



**COMMONWEALTH  
DEPARTMENT  
OF  
TRANSPORT  
AND  
REGIONAL DEVELOPMENT**

**ANNUAL REPORT  
1996–97**

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ISSN 1327 6042

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COMMONWEALTH DEPARTMENT OF  
**TRANSPORT AND  
REGIONAL DEVELOPMENT**

The Hon. John Anderson MP  
Minister for Transport and Regional Development  
Parliament House  
Canberra ACT 2600

Dear Minister

As required under subsection 25(6) and in accordance with the guidelines referred to in subsection 25(7) of the *Public Service Act 1922*, I present to you the annual report of the Department of Transport and Regional Development for the year ended 30 June 1997.

The report also satisfies the requirements of section 29 of the *Air Navigation Act 1920*, section 21 of the *Airports (Surface Traffic) Act 1960* (repealed on 9 October 1996) and section 20 of the *Aircraft Noise Levy Collection Act 1995*.

Subsection 25(8) of the *Public Service Act 1922* requires you to table the report in each House of the Parliament on or before 31 October in the year in which the report is given.

Yours sincerely

Allan Hawke  
SECRETARY  
29 September 1997

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# GUIDE TO USING THIS REPORT

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## Structure

The report is divided into five sections:

**Secretary's Overview**, describing the Department's overall 1996–97 performance. This section also includes:

- the portfolio structure;
- the departmental organisation structure; and
- a financial and staffing resources summary.

**Program Performance Reporting** describing performance against objectives. The reporting sequence follows the Department's program structure:

Program 1: Aviation

Program 2: Land Transport

Program 3: Maritime

Program 4: Regional Development

Program 5: Corporate Direction and Support

**Financial Statements** audited by the Australian National Audit Office.

**Appendixes** containing information on various topics that affect the whole Department such as Freedom of Information, Equal Employment Opportunity, use of consultants, internal and external scrutiny, etc.

**Aids to Access** containing:

- [a glossary of acronyms and abbreviations](#);
- (Indexes supplied in the printed Report are not reproduced in this electronic version)

## Further information

The information listed in [Appendix 2](#) is available on request to any person. If you wish to obtain any of the information, please contact:

Christine Pratt  
Freedom of Information Coordinator  
Department of Transport & Regional Development  
GPO Box 594  
Canberra ACT 2601

Tel.: (02) 6274 7844  
Fax: (02) 6274 6775  
E-mail: [cpratt@email.dot.gov.au](mailto:cpratt@email.dot.gov.au)

## Availability of the Report

The report is distributed to Ministers, the Parliament, staff of the Department, other Commonwealth agencies, the National Library of Australia and State libraries as well as other organisations and individuals. Copies are for sale at Government Info Shops. In addition, the report is available on the Internet at <http://www.dot.gov.au>

# SECRETARY'S OVERVIEW

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This past year has been one of achievement and consolidation for the Department. We have set our sights firmly on the future by fostering effective working partnerships with industry, the community and other government agencies to implement the Government's transport and regional development agenda.

The Department's major achievements for this year are listed below. They reflect the Department's renewed focus to that of a strategic planner, coordinator and regulator of transport infrastructure development.

- Three major airports—Brisbane, Melbourne and Perth—were successfully privatised. The new owners will operate in a regulatory framework developed by the Department. The framework will ensure economic, equity and environmental objectives are met through the development of environmental management plans which are subject to community consultation, maintenance of competitive pricing and fair access for air service operators.
- Passenger capacity available to Australian and foreign carriers under air services agreements reached over 35 million seats, an increase of 11 per cent over the previous year.
- The Department worked closely with the Office of Asset Sales (OAS) towards the sale of Australian National Railways Commission and to lay the groundwork for the sale of National Railways Corporation. Private sector disciplines will revitalise the rail industry by focusing on quality, meeting customer needs, introducing cost-efficiencies and providing secure employment prospects.
- The Department is negotiating with stakeholders on the establishment of a national rail track access entity, to provide a more efficient and nationally consistent interstate track access regime. Easier access will encourage new entrants to the interstate freight business and bring cost savings to users.
- In difficult budgetary circumstances, funding was secured for a new roads category, Roads of National Importance which includes the Pacific Highway.
- A nationally uniform dangerous goods regime was developed for land transport operations.
- A best practice national road safety package was agreed with State and Territory Governments.
- A key feature of the Federal Road Safety Black Spot Program was the establishment of consultative panels in each State and Territory comprising representatives from road and transport agencies, local government, industry, community and road user groups. The panels consider and comment on funding nominations to determine a final program of projects.
- Progress continued towards international harmonisation of Australian motor vehicle standards.
- A combined Commonwealth, State and Territory report on the progress of port reform and port authority charge reductions showed that port authority charges had fallen by as much as 36 per cent in money terms since 1990.

