p> <p>A 21-year mine lease between the Commonwealth and Phosphate Resources Limited (which came into effect in February 1998) contains provisions to ensure mining is conducted according to acceptable environmental standards.</p>
<p>A joint Norfolk Island/Commonwealth initiative continued to progress the land initiative prerequisites including:</p> <ul style="list-style-type: none"> <li>• During 2001–02 a draft Norfolk Island Plan was prepared by the Department and Norfolk Island Administration planners and presented to the Norfolk Island Government for its consideration.</li> <li>• Plans of management have also been prepared and publicly exhibited for 12 of 19 public reserves.</li> <li>• A report on possible issues of national environmental significance on Crown land was produced in July 2001 and negotiations continued on the possible implications of this report on the transfer of Crown land.</li> </ul>	<p>(a) Decision-making processes should effectively integrate both long-term and short-term economic, environmental, social and equitable considerations.</p> <p>(c) The principle of inter-generational equity—that the present generation should ensure that the health, diversity and productivity of the environment is maintained or enhanced for the benefit of future generations.</p> <p>(d) The conservation of biological diversity and ecological integrity should be a fundamental consideration in decision making.</p>	<p>The <i>Norfolk Island Planning Act 1996</i> requires a five year review of the Norfolk Island Plan. Plans of management for the public reserves are reviewed as needed. The report on possible issues of national environmental significance is being prepared by Environment Australia and the Department.</p>

Table 30: Environmental performance reporting continued...

Description of activity	ESD principle(s)	Effect of this activity on the environment	Measures taken to minimise negative impacts on the environment  Mechanisms for reviewing and increasing effectiveness of those measures
The Department has provided \$496,000 in funding to the Register of the National Estate listed Kingston and Arthur's Vale Historic Area (KAVHA) on Norfolk Island for restoration works.	(c) The principle of inter-generational equity—that the present generation should ensure that the health, diversity and productivity of the environment is maintained or enhanced for the benefit of future generations.	Assists in the protection of this historical area for the benefit of future generations.	Not applicable.
The National Office of Local Government (NOLG) liaises with Environment Australia on Natural Resource Management issues including the National Action Plan on Salinity and Water Quality and Natural Heritage Trust II Programmes.	(a) Decision-making processes should effectively integrate both long-term and short-term economic, environmental, social and equitable considerations.  (d) The conservation of biological diversity and ecological integrity should be a fundamental consideration in decision making.	By ensuring local government participation in these processes, local level participation is ensured, thereby increasing the effectiveness of their implementation.	Not applicable.
The NOIG co-convenes the Local Leaders in Sustainability Forum.	(c) The principle of inter-generational equity—that the present generation should ensure that the health, diversity and productivity of the environment is maintained or enhanced for the benefit of future generations.	Discussed environmental, planning and natural resource management issues. The Forum advocates leading practice in local sustainability to the Commonwealth and to all Local Governments. The Forum drafted national recommendations for how Federal, State and Local Governments can best progress local sustainability.	Not applicable.

<p>The NOLG acts as the Secretariat for the Development Assessment Forum. This Forum produced the <i>Good Strategic Planning Guide</i>, which is designed to assist Local Government with planning and is based on ESD principles.</p>	<p>(a) Decision-making processes should effectively integrate both long-term and short-term economic, environmental, social and equitable considerations.</p>	<p>This forum, and its publications, promotes ecologically sustainable development.</p>	<p>Not applicable.</p>
<p>Funds a range of flood mitigation works and measures under the Regional Flood Mitigation Programme (RFMP).</p>	<p>(d) The conservation of biological diversity and ecological integrity should be a fundamental consideration in decision making.</p>	<p>This programme aims to reduce the physical, social and economic costs of flooding to communities throughout Australia. It recognises the fundamental importance of Australia's floodplains to the commercial, social and ecological well being of the nation. Enhancement of the biological diversity and ecological amenity of an area are also encouraged where practicable.</p>	<p>Favourable consideration is given to projects that are consistent with the principles of total or integrated catchment management and ecologically sustainable development. Agreements between the Federal and State governments and local agencies ensure all necessary Federal and State government requirements under environmental, heritage, planning and other relevant legislation have been or are in the process of being obtained before RFMP funding is provided.</p>
<p>The NOLG manages the National Awards for Local Government.</p>	<p>(a) Decision-making processes should effectively integrate both long-term and short-term economic, environmental, social and equitable considerations.</p> <p>(d) The conservation of biological diversity and ecological integrity should be a fundamental consideration in decision making.</p>	<p>The awards foster and acknowledge innovation, excellence and continuous improvement in Local Government. Categories include:</p> <ul style="list-style-type: none"> <li>• <i>Environment – Natural Resource Management: Partnerships for Biodiversity Conservation</i>, which recognises innovation and excellence in the protection and management of Australia's biodiversity</li> </ul>	<p>Not applicable.</p>

Table 30: Environmental performance reporting continued...