- Industry and the Government are considering the Shipping Reform Group's report which recommends the winding back of cabotage and other measures to encourage further competition in the shipping industry.
- A Ministerial Working Group on Regional Affairs was set up to ensure that the needs of regional areas are understood at the highest level, and major regional projects are facilitated. The working group will be a force for the coordination of relevant government agencies and processes for strengthening links with and between regions.
- Government-to-government relations with counterpart Ministries overseas have been developed in a complementary strategy with trade and investment liberalisation, trade facilitation and economic/technical cooperation through Asia Pacific Economic Cooperation (APEC).
- Under the Commonwealth Legislation Review Schedule the Department is examining the social and economic impact of regulations in reviews of the *Australian Maritime Safety Authority Act 1990* and the *Motor Vehicle Standards Act 1989*. A review of the *Shipping Registration Act 1981* will follow during 1997.
- A new stakeholder relationship and an innovative style of policy analysis and implementation are being developed with industry through the National Transport Council and the Transport and Logistics Working Group of the Prime Minister's Supermarket to Asia Council. These industry advisory groups comprising senior transport industry figures—both operators and users—were set up to identify transport interface problems and come up with practical solutions suitable for Australian conditions. They are both prime examples of the way the Department is working in partnership with industry to promote domestic competitiveness and provide the most cost-effective access for Australian businesses to the international market place.

The Department's social justice and environmental achievements included:

- a regulatory structure for leased airports, which provides for an airport environment officer and an airport building controller at each leased airport to enforce public accountability, environmental standards and building approvals;
- development of Marine and Ports Group guidelines to help managers of Australian commercial ports, marinas and boat harbours in providing appropriate waste reception facilities;
- an environmental impact statement for the second Sydney airport; and
- continuous improvement programs which achieved increased efficiency in the Tasmanian Freight Equalisation Scheme.

The Department also made solid progress in corporate planning arrangements:

- The Corporate Plan with the theme of 'Linking Australia' was launched on 15 May 1997 after an extensive period of consultation with staff, government, industry and community groups. The plan, underpinned by program business plans, identifies the key strategic issues of the next few years, states our core business and sets a vision for the future. Progress against business plans is reviewed each month.

- The Corporate Plan's People Charter reflects our commitment to achieving the Department's goals by focusing on results through people. All Senior Executive Service, Senior Officers Grades A, B and some C and their professional and technical equivalents completed an in-house leadership program. To complement the senior executive training, a development program for Administrative Service Officers Grades 1 to 6 commenced.
- Our first staff survey was conducted in October 1996. An 80 per cent response rate was achieved, indicating a high level of support from staff. Issues raised in the survey were embodied in the key result areas of the Corporate Plan. I launched the results of the survey in February 1997. Since then each sub-program has worked on its particular issues and an across-the-Department committee on communication has been developed.
- Work commenced on a modern management framework, designed to operate on an output-based accrual budgeting basis. It aims to link the Corporate Plan and its business plans, with monthly monitoring and yearly reporting in the annual report. The development of the Department's first Service Charter will be an integral element of the framework.
- Significant progress was made with a program for further reform of people management practices under the umbrella of 'Achieving Cost Effective Personnel Services'.
- By applying an innovative staffing strategy to the closure of the Regional Development Program, the Department was able to reduce successfully its staffing numbers to funded levels.
- We are a lead agency in the public sector trial of the Investors in People (IIP) Program. IIP is an international people development standard to which the Department aims to be accredited by the end of 1998. Achieving accreditation will verify that our people practices are closely aligned with our corporate goals.

The past year's achievements have also put us in a good position to deal with the challenges of the *Workplace Relations Act 1996* and the prospect of new Public Service legislation in 1998. The legislation will reshape the industrial relations regime in the Australian Public Service by placing responsibility for determining terms and conditions of employment in the hands of individual departments, rather than central agencies. We are ready for those challenges. We now have a mechanism through which we can create an employment framework to support and promote our corporate goals.



Allan Hawke  
SECRETARY

# PORTFOLIO PROGRAM STRUCTURE

Program	Sub-programs
<b>1. Aviation</b> <sup>(a)</sup>	1.1 Aviation Policy
	1.2 Aviation Operations
	1.3 Investigating for Safety
	1.4 International Air Services Commission <sup>(b) *</sup>
	1.5 Civil Aviation Safety Authority *
	1.6 Federal Airports Corporation *
	1.7 Airservices Australia *
<b>2. Land Transport</b>	2.1 Road and Rail Policy Development
	2.2 Federal Office of Road Safety
	2.3 Australian National Railways Commission *
<b>3. Maritime</b>	3.1 Maritime <sup>(c)</sup>
	3.2 Australian Maritime Safety Authority *
	3.3 ANL Limited *
<b>4. Regional Development</b>	4.1 Regional Development
<b>5. Corporate Direction and Support</b>	5.1 Executive
	5.2 Management Support and Advice
	5.3 Research

\* Portfolio bodies which report separately in their own annual reports. Other sub-programs are administered by the Department.

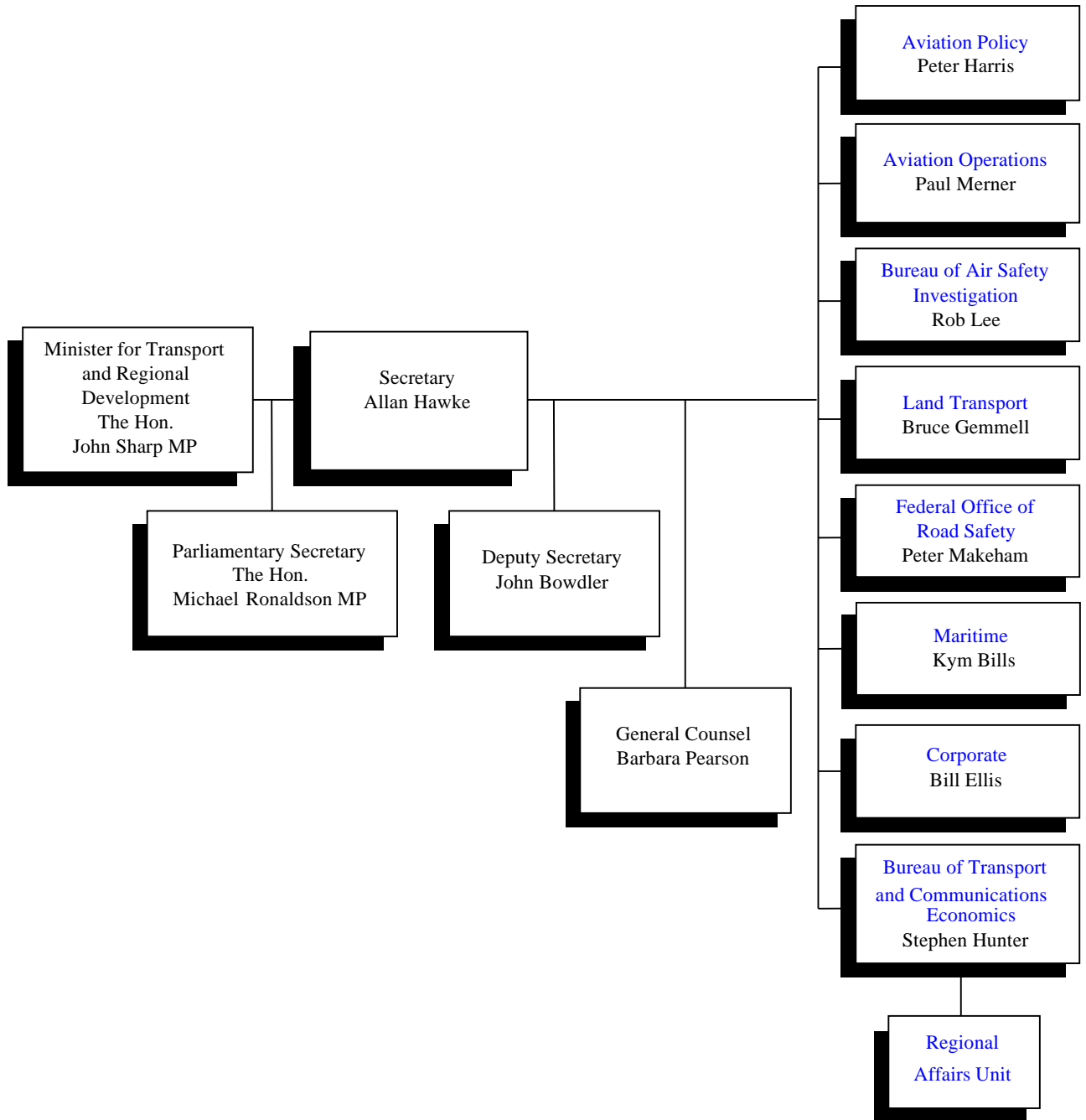
(a) The Aviation, Policy, Security and Infrastructure sub-program (formerly 1.1) has been split into two sub-programs. Aviation Policy is 1.1 and Aviation Operations is 1.2. With renumbering of sub-programs, Investigating for Safety is now 1.3 (formerly 1.2), the International Air Services Commission is now 1.4 (formerly 1.3). The Civil Aviation Safety Authority is 1.5 and Airservices Australia is 1.7. The Federal Airports Corporation is now 1.6 (formerly 1.5).

(b) The Department provides resources for a small secretariat to support the Commission.

(c) Includes Seafarers Safety, Rehabilitation and Compensation Authority (Seacare Authority)

# ORGANISATION CHART

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# PORTFOLIO FINANCIAL AND STAFFING RESOURCES SUMMARY

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Note: The figures in the total below include components of appropriations for all program items in the portfolio, except in the case of staffing figures—refer note (c).

A reconciliation of programs and appropriation elements, broken down by sub-program, is shown at [Appendix 10](#).

Running cost and staffing figures in the resource tables for individual sub-programs administered by the Department include an allocation of corporate overheads to reflect the benefits derived by those sub-programs.