Description of activity	ESD principle(s)	Effect of this activity on the environment	Measures taken to minimise negative impacts on the environment Mechanisms for reviewing and increasing effectiveness of those measures
<p>• <i>Environment—Sustaining Local Communities: Local Agenda 21</i>, which recognises the efforts of Local Governments, regional organisations and communities in the promotion and implementation of ecologically sustainable development at the local level through Local Agenda 21 or other integrated planning frameworks.</p> <p>These categories encourage local governments and the communities they represent to become the lead agencies in achieving sustainable development by integrating environmental, economic and social goals.</p>	<p>(a) Decision-making processes should effectively integrate both long-term and short-term economic, environmental, social and equitable considerations.</p> <p>(b) If there are threats of serious or irreversible environmental damage, lack of full scientific certainty should not be used as a reason for postponing</p>	<p>A core focus of work in these areas relates to consideration in practical policy terms of the balance between and achievement of environmental, social and economic goals.</p>	<p>These activities result in better incorporation and consideration of ESD objectives and principles in policy development and subsequent decision making by governments.</p>
<p>■ <b>Economic Research and Portfolio Policy</b></p>			
<p>Policy development and provision of advice and research in the following areas:</p> <ul style="list-style-type: none"> <li>• Greenhouse Policy and the National Greenhouse Strategy.</li> <li>• Approaches to sustainable transport through the National Transport Secretariat.</li> </ul>	<p>(a) Decision-making processes should effectively integrate both long-term and short-term economic, environmental, social and equitable considerations.</p> <p>(b) If there are threats of serious or irreversible environmental damage, lack of full scientific certainty should not be used as a reason for postponing</p>	<p>A core focus of work in these areas relates to consideration in practical policy terms of the balance between and achievement of environmental, social and economic goals.</p>	<p>These activities result in better incorporation and consideration of ESD objectives and principles in policy development and subsequent decision making by governments.</p>



<ul style="list-style-type: none"> <li>• Transport research relevant to economic and environmental policy formation.</li> <li>• Natural resources and environmental policy development and advice.</li> <li>• International processes including World Summit for Sustainable Development and Japan Ministerial conference relevant to sustainable transport</li> </ul>	<p>measures to prevent environmental degradation (the 'precautionary principle').</p> <p>(e) Improved valuation, pricing and incentive mechanisms should be promoted.</p>	
<p>Involved in development and application of Australia's Oceans Policy, the Greenhouse Gas Abatement Programme and the Remote Renewable Power Generation Programme, in consultation with Transport and Infrastructure Policy and Regional Policy Divisions.</p>	<p>The principle of inter-generational equity – that the present generation ensures that the health, diversity and productivity of the environment is maintained or enhanced for the benefit of future generations.</p>	<p>In cooperation with other Departments, facilitates the appropriate use of natural resources without compromising their necessary environmental services.</p> <p>Not applicable.</p>
<p>Responsible for developing the Australian Design Rules (ADR) for vehicle emissions, vehicle noise and fuel consumption labelling.</p> <p>Developing a <i>Green Vehicles Guide</i>, which aims to inform consumers of the environmental performance of</p>	<p>(a) Decision-making processes should effectively integrate both long-term and short-term economic, environmental, social and equitable considerations.</p> <p>(b) If there are threats of serious or irreversible environmental damage, lack of full scientific certainty should not be used as</p>	<p>The objective of these measures is to minimise adverse impacts of motor vehicles on the environment in terms of urban air quality, noise disturbance and greenhouse gas emissions.</p> <p>It is widely accepted that the implementation of vehicle emission standards has made a significant contribution to reductions in air pollution in Australia's major cities. Noise standards have also reduced the level of traffic noise. The fuel consumption labelling standard is relatively new, but is anticipated to lead to reductions in fuel</p>

Table 30: Environmental performance reporting continued...

Description of activity	ESD principle(s)	Effect of this activity on the environment	Measures taken to minimise negative impacts on the environment  Mechanisms for reviewing and increasing effectiveness of those measures
new vehicle models in terms of urban air pollution and greenhouse gas impact.	<p>a reason for postponing measures to prevent environmental degradation (the 'precautionary principle').</p> <p>(c) The principle of inter-generational equity—that the present generation should ensure that the health, diversity and productivity of the environment is maintained or enhanced for the benefit of future generations.</p>		<p>consumption from the new vehicle fleet. <i>The Green Vehicles Guide</i> will enable new vehicle consumers to factor environmental considerations into their purchasing decisions. ADRs are reviewed on a regular basis in light of changes to the international standards on which they are based. A review is underway to consider what emission standards Australia should adopt following implementation of the current package of standards over the 2002–07 period.</p>
<p>In addition to making a contribution through its activities with external environmental and ESD-related impacts, the Department continues to support ESD through its internal activities. As part of the 1999–2001 and 2002–04 Certified Agreements, the Department agreed to develop and promote initiatives that will result in reductions in energy use and waste generation. The Department runs a successful paper recycling programme and energy conservation programme. Staff are encouraged to participate in these programmes through electronic bulletins on the Department's intranet site. Building management systems apply to lighting and air conditioning, and daytime cleaning obviates the need for additional lighting at night. These systems are revised and fine-tuned regularly to achieve maximum results.</p>			

**Table 31: Reporting by Division against the Commonwealth Disability Strategy Requirements**

**■ Part A—Role of policy adviser**

<b>Performance indicator</b>	<b>Measure</b>	<b>Division</b>	<b>Current level of performance</b>
New or revised programme/policy proposals assess impact on the lives of people with disabilities prior to decision.	Percentage of new or revised policy/programme proposals that are developed in consultation with people with disabilities.	Aviation and Airports Policy	Policies and programme proposals administered by Division are disability-neutral.
People with disabilities are included in consultations about new or revised policy/programme proposals.	Percentage of new or revised policy/programme proposals that document that the impact on the lives of people with disabilities was considered prior to decision making.	Regional Policy	Consideration is given in relation to all policy advice for health and the aged in respect of those people with disabilities residing in regional areas.
Public announcements of new, revised or proposed policy/programme initiatives are available in accessible formats for people with disabilities in a timely manner.	Percentage of new or revised policy/programme announcements available in a range of accessible formats. Time taken to provide announcements in accessible formats.	Aviation and Airports Policy	Policies and programme proposals administered by Division are disability-neutral.  Details on all new or revised policies and programmes are provided through the media and electronically via the Department's website <a href="http://www.dotars.gov.au">www.dotars.gov.au</a> , if the information is not classified. Other media, such as hard copy and computer disk, are considered upon request.