	<b>1995–96 Actual (\$'000)</b>	<b>1996–97 Budget (a) (\$'000)</b>	<b>1996–97 Actual (\$'000)</b>
<b>COMPONENTS OF APPROPRIATIONS</b>			
Program costs	1 503 072	1 747 401	1 636 874
Running costs	100 513	92 343	87 223
Total appropriations	1 603 585	1 839 744	1 724 097
Less adjustments	(1 483 971)	(159 604)	(216 446)
<b>Total outlays</b>	<b>119 614</b>	<b>1 680 140</b>	<b>1 507 651</b>
Total revenue (b)	(171 190)	(171 641)	(177 628)
<b>STAFFING (c) Staff Years (actual)</b>	<b>1 024.5</b>	<b>815.7</b>	<b>792.2</b>

(a) Budget figure amended to include Additional Estimates

(b) See Budget Paper No 1 for a description of items included in revenue (1996–97 BP1, pages 4–3)

(c) Staffing figures apply to the Department only

# **PROGRAM PERFORMANCE REPORTING**

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## **PROGRAMS:**

**1. Aviation**

**2. Land Transport**

**3. Maritime**

**4. Regional Development**

**5. Corporate Direction and Support**

## PROGRAM 1

# AVIATION

### OBJECTIVE

Safe, secure and efficient air transport services and appropriate infrastructure, operating within acceptable environmental standards and responsive to user requirements.

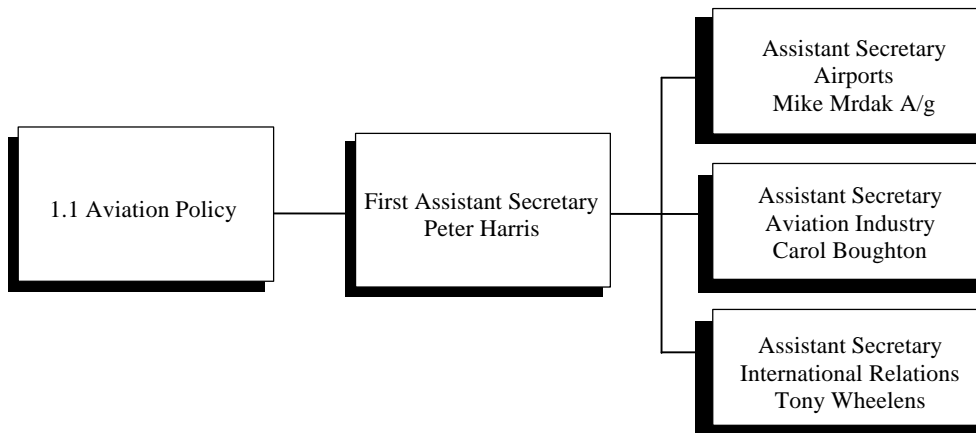
### FINANCIAL AND STAFFING SUMMARY

	<u>OUTLAYS</u>			<u>STAFFING</u>
	1995-96 Actual (\$'000)	1996-97 Budget (a) (\$'000)	1996-97 Actual (\$'000)	1996-97 Actual (Staff years)
<b>Sub-program</b>				
1.1 Aviation Policy	(1 451 458)	34 964	6 433	79.9
1.2 Aviation Operations	72 853	112 696	62 568	85.2
1.3 Investigating for Safety	10 168	10 497	9 793	95.8
1.4 International Air Services Commission	938	1 379	1 172	11.1
<b>TOTAL</b>	<b>(1 367 499)</b>	<b>159 536</b>	<b>79 966</b>	<b>272.0</b>

(a) Budget figure amended to include additional estimates

## 1.1 Aviation Policy

Contact officer: Karsten Groening (02) 6274 7534



### Description

The Sub-program provides advice to the Government on international aviation issues, regulates international airline operations and manages Australia's participation in the work of the International Civil Aviation Organization (ICAO). It also manages the relationship between the Government and Australia's airlines, including Qantas and Ansett, as well as the policy framework in which Airservices Australia (AA) and the Civil Aviation Safety Authority (CASA) operate. The Sub-program also develops the legislation and regulatory regime for leased Federal airports.

The Airports Branch develops strategies to prepare Federal airports for sale and subsequent regulation in accordance with the *Airports Act 1996*. It advises on the Federal Airports Corporation (FAC) and residual issues relating to the former Commonwealth and Aerodrome Local Ownership Plan operations.

The Aviation Industry Branch oversees aviation business enterprises and authorities (AA and CASA), addresses market structure issues in domestic aviation (for example slot management, consumer information, insurance, passenger facilitation, Sydney 2000 Games), and supports the export of aviation products and services. The Branch also gathers, analyses and publishes aviation statistics (including forecasts).

The International Relations Branch negotiates and administers arrangements for passenger and freight air services (including charters) between Australia and other countries, encourages competition by seeking multiple designation for Australian carriers on international routes, advises on international aviation issues (for example ownership and control, designation of Australian carriers, code-sharing), and provides policy support (including the Register of Available Capacity and advice on Australia's bilateral rights) to ensure the effective operation of the International Air Services Commission (IASC).

## **Objective\***

Effective management of the Government's interests in a safe, secure, efficient and internationally competitive aviation industry to the benefit of Australians through:

- supporting consumer interests in the operation of the aviation sector and in the development of aviation policies through enhanced competition and improved safety and information standards;
- developing a regulatory regime for Federal airports which achieves an appropriate balance between public interest and private sector objectives for airport operations;
- developing multilateral and bilateral air services arrangements, including through the Asia Pacific Economic Cooperation (APEC) forum, to provide the best balance of overall benefits; and
- reviewing and directing the policy framework within which portfolio Government Business Enterprises (GBEs) and other statutory bodies meet their commercial, service or safety obligations.