Table 31: Reporting by Division against the Commonwealth Disability Strategy Requirements continued...

## ■ Part B—Role of regulator

Performance indicator	Measure	Division	Current level of performance
Publicly available information on regulations and quasi-regulations is available in accessible formats for people with disabilities.	<p>Percentage of publicly available information on regulations and quasi-regulations requested and provided in:</p> <ul style="list-style-type: none"> <li>• accessible electronic formats</li> <li>• accessible formats other than electronic.</li> </ul> <p>Average time taken to provide accessible material in:</p> <ul style="list-style-type: none"> <li>• electronic format</li> <li>• formats other than electronic.</li> </ul>	<p>Aviation and Airports Policy</p> <p>Transport Regulation</p>	<p>This information is made available through the Department's website. Other media, such as hard copy and computer disk, are considered upon request.</p> <p>Our regularly maintained information is made available on the Department's Internet site, with appropriate links to other relevant websites.</p>
Publicly available regulatory compliance reporting is available in accessible formats for people with disabilities.	<p>Percentage of publicly available information on regulations and quasi-regulations requested and provided in:</p> <ul style="list-style-type: none"> <li>• accessible electronic formats</li> <li>• accessible formats other than electronic.</li> </ul> <p>Average time taken to provide accessible material in:</p> <ul style="list-style-type: none"> <li>• electronic format</li> <li>• formats other than electronic.</li> </ul>	<p>Aviation and Airports Policy</p> <p>Transport Regulation</p>	<p>This information is made available through the Department's website, if the information is not classified. Other media, such as hard copy and computer disk, are considered upon request.</p> <p>Our regularly maintained information is made available on the Department's Internet site, with appropriate links to other relevant websites.</p>

## ■ Part C—Role of purchaser

Performance indicator	Measure	Division	Current level of performance
Complaints/grievance mechanisms, including access to external mechanisms, in place to address concerns raised about the providers' performance.	Established complaints and grievance mechanisms, including access to external mechanisms, in operation.	Regional Programmes	The Division adheres to the Department's Client Service Charter which includes mechanisms for the raising of complaints/grievances.
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.	Percentage of processes for purchasing goods or services that directly impact on the lives of people with disabilities that are developed in consultation with people with disabilities.	Regional Programmes	Funding programmes administered by the Division are designed with a bottom-up approach to project development by regional communities. It is expected that in the development of projects applicants consult with all concerned parties as appropriate.
Publicly available performance reporting against the purchase contract specifications requested in accessible formats for people with disabilities is provided.	Percentage of publicly available purchasing specifications requested and the average time taken to provide materials in accessible electronic or other formats: <ul style="list-style-type: none"> <li>• accessible electronic formats</li> <li>• accessible formats other than electronic.</li> </ul> Average time taken to provide accessible material in: <ul style="list-style-type: none"> <li>• electronic format</li> <li>• formats other than electronic.</li> </ul>	Regional Programmes	Subject to the form of the project funded, each project's proponents are expected to engage their community in the implementation of the project, including by providing information on progress. In addition the Department maintains a number of access channels for the provision of information to rural and regional communities including print, Internet and telephone.

**Table 31: Reporting by Division against the Commonwealth Disability Strategy Requirements continued...**  
**■ Part C—Role of purchaser continued...**

Performance indicator	Measure	Division	Current level of performance
Purchasing specifications and contract requirements for the purchase of goods or services are consistent with the requirements of the <i>Disability Discrimination Act 1992</i> .	Percentage of purchasing specifications for goods and services that specify that tender organisations must comply with the <i>Disability Discrimination Act 1992</i> and the percentage of contracts for the purchase of goods and services that require the contractor to comply with the <i>Disability Discrimination Act 1992</i> .	Regional Programmes	Funding recipients are bound, through funding agreements, to comply with all relevant Commonwealth and State or Territory legislation. This includes the <i>Disability Discrimination Act 1992</i> where appropriate.
Publicly available information on agreed purchasing specifications available in accessible formats for people with disabilities.	Percentage of publicly available performance reports against the contract purchasing specification requested and average time taken to provide in electronic and other accessible formats.	Regional Programmes	All relevant information on projects funded by the division is made publicly available in accordance with the Department's strategy for the provision of information to all Australians.
		Territories and Local Government	Territories Office Perth, in providing specifications for the purchase of goods and services for the Indian Ocean Territories, ensures that those specifications are checked for compliance with Commonwealth law, including the <i>Disability Discrimination Act 1992</i> .

**■ Part D—Role of provider**

Performance indicator	Measure	Division	Current level of performance
<p>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.</p>	<p>Established service charter that adequately reflects the needs of people with disabilities in operation—for example, annual assessment of provider's service charter.</p>	<p>Business Services</p>	<p>The Department's Service Charter provides an overview of the services and service standards provided by the Department. It also provides our clients with insight into their rights and responsibilities, and information on how to have decisions reviewed, contact details and ways to find more information about the Department. Our Client Service Charter is currently accessible through both Internet and hard copy distribution.</p>
			<p>The Charter is written in plain English to allow for users that may suffer from cognitive impairments. Contact information is also clearly provided to allow clients to communicate their needs to the Department via a client service officer. The Internet version allows for text interpretation technologies to operate. Consideration has also been given to the use of non-sans serif fonts and colours suitable for alleviating some visual impairments.</p>
			<p>A review of the Client Service Charter in 2002–03 will include further consideration of disability access issues.</p>

**Table 31: Reporting by Division against the Commonwealth Disability Strategy Requirements continued...**  
**■ Part D – Role of provider continued...**