\* The Sub-program now reports under its own objective and is not combined with Aviation Operations. As a result, some performance indicators are new or changed to reflect the new objective.

## **Performance indicators and outcomes**

### **Opportunities for airlines to meet consumer demand in both passenger and freight traffic to and from Australia**

During 1996–97 the Sub-program held 19 bilateral aviation consultations with 15 countries, to facilitate opportunities for Australian and foreign airlines in international aviation markets. These consultations resulted in a substantial expansion in capacity and route rights for both Australian and foreign carriers.

Fifty-four international airlines are now operating scheduled passenger or freight services to and from Australia. Total passenger capacity available to Australian and foreign carriers under air services arrangements reached over 35 million seats a year, an increase of 11 per cent over the previous year. Seats operated remained similar to the previous year, compared with a five per cent increase in passengers carried. Total dedicated freight capacity negotiated increased by 65 per cent over the total capacity available in 1995–96.

There were 423 passenger charter and 552 freight charter flight approvals in 1996–97. These enabled operators to complement scheduled services and meet seasonal demands. The approvals included major passenger programs by Britannia Airways and Airtours, and freight charters by Polar Air Cargo and Pacific Air Express.

One more foreign airline, Martinair, was licensed to operate scheduled international freight services to Australia. Another Australian airline, Asian Express Airlines, received a licence to operate unlimited scheduled international freight services between Australia and New Zealand.

The policy statement for the International Air Services Commission (IASC) was revised to ensure that Australian carriers proposing to operate scheduled international services in their own right will be given priority over competing Australian applicants who propose to code share using other airlines' capacity or services.

The market share of Australian passenger carriers has increased from 38.8 per cent in 1992 to 42.6 per cent in 1996.

**Quality of oversight and regulatory structures intended to meet the public interest, particularly those affecting consumers**

The Sub-program conducted an assessment of the Civil Aviation Safety Authority (CASA) corporate plan. This resulted in a direction from the Minister for Transport and Regional Development, the Hon. John Sharp MP, that the corporate plan include meaningful performance measures of outcomes. This is to enable the Government to make an ongoing assessment of CASA's performance in meeting safety regulatory responsibilities.

To facilitate the development of a fairer system for recovering the costs of aviation safety regulation, the Sub-program prepared a discussion paper as the basis for consultation with the aviation industry on future funding for aviation safety regulation. This is currently being developed for Ministerial clearance.

The Commonwealth initiative for a national scheme requiring airline operators to insure fare paying passengers against death or injury was substantially achieved. By December 1996 all States (except Western Australia due to technical legislative delays) had implemented legislation complementary to the Commonwealth's December 1995 legislation. The potential for public protection was further enhanced with the Government agreeing to the development of legislation for unlimited liability for compensation arrangements for damage or injury caused by aircraft to third parties on the ground.

An 'Industry Code of Conduct' was signed in December 1996 by the Minister and representatives of Qantas, Ansett and the Australian Federation of Travel Agents. It provides an undertaking from the parties to provide consumers with details of when they will be travelling on a domestic airline other than the ticketing airline (code-sharing).

The revised policy statement for IASC also clarifies its role in examining competition issues, and ensures there is no overlap between its work and that of the Australian Competition and Consumer Commission (ACCC).

The *Airports Act 1996*, enacted in September 1996, establishes the leasing arrangements for Federal airports and provides for a comprehensive regulatory regime for leased airports. The Act and associated regulations now in place cover the ownership requirements and restrictions on the transfer of leases, the powers of airport operators, environment, land-use planning and building controls, financial and other reporting requirements on airport operators, access provisions, demand management and quality of service monitoring.

The Act's regulatory structure requires that an airport environment officer and airport building controller are appointed at each leased airport, responsible for

enforcing public accountability and standards in relation to environmental controls and building approvals.

The Government signed sales documentation for three leased Federal airports (Brisbane, Melbourne and Perth) with the successful bidders on 7 May 1997. The leases will commence on 2 July 1997.

### **Extent to which air services and infrastructure operates in a competitive environment**

The pricing policy to apply to leased Federal airports was the primary responsibility of the Sub-program in the context of the airport sales. The policy ensures that airport users are protected from any potential abuse of market power by operators of leased Federal airports, stemming from the natural monopoly characteristics of airports. A price cap has been established to operate for the first five years which requires aeronautical charges to move by the Consumer Price Index (CPI) minus 4.5 per cent at Brisbane, CPI minus 4 per cent at Melbourne, and CPI minus 5.5 per cent at Perth. This will ensure real reductions in aeronautical charges. Additionally, airport operators are required to report on financial and other aspects of their operations to the ACCC which monitors the quality of service at leased airports. In developing this regime the Sub-program has worked closely with the ACCC.

The Sub-program's extensive consultation effort resulted in broad aviation industry support for the introduction of a slot management regime at Sydney Airport, a major Government election commitment. Commonwealth legislation enshrining the 80 cap on hourly movements and establishing a framework for a slot management scheme is scheduled to be introduced into Parliament during the 1997 Spring sittings. Mechanisms for developing detailed arrangements for the slots system were set in place in partnership with the aviation industry with a view to establishing the slots system on a cooperative basis during the second half of 1997. This will allow the efficiency benefits from improved planning processes to be achieved ahead of the enactment of legislation.