Performance indicator	Measure	Division	Current level of performance
Complaints/grievance mechanism, including access to external mechanisms, in place to address issues and concerns raised about performance.	Established complaints/grievance mechanisms, including access to external mechanisms, in operation, for example, annual assessment.	Business Services	<p>Community members with disabilities can access the current complaints and grievance mechanisms by using standard technologies and the National Relay Service line. Departmental mechanisms to facilitate access to the complaints/grievance systems include:</p> <ul style="list-style-type: none"> <li>• a client service officer to assist with further feedback, complaints and compliments</li> <li>• our policy that publications and correspondence must be written in plain English</li> </ul>
		Territories and Local Government	<p>In its provider role, Canberra Office of the Territories and Local Government Division sets out its operations in accessible format in the relevant pages of the Department's website. The website was reviewed during 2001–02 to make it more accessible to clients, including those with disabilities.</p> <p>Complaints about provider performance are handled in conformity with the Department's Client Service Charter or the Client Service Charters of the Indian Ocean Territories and the Jervis Bay Territory. Internal and external complaints mechanisms are available to all clients, including clients with disabilities.</p>



- our Internet site which has a disability access rating of 'A' using the W3C standards.

If clients are dissatisfied at any time with the handling of complaints/grievances by the Department, our Client Service Charter (and client service officer) directs them to the relevant State-based Ombudsman.

The mechanisms within the Department through which to establish complaints and grievances include:

- a freecall Client Service Feedback line —1800 075 001
- an Online Feedback Form—  
[www.dotars.gov.au/dept/charter.htm](http://www.dotars.gov.au/dept/charter.htm)
- a detachable, postage free feedback form attached to the hard copy Client Service Charter
- email access to client service officers through [clientservice@dotars.gov.au](mailto:clientservice@dotars.gov.au).

Correspondence may be sent to:  
Client Service Officer  
Department of Transport and  
Regional Services  
GPO Box 594  
CANBERRA ACT 2601

Table 31: Reporting by Division against the Commonwealth Disability Strategy Requirements

## ■ Part E—Role of employer

Performance indicator	Measure	Division	Current level of performance
Employment policies, procedures and practices comply with the requirements of the <i>Disability Discrimination Act 1992</i> .	Number of employment policies, procedures and practices that meet the requirements of the <i>Disability Discrimination Act 1992</i> —for example, annual assessment of employment policies, procedures and practices.	Business Services	All departmental employment policies are regularly reviewed, updated or amended as necessary in line with our legislative obligations.
Recruitment information for potential job applicants is available in accessible formats on request.	Percentage of recruitment information requested and provided in electronic formats/other formats.  Average time taken to provide in electronic formats/other formats.	Business Services	As part of the Department's commitment to online forms of communication, and providing wide access through electronic means, all employment opportunities open to the Australian community are advertised on our external website at the same time as they are advertised in other media. All information necessary for applying and being considered for such opportunities is available from that employment site, and can be downloaded in a range of formats. This information is also available via email and hard copy on request. We have noted that no requests have been received for provision of recruitment information in formats other than these. At the same time, information for recruits within the Department can be accessed from our intranet.

Agency recruiters and managers apply the principle of 'reasonable adjustment'.	Percentage of recruiters and managers provided with information on reasonable adjustment—for example, annual sampling of information provided on reasonable adjustment.	Business Services	Reasonable adjustment in the Department is applied on a case by case basis. This includes individual workstation assessments and provision of appropriate furniture and equipment to ensure employees are able to work in a safe and effective manner. We do not keep statistics relating to this.
Training and development programmes consider the needs of staff with disabilities.	Percentage of training and development programmes that consider the needs of staff with disabilities—for example, annual sampling of training and development programmes.	Business Services	The Department provides training and development programmes through external providers who are required to meet the standards of the Commonwealth Disability Strategy. Employees with disabilities attending training and development programmes indicate what arrangements are needed to meet their requirements.
Training and development programmes include information on disability issues as they relate to the content of the programme.	Percentage of training and development programmes that include information on disability issues as they relate to the programme.	Business Services	As above.
Complaints/grievance mechanism, including access to external mechanisms, in place to address issues and concerns raised by staff.	Establish complaints and grievance mechanisms, including access to external mechanisms in operation—for example, annual assessment.	Business Services	Consistent with the requirements of the <i>Public Service Act 1999</i> , through the Certified Agreement, the Department has established internal review processes, which our employees can access if they are not satisfied with the manner in which an employment decision has been made. Non-APS employees are able to access external mechanisms for complaint through a variety of legal channels.

## Consultancy services

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The list below details consultants engaged during the 2001–02 financial year with a contract price of \$10,000 or more. The contract price for consultancies includes an amount for goods and services tax.

### Key

Method of selection	Reasons for employment
1 Advertised publicly	a Specialist skills not available within the Department are required.
2 Elective tender process	b They bring greater objectivity and independence to the task.
3 Not advertised because a contract already existed	c Rapid access to the latest technology and experience in its application is needed.
4 Direct selection/sole source	d Appropriate in-house resources do not exist.
5 Joint venture	e The Department benefits from their broader experience and practices.
6 Consultants' register/panel	f Specialist skills can be transferred to departmental staff associated with the project.