In consultation with industry, the Sub-program initiated action for Australia to ratify an international aviation convention (Montreal Protocol 4) concerning air cargo. Once 30 ratifications have been reached (27 countries have ratified to date including Australia) Australian air cargo operators will be able to achieve the full efficiency benefits of electronic invoicing (existing international convention requirements mandate the use of paper invoices). The International Air Transport Association has estimated the potential savings at \$US6 per invoice.

An amendment to the *Air Navigation Act 1920*, providing for the establishment of a Register of Encumbered Aircraft, received Royal Assent on 17 April 1997. The legislative amendment enables the establishment of a register which will provide buyers and sellers of aircraft with information on registered security interests held by lenders and creditors over aircraft, including airframes, engines and avionics.

The Government response to the *Plane Safe, Inquiry into Aviation Safety: The Commuter and General Aviation Sectors* report from the House of

Representatives Standing Committee on Transport, Communications and Infrastructure, was tabled in Parliament on 5 December 1996. The Sub-program is monitoring progress of the groups involved with implementing the measures detailed in the Government's response, including use of a range of performance indicators developed by the Department, CASA and the Bureau of Air Safety Investigation (BASI) in December 1996.

In response to the commission of Inquiry into the Relations Between the (former) Civil Aviation Authority and Seaview Air, the Sub-program has established working relationships with CASA, Airservices Australia and the Director of Public Prosecutions to implement the report's recommendations. The commission's recommendations were endorsed by the Government and are now being implemented by relevant agencies.

Air services arrangements continued to facilitate inbound tourism and consumer choice, with negotiated seat entitlements exceeding seats occupied by a factor of 2.5, both in total and on most key Asia–Pacific routes.

Since the Government announced major changes to Australia's international air freight policy in June 1996, to meet exporter demands for air freight capacity to important markets, 34.5 additional weekly units of dedicated freight capacity have been negotiated with eight countries. Sub-program policy is now directed towards similar approaches with other countries.

Following the APEC Transportation Ministers' Meeting in June 1995, a group of 10 APEC member economies developed options for a more competitive international air services regime. The APEC Transportation Working Group (TPT-WG) endorsed the options paper, and reported back to APEC Transportation Ministers in June 1997, for guidance on future work. APEC Ministers supported further work on an Australian proposal for liberalised air freight arrangements.

An aviation personnel licensing project was progressed within TPT-WG. Survey results of member economies in relation to air traffic control, flight crew, and aircraft maintenance engineers were collated. These were circulated to member economies, along with a contact list of APEC aviation regulatory officials. The project will conclude at the September 1997 meeting of the TPT-WG.

The Sub-program examined aviation-specific components of draft Individual Action Plans submitted by APEC member economies. A number of improvements were suggested, resulting in further liberalisation commitments by some economies.

Support was provided for technical work within APEC, particularly in relation to aviation safety issues. The Sub-program had a key role in the International Civil Aviation Organization (ICAO) Asia Pacific Traffic Forecasting Group which formulated official ICAO forecasts of passenger and aircraft movements in the Asia–Pacific region. These forecasts are used for air traffic infrastructure planning purposes.

Ongoing assistance was provided to the export-oriented aviation industry networks Airport Industries Australia (AIA), Aviation Training Australia (ATA) and the Association of Australian Aerospace Industries (AAAI).

The Sub-program produced and distributed to industry aviation profiles of the Republic of Korea, the Middle East and Taiwan as well as updated profiles of Indonesia and India.

**Degree to which aviation infrastructure and operations have been developed to meet national, social, economic and community needs**

A first report on Sydney Airport's operations for the Olympics was completed and submitted to the Ministerial Committee on the Sydney 2000 Games. The report was prepared by a working group chaired by the Department and included representatives of the Federal Airports Corporation, Airservices Australia, the Australian Customs Service, Ansett Australia, Qantas Airways Limited and the Department of the Prime Minister and Cabinet.

The report, which utilised forecasts of passenger traffic and aircraft movement prepared by the Sub-program, concluded that the runway and terminal capacity of Sydney Airport is expected to be sufficient in the year 2000 to cope effectively with the traffic demands associated with the Olympic Games. No changes to the current curfew arrangements are necessary and the cap of 80 aircraft movements per hour remains. This conclusion will be reviewed in the lead up to the Games as additional data becomes available. Other issues identified in the report include surface access to and from the airport, contingency planning, airspace management, the facilitation of international passengers and VIPs, freight, aviation security, and the Paralympics.

Copies of the report have been forwarded to the New South Wales Government and the relevant bodies, including the Sydney Organising Committee for the Olympic Games, to assist in the planning process for the Games.

A planned major extension of the international terminal facilities at Sydney Airport by the Federal Airports Corporation, estimated to cost \$350 million, aims to provide adequate capacity for the airport's operations up to the year 2003. The project has been submitted to the Parliamentary Standing Committee on Public Works and to Environment Australia.

The Sub-program prepared and published forecasts of civil aviation traffic in the Sydney Basin area to support the environmental assessment of the second major Sydney airport.

In leasing Brisbane, Melbourne and Perth airports to private operators, a comprehensive environment and land-use planning regulatory regime has been developed and implemented to ensure that the public interest is fully protected. The airport lessee companies are required to obtain Government approval for their strategies for environmental management at airports. Regulations set down environmental standards to apply at the leased airports. Lessees are required to submit airport master plans and major development plans for

ministerial approval. Building activity at the airports also requires approval under Commonwealth regulations.

### **Adequacy of the framework in which overall Government Business Enterprise performance is assessed**

The Sub-program assessed the performance of the Federal Airports Corporation (FAC) in accordance with the accountability requirements for GBEs. The FAC's successful financial performance and investment in infrastructure returned a substantial dividend to the Commonwealth. Further details of the performance of the FAC are available from the FAC's annual report.

The Sub-program assisted Airservices Australia (AA) in its development of a location specific charging system for the provision of fire-fighting services at airports. The first stage of this process will be introduced in 1997–1998. The Sub-program's role will focus on the adjustment process necessary at airports outside the major east coast ports.

### **Assessment of overall performance**

The Sub-program has carried a substantial workload over the year, particularly in developing the regulatory regime to apply post-leasing to Federal airports. The Sub-program's resources were often severely stretched in meeting the timing for the airport sales program. Notwithstanding this, the regulatory regime contributed substantially, through its clarity and flexibility, to a successful leasing process.

### **Social justice**

The Remote Air Services Subsidy Scheme provides subsidies where there are no suitable alternative forms of transport to communities in remote areas. In 1996–97 the Government provided just under \$1.3 million in direct subsidies to five operators in Queensland, the Northern Territory, South Australia and Western Australia.

The regulatory regime for leased Federal airports requires extensive public comment on the proposed environment strategy for each airport, the master plan and any major development proposal. In seeking approval for any strategy or major development the airport operator is required to provide details of consultations undertaken. These processes will ensure that airport planning will take into account the views of airlines, tenants, the community and State and local governments.

## Aviation Policy Resource Table

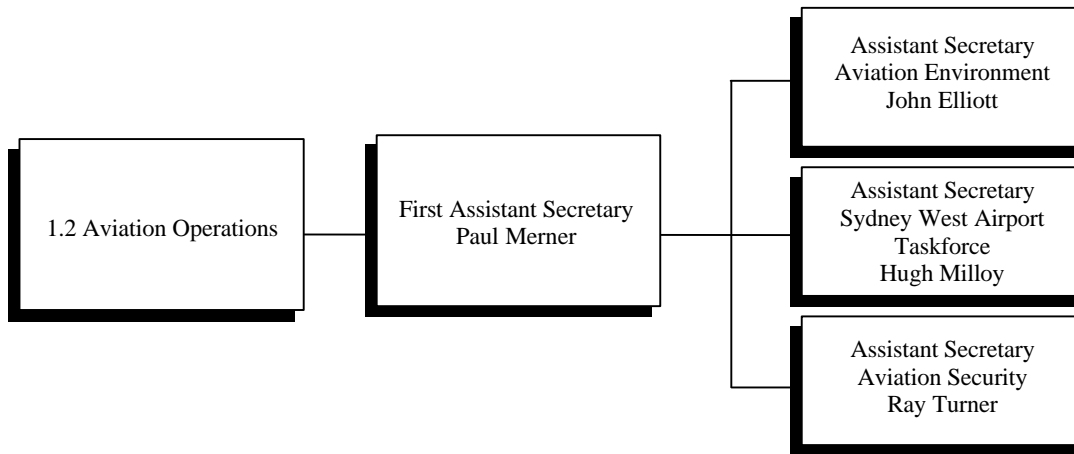
	<b>1995–96 Actual (\$'000)</b>	<b>1996–97 Budget (a) (\$'000)</b>	<b>1996–97 Actual (\$'000)</b>
<b>Running costs</b>	6 496	7 279	6 560
<b>Program costs:</b>			
Remote air services subsidy scheme	1 263	1 262	1 262
International Civil Aviation Organisation— Contribution	1 162	1 188	1 047
Contribution towards the development of runway extensions at Adelaide Airport	—	28 000	—
<b>Total appropriations</b>	8 921	37 729	8 869
Less adjustments	(1 460 379)	(2 765)	(2 436)
<b>Total outlays</b>	<b>(1 451 458)</b>	<b>34 964</b>	<b>6 433</b>
<b>Total revenue (b)</b>	(187)	(282)	(278)
<b>Staff Years</b>	67.3	79.8	79.9

(a) Budget figure amended to include Additional Estimates

(b) See Budget Paper No 1 for a description of items included in revenue (1996–97 BP1, pages 4-3)

## 1.2 Aviation Operations

Contact officer: Karsten Groening (02) 6274 7534



### Description

The Sub-program provides advice on aircraft noise and other aviation environmental issues, the location and development of the second major airport for the Sydney region and the development and administration of aviation security standards.