**Table 32: Consultancy services**

Consultant	Task undertaken/service provided	Value (\$)	Method/ reason
Apelbaum Consulting Group Pty Ltd	Inquiry into diesel use and taxation.	10 945	4 d
ARRB (Australian Road Research Board [Pty Ltd])	Analyse the effectiveness of traffic counting methods and stations on the National Highways and ways to improve the quality of data and method of reporting of the counts.	80 000	4 a d
Australian Airport Consulting and Technical Services Pty Ltd	Provide aerodrome inspection services and technical advice and services to Aboriginal and Torres Strait Islander communities in northern Australia.	171 809 pa	2 a
Australian Bureau of Agricultural and Resource Economics	Investigate effects of climate change on the future costs of salinity.	21 886	4 a
Australian Local Government Association	Review of the Roads to Recovery Programme and development of asset management strategies.	150 000	4 a b d
Centre for International Economics	Evaluate advantages of investment spending versus debt retirement.	9 900	4 a b c e
CIT Solutions	Provide security awareness presentations for the Department.	17 600	2 a
Corporate Diagnostics Pty Ltd	Design, conduct and evaluate a workplace survey and supporting performance measurement tools; develop methods for measuring human resource and workplace performance which aligns with the Department's business, operations and culture; and provide insights for continuing organisational development.	162 590	2 a

Table 32: Consultancy services continued...

Consultant	Task undertaken/service provided	Value (\$)	Method/ reason
Courage Partners Pty Ltd	Undertake a literature review on small communities as part of the Rural Transaction Centres Programme Post-Implementation Review.	20 000	2 b d e
CSIRO	Estimate emissions benefits together with costs of catalytic converter inspections.	54 560	4 e
CSIRO	Model responses of urban freight patterns to greenhouse gas abatement measures.	267 470	1 d
CSIRO	Develop the Evaluation Framework and Performance Measures for the Sustainable Regions Programme.	45 434	5 b e f
Dacelor	Provide specialist advice on a range of land related matters in the Indian Ocean Territories.	65 000	3 a
DBM Australia	Supply professional services including CD Rom development and provision, manuals and individual consulting. Conduct senior manager career management programmes for 13 officers.	91 163	3 a d f
Deborah May Pty Ltd	Undertake a research project for career advancement for women in the Department.	35 200	2 a b
Deloitte Touche Tohmatsu	Provide accounting services.	445 000	2 a
FDF Pty Ltd	Design a forecasting model for non-urban freight flows.	170 000	4 e

**Table 32: Consultancy services continued...**

Consultant	Task undertaken/service provided	Value (\$)	Method/ reason
Flagstaff Consulting Group Pty Ltd	Audit of the Albury Bypass Review which was carried out by the New South Wales Roads and Traffic Authority (RTA) and VicRoads during 2000–01 and 2001–02.	562 850 for fees and a maximum of 71 936 may be reimbursed for costs	2 a b e
Flinders Consulting Pty Ltd	Undertake a feasibility study of monitoring trends in severe non-fatal injury due to road crashes in Australia.	50 600	4 a
Institute of Transport Studies, The University of Sydney	Bureau of Transport and Regional Economics Time-use Study.	27 500	4 e
John Bowdler and Associates Pty Ltd	Provide services as Chair of the Industry Steering Committee for the Freight Transport Logistics Industry Action Agenda.	92 074 <sup>1</sup>	4 b e f
John Quiggin	Incorporating risk into benefit cost analysis.	20 900	4 e
John Wilson and Partners Pty Ltd	Undertake study of Interference to Civil Global Navigation Satellite System (GNSS) Applications by Out-of-Band Interference.	37 900	1a c d
KPMG	Conduct financial audit of the Remote Air Service Subsidy Scheme Operators.	38 500	4 c d
KPMG	Provide of accounting services.	245 000	2 a

Table 32: Consultancy services continued...

Consultant	Task undertaken/service provided	Value (\$)	Method/ reason
Lincoln Indicators	Analyse and report on the financial strength of proponents who request funding under Dairy Regional Assistance Programme.	14 164	2 a d e
Luminis Pty Ltd	Building on the findings of previous research projects, assess the technical feasibility of a protective headband for car occupants by developing a functional prototype protective headband.	33 340	4 a
Luminis Pty Ltd	Analyse data on travel speed and crash risk data collected in the previous study undertaken in 1977.	38 280	4 a
Macquarie Bank	Review the Australian Rail Track Corporation Business Case.	38 500	4 a b c e
Meyrick and Associates Pty Ltd	Report on inter-modal terminals in Australia.	28 950	2 a
Monash University	Undertake a cost-benefit analysis of seat belt warning devices.	64 548	4 a
Monash University	Supply Regional Population Forecasts to 2100.	18 160	3 d
New England Area Consultative Committee	Coordinate the New England and North West Regional Forum.	14 545	5 b
Orbital Engine Company (Australia) Pty Ltd	Evaluate exhaust emissions and fuel consumption performance of vehicles under IM240 and UNECE test cycles.	50 000	2 a
Origin Consulting	Develop an evaluation plan for the Regional Assistance Programme.	18 000	4 c d e



**Table 32: Consultancy services continued...**

Consultant	Task undertaken/service provided	Value (\$)	Method/ reason
Quantum Market Research	Develop tag lines and logos associated with the Regional Australia Strategy, which encompassed developmental work for the <i>Stronger Regions, A Stronger Australia</i> statement.	61 668 <sup>2</sup>	2 a
Quantum Market Research	Develop tag lines and logos and test creative executions associated with the Regional Australia Strategy, which later developed into the Commonwealth Regional Information Campaign.	239 140 <sup>3</sup>	2 a
Singleton, Ogilvy and Mather#	Develop and implement creative approach for delivery of Commonwealth Regional Information Campaign.	828 626 <sup>4</sup>	2 a
Sloane Cook and King Pty Ltd	Conduct a study of Implementation of Global Navigation Satellite System (GNSS) Applications in the Agriculture Sector.	37 400	1a c d
SMEC Australia Pty Ltd	Complete the Cocos (Keeling) Islands Renewable Energy Feasibility Study.	54 000	2 a
Sparke Helmore	Provide probity advice for market testing of corporate services (except legal services).	90 728	4 a d
Steve Gatlick	Conduct research into 'good practice' of universities and communities engaging to promote regional development.	143 000	4 d

Table 32: Consultancy services continued...

Consultant	Task undertaken/service provided	Value (\$)	Method/ reason
Taverner Research Company	Undertake a national survey of attitudes towards speeding and speed enforcement.	95 535	3 a
Trowbridge Consulting	Complete the Actuarial Review of Employee Provisions.	14 000	4 a
Valuer General's Office	Provide valuation services.	12 000	4 a
WA Museum	Report on heritage value of Clunies-Ross movable collection.	24 220	4 a
WA Office of Energy	Develop a business/project management plan for power supply arrangements in the Indian Ocean Territories.	142 000	4 e
Walter and Turnbull	Provide accounting services.	100 000	2 a
Walter and Turnbull Chartered Accountants	Develop and deliver the Air Passenger Ticket Levy Audit Programme to cover the major and minor airlines in both the capital cities and regional areas.	158 555 (First Round Audits— Year 1)	2 b e

- Notes: 1 Absent fixed price (agreed daily rate), task undertaken as required by Department and reviewed monthly.  
2 No original estimate for contract—work undertaken as required for Regional Statement.  
3 No original estimate for contract—work undertaken as required to test/refine creative executions to implementation stage.  
4 Original estimates for contract exceeded as a result of changes to timing and components of overall campaign.  
# Item also listed under 'Advertising and Market Research'

## Advertising and market research

The particulars of payments of \$1,500 or more that the Department paid for market research and advertising in 2001–02 are detailed below. All amounts exclude goods and services tax and have been rounded to the nearest dollar.

No direct mail or polling organisations were contracted by the Department in 2001–02

**Table 33: Advertising and market research**

Agency	Service provided	Cost (\$)
<b>ADVERTISING AGENCIES</b>		
Singleton, Ogilvy and Mather	Developed and implemented an advertising campaign to promote the Commonwealth Regional Information Service.	828 626
Starcom Worldwide (Aust) Pty Ltd	The Regional Policy Analysis Unit has developed a Regional Research Register that provides a wide range of details about relevant experienced researchers. Starcom were paid to arrange and place adverts calling for such details in eight major newspapers across Australia.	8 329
Starcom Worldwide (Aust) Pty Ltd	Advertise for submissions to the Review of the National Road Transport Commission.	6 820
<b>MARKET RESEARCH ORGANISATIONS</b>		
Quantum Market Research	Market tested advertising concepts developed for the Commonwealth Regional Information Campaign; tested taglines, concepts associated with Regional Statement.	61 668

Table 33: Advertising and market research continued...

Agency	Service provided	Cost (\$)
Quantum Market Research	Market tested advertising concepts developed for the Commonwealth Regional Information Campaign; tested taglines, concepts associated with Regional Statement.	239 140
<b>MEDIA ADVERTISING ORGANISATIONS</b>		
Eryl Morgan Publications Pty Ltd	Double page feature in Local Government Focus, Internet article and weblink for the Black Spot Programme.	4 795
Executive Media Pty Ltd	Advertisement in Australian Government Products and Services Directory for the Black Spot Programme.	2 723
Gippsland (ACC)	Recruitment advertising for Gippsland, Victoria Sustainable Region Executive Officer in various regional newspapers.	2 246*
nga.net Pty Ltd	Graduate recruitment advertising.	4 067
Public Service and Merit Protection Commission	Advertising in the Gazette.	11 167
Starcom Worldwide (Aust) Pty Ltd	Submissions about applications for aviation capacity.	15 199
Starcom Worldwide (Aust) Pty Ltd	Advertising for the Remote Air Service Subsidy Scheme expansion to include new communities.	3 391
Starcom Worldwide (Aust) Pty Ltd	Advertising for the Government's Programme to assist travellers stranded by the sudden cessation of Ansett Airlines services on 14 September 2001.	152 846

**Table 33: Advertising and market research continued...**

Agency	Service provided	Cost (\$)
Starcom Worldwide (Aust) Pty Ltd	Advertising costs associated with the introduction of the Enroute Charges Scheme.	11 060
Starcom Worldwide (Aust) Pty Ltd	Advertising to recruit Sustainable Regions' Executive Officers.	20 343*
Starcom Worldwide (Aust) Pty Ltd	Advertising for expressions of interest and community consultation on Gippsland, Victoria Sustainable Region in various regional newspapers.	2 214*
Starcom Worldwide (Aust) Pty Ltd	Advertisements calling for applications for the Wide Bay Burnett Structural Adjustment Package in various regional and metropolitan newspapers.	4 558*
Starcom Worldwide (Aust) Pty Ltd	Departmental recruitment advertising.	175 266
The Australian	Tender advertisement for the Asia Pacific Economic Cooperation Project, Identification of Competency Standards for Perishable Goods Handling and Development of Training Programs.	2 077

Note: \* Staffing and recruitment advertising amounts have been aggregated and/or include payments under \$1 500

## Discretionary grant programmes

Discretionary grants are payments where the portfolio Minister/paying agency has discretion in determining whether or not a particular applicant receives funding and may or may not impose conditions in return for the grant.

A list of grant recipients can be found at [www.dotars.gov.au/dept/annrpt/discretionary\\_grants](http://www.dotars.gov.au/dept/annrpt/discretionary_grants).

**Table 34: Discretionary grant programmes**

Title	Purpose
Australian Transport Safety Bureau (ATSB) Road Safety Research Programme	Under the ATSB Road Safety Research Programme, discretionary grants totalling \$160,057 were paid to various recipients for road safety research projects.
Dairy Regional Assistance Programme* (DRAP)	DRAP is part of the Commonwealth Government's Dairy Industry Adjustment Package to dairy farmers and their communities following the deregulation of the dairy industry.
Regional Assistance Programme*	DRAP provides assistance to dairy-dependent communities affected by deregulation by helping them to generate employment solutions and deal with any social dislocation that may arise. The programme supports business investment and community infrastructure development and provides community access to training and counselling services.  The Regional Assistance Programme generates employment in metropolitan, regional and remote Australia by encouraging local community action to boost business growth and create sustainable jobs. It provides seed funding for innovative, quality projects of value to the community. The programme promotes a partnership approach, encouraging financial and other support from the community, the private sector and Commonwealth, State and Local Governments.
Regional Solutions Programme*	The objective of the Regional Solutions Programme is to provide assistance to regional, rural and remote areas of Australia to build their capacity to identify and implement opportunities. Communities are encouraged to: <ul style="list-style-type: none"> <li>• have ownership of solutions to local problems; and</li> <li>• achieve self-sustainability through economic diversification.</li> </ul>

Research, Information and Data Fund*	The Research, Information and Data Fund aims to provide information that supports the understanding of socioeconomic change in rural communities.
Rural and Regional Development Grant*	The purpose of the Rural and Regional Development Grant is to progress the understanding and support of socioeconomic changes occurring in rural communities by providing funding to institutions and organisations for research projects which add value to our knowledge of rural and regional Australia.
South West Forests Structural Adjustment Package*	The aim of the package is to diversify the economic base of the South West Forest region of Western Australia and build on its competitive advantage by supplementing private and other investment in employment-generating projects as this region has been directly affected by changes to the timber industry.
Sustainable Regions Programme*	<p>The objectives of the Sustainable Regions Programme are to:</p> <ul style="list-style-type: none"> <li>• provide a national approach to supporting designated regions across Australia undergoing major change</li> <li>• assist regions undergoing major economic, social and environmental change to build a viable foundation for the future</li> <li>• promote a whole of government approach to regions by Commonwealth Government agencies.</li> </ul>
Understanding Rural Australia Programme*	<p>In designated regions the Federal Government will assist locally based advisory committees established under the programme to:</p> <ul style="list-style-type: none"> <li>• formulate and test future development options for the region</li> <li>• identify and support specific activities to promote sustainable development</li> <li>• support community leadership in the development of local solutions</li> <li>• foster new ideas, community energy, drive and self reliance</li> <li>• forge partnerships between the private sector and all three spheres of government.</li> </ul> <p>The Understanding Rural Australia Programme funds research and development projects that focus on understanding, supporting and managing the socioeconomic changes occurring in rural and regional communities. Initiatives to be supported under this programme will reflect the vital role that local efforts play in achieving sustainable development.</p>

**Table 34: Discretionary grant programmes continued...**

Title	Purpose
Wide Bay Burnett Structural Adjustment Package*	The aim of the programme is to create employment opportunities in an area that has suffered persistent long-term unemployment and significant social disadvantage. Funding will be directed to new businesses or those wishing to expand, and to local government.
Year of the Outback 2002*	The Year of the Outback 2002 is a celebration of Australia's outback communities, capabilities and activities, organised by Outback 2002 Pty Ltd, and funded by donations from the Commonwealth and others.

Note: \* Also an administered programme.

In addition to the Department's discretionary grant programmes, the Minister approved payments to the States and Territories under the following Acts.

**Table 35: Approved payments under administered Acts**

Act #	Administering Division
<i>Australian Land Transport Development Act 1988</i>	Transport Programmes
<i>Roads to Recovery Act 2000</i>	Transport Programmes

# Payments made in respect of these Acts are the subject of separate reports to Parliament.



# *Acronyms and abbreviations*

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ABCs	Airport Building Controllers
ACC	Area Consultative Committee
ACCC	Australian Competition & Consumer Commission
ACT	Australian Capital Territory
ADRs	Australian Design Rules
AEOs	Airport Environment Officers
AFCN	Australian Freight Council Network
AN	Australian National Railways Commission
ANAO	Australian National Audit Office
ANZECC	Australia and New Zealand Environment and Conservation Council
ANZFAL	Australian–New Zealand Facilitation Committee
APEC	Asia–Pacific Economic Cooperation
APS	Australian Public Service
APSC	Asia Pacific Space Centre
AROU	Australian Rail Operations Unit
ARRB	Australian Road Research Board [Pty Ltd]
ARTC	Australian Rail Track Corporation
AS	Assistant Secretary
ASEAN	Association of South-East Asian Nations
ATC	Australian Transport Council
ATEC	Australian Transport & Energy Corridor Ltd
ATSB	Australian Transport Safety Bureau
AWAs	Australian Workplace Agreements
BSPVES	Bass Strait Passenger Vehicle Equalisation Scheme
BTE	Bureau of Transport Economics (now the BTRE)
BTRE	Bureau of Transport and Regional Economics
CA	Certified Agreement
CAC Act	<i>Commonwealth Authorities and Companies Act 1997</i>
CAEP	Committee on Aviation Environment Protection
CASA	Civil Aviation Safety Authority

CEO	Chief Executive Officer
CER	[Australia New Zealand] Closer Economic Relations [Trade Agreement]
CIWU	Christmas Island Workers Union
COAG	Council of Australian Governments
CobIT	Control Objectives for Information and Related Technology
CPSU	Community and Public Sector Union
CSIRO	Commonwealth Scientific and Industrial Research Organisation
DEM	Departmental Executive (Group) Meetings
DCC	Departmental Consultative Committee
DGAC	Direction Generale de l'Aviation Civile
DOCITA	Department of Communications, Information Technology and the Arts
DOTARS	Department of Transport and Regional Services
DRAP	Dairy Regional Assistance Programme
EB	Executive Board
EEO	Equal Employment Opportunity
EL	Executive Level (officer)
EMP	Environmental Management Plan
EPBC Act	<i>Environment Protection and Biodiversity Conservation Act 1999</i>
EPIP Act	<i>Environment Protection (Impact of Proposals) Act 1974</i>
EPOS	Electronic Point Of Sale
ERPP	Economic Research and Portfolio Policy Division
ESD	Ecologically Sustainable Development
FAS	First Assistant Secretary
FOI	Freedom of Information
FRRR	Foundation for Rural and Regional Renewal
GATS	General Agreement on Trade in Services
GBE	Government Business Enterprise
GETs	Group Executive Teams
GDC	Graduate Development Committee
GM	General Manager
GNSS	Global Navigation Satellite System

ACRONYMS AND ABBREVIATIONS

GRSP	Expert Group on Passive Safety
GST	Goods and Services Tax
HTML	Hypertext mark up language
ICAO	International Civil Aviation Organization
IHRA	International Harmonised Research Activities
ILN	Integrated Logistics Network
IMO	International Maritime Organisation
IOT	Indian Ocean Territories
ISES	Information Services and Executive Services Division
IT	Information Technology
ITS	Intelligent Transport System
KAVHA	Kingston and Arthur's Vale Historic Area [Norfolk Island]
LOGJOG	Local Government Joint Officers Group
MAG	More Accessible Government
MIFCo	Maritime Industry Finance Company Limited
MP	Member of Parliament
MSWG	Maritime Security Working Group
NatFAL	National Aviation Facilitation Committee
NDRA	Natural Disaster Relief Arrangements
NDRMSP	Natural Disaster Risk Management Studies Programme
NIMPCG	National Introduced Marine Pest Coordination Group
NIOG	National Institute of Governance
NOLG	National Office of Local Government
NRM	Naasra Roughness Measure
NRTC	National Road Transport Commission
NSW	New South Wales
NT	Northern Territory
OECD	Organisation for Economic Cooperation and Development
OH&S	Occupational Health and Safety
PAES	Portfolio Additional Estimates Statements
PASO	Pacific Aviation Safety Office
PBS	Portfolio Budget Statements
PMC	People Management Committee
Qld	Queensland

QR	Queensland Rail
RAP	Regional Assistance Programme
RASS	Remote Air Service Subsidy
RDC	Regional Development Council
RFMP	Regional Flood Mitigation Programme
RSP	Regional Solutions Programme
RTC	Rural Transaction Centre
SAAP	Supported Accommodation Assistance Programme
SACF	Sydney Airport Community Forum
SACL	Sydney Airport Corporation Limited
SCORD	Standing Committee on Regional Development
SCOT	Standing Committee on Transport
SDAs	Service Delivery Arrangements
SEESA	Special Employee Entitlements Scheme for Ansett
SES	Senior Executive Service
SEVS	Specialist and Enthusiast Vehicle Scheme
TACT	Technical and Administrative Cooperation in Transport
Tas	Tasmania
TBT	Tributyltin (anti-fouling substances)
TFES	Tasmanian Freight Equalisation Scheme
TIP	Transport and Infrastructure Policy division
TLWG	Transport and Logistics Working Group
TPT-WG	Transportation Working Group [APEC]
UK	United Kingdom
UN/ECE	United Nations/Economic Commission of Europe
Vic	Victoria
VIP	Very Important Person
WA	Western Australia
WTO	World Trade Organisation
XPT	Xpress Passenger Train

## *Glossary of terms*

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**APEC** is the Asia Pacific Economic Cooperation—promotes trade and economic cooperation between 21 countries that border the Pacific Ocean.

**Competitive tendering and contracting (CTC)** is the process of contracting out the delivery of government activities previously performed by a Commonwealth agency to another organisation.

**Consultants** are entities, whether individuals, partnerships or corporations, engaged to provide professional independent and expert advice or services.

**Consultancy Services** are one particular type of service delivered under a contract for services. They are distinguished from other contracts for services by the nature of the work performed.

**Discretionary grants** are payments where the portfolio minister or paying agency has discretion in determining whether or not a particular applicant receives funding and may or may not impose conditions in return for the grant.

**GATS** are General Agreement on Trade in Services—a set of multilateral rules and commitments covering government measures which affect trade in services.

**Intelligent Transport Systems (ITS)** is the application of informed technology to transport operations in order to reduce operating costs, improve safety and maximise the capacity of existing infrastructure.

**Inoperative employee** refers to an employee who has been on leave without pay for three months or more.

**Market-testing** involves the assessment of proposals from public and private sector enterprises for the delivery of services.

**Non-ongoing employee** is an Australian Public Service employee who is not an ongoing employee.

**OECD** is the Organization for Economic Cooperation and Development—an elite group of highly industrialised nations.

**Ongoing employee** is a person engaged as an ongoing Australian Public Service employee under subsection 22(2)(a) of the *Public Service Act 1999*.

**Organisational governance** is the process by which agencies are directed and controlled.

**Outcomes** are the results, impacts or consequences of actions by the Commonwealth on the Australian community.

**Outputs** are the goods or services produced by agencies on behalf of the Government for external organisations or individuals. Outputs include goods and services produced for other areas of Government external to an agency.

**Purchaser/provider arrangements** are arrangements under which the outputs of one agency are purchased by another agency to contribute to outcomes.

**Service charters** are public statements about the service a department will provide and what customers can expect from the department.

**WTO is the World Trade Organization**—an institution to govern international trade and a body of law which administers legal agreements on how countries should conduct international trade. Established in 1995 to replace General Agreement on Trade and Tariffs (GATT). The WTO mandate is a similar but expanded version of GATT and includes services, investment, and intellectual property as well as “sustainable development”.

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