The Aviation Environment Branch is responsible for developing and administering legislation on aircraft noise and other environmental controls. It has policy responsibility for the aircraft noise amelioration program at Sydney (Kingsford-Smith) Airport. It is involved in community consultation arrangements, including the Sydney Airport Community Forum and airport environment committees at major airports in Australia.

The Sydney West Airport Taskforce advises on the location and development of the second major airport for Sydney. The Taskforce is managing the planning and design of the airport options and the preparation of an Environmental Impact Statement (EIS) on the proposed airport development and the associated community consultation program. The Taskforce is also undertaking a financial study of the airport options.

The Aviation Security Branch develops and monitors compliance with aviation security standards, policies and procedures for airports, airlines and cargo freight forwarders. It also coordinates the dissemination of aviation security intelligence and establishes and tests arrangements for the aviation response to unlawful interference.

### Objective\*

Consistent with the Program objectives, a policy and operational framework for achieving:

- environmentally sensitive operation of aircraft and airports, in consultation with local communities;

- implementation of the Sydney Airport Noise Amelioration Program;
- development and maintenance of an effective aviation security regulatory regime; and
- development of a second major airport for Sydney.

\* The Sub-program now reports under its own objective and is not combined with Aviation Policy. As a result, some performance indicators are new or changed to reflect the new objective.

## **Performance indicators and outcomes**

### **Degree to which a sound process for assessing the environmental and other impacts of alternative sites for Sydney's second major airport is implemented**

Following the Government's announcement in May 1996 that the Environmental Impact Statement (EIS) process for the second Sydney airport would be expanded to include the Holsworthy Military Reserve as well as the Badgerys Creek site, the Department arranged and managed an airport planning and design study led by Airport Planning Pty Ltd to develop master plans for airports on both sites. In November 1996, it was announced that five design options (three at Badgerys Creek and two at Holsworthy) had been identified as the basis for environmental assessment.

In September 1996, the Sub-program appointed consultants Rust PPK Pty Ltd to prepare a Draft EIS and conduct the associated community consultation program. The preparation of the Draft EIS was undertaken in accordance with guidelines prepared by the Department of Environment, Sport and Territories.

The Sub-program, in conjunction with the consultants, released a series of discussion papers before publication of the Draft EIS to help the community understand key planning and environmental issues. These papers described the airport proposal, aviation traffic forecasts, preliminary airport master plans, methods of assessing aircraft noise, road and rail access options and preliminary flight paths.

The original target date for release of the Draft EIS on the second Sydney airport was March 1997. In February 1997, the Government extended the timing to enable a fuller examination of the complex environmental issues and a more comprehensive consultation program.

The Sub-program undertook the scoping phase of a study of the financial feasibility of building and operating a second Sydney airport.

### **Degree to which aircraft and airports operate in an environmentally sensitive manner**

The Sub-program participated in a task force established by Airservices Australia (AA) to assist the preparation of a long-term operating plan for Sydney Airport and associated airspace. The requirement for the plan had been specified by the Minister for Transport and Regional Development in a direction issued to AA on 20 March 1996.

On 16 December 1996, the Minister received a report from AA setting out recommendations for a long-term operating plan designed to achieve a more equitable sharing of the aircraft noise at Sydney Airport. On 5 February 1997 the Minister released the AA report for public comment. The Sub-program undertook a detailed analysis of the issues raised in public submissions on the report. The Minister's response to the report was announced on 29 May 1997.

The Department was designated as the proponent for the plan under the *Environment Protection (Impact of Proposals) Act 1974*. On 11 June 1997 the Department provided Environment Australia with a detailed statement in support of the Minister's proposals.

The Sub-program provided secretariat support to the Sydney Airport Community Forum. The forum comprises Commonwealth, State, local government, community and industry representatives from around Sydney Airport and provides advice to the Minister on noise and related environmental problems at the airport. The forum has actively considered a range of issues and coordinated a significant community input to the development of the Sydney Airport Long Term Operating Plan.

On 19 October 1996, following a direction by the Minister to AA, take-offs to the north from the new runway at Sydney Airport were introduced. This further enhanced the aircraft noise sharing initiatives that had been introduced by the Government when it came to office in March 1996.

The Sub-program granted 11 dispensations under the *Sydney Airport Curfew Act 1995* authorising aircraft to land or take-off during the curfew at Sydney Airport.

Pursuant to responsibilities under the Air Navigation (Aircraft Noise) Regulations, the Department refused permission for an airship operated by The Lightship Group to operate in the Sydney area. The Lightship Group successfully appealed the Department's decision in the Administrative Appeals Tribunal (AAT). The Commonwealth is appealing the AAT decision to the Federal Court.

In response to a number of reports of aircraft releasing fuel on take-off from Sydney Airport, the Sub-program is preparing regulations that will make it an offence for an aircraft to spill fuel, in other than an emergency, or to operate an aircraft that has faulty mechanical parts that may lead to fuel spillage.

The Sub-program has policy responsibility for the Sydney Airport Noise Amelioration Program. To date, the major focus of the program has been on the acquisition and insulation of properties to the north of the airport affected by operations of the parallel north-south runways. In August 1996 the residential insulation scheme was expanded to include 350 houses in Banksia as a result of the Government's decisions to increase aircraft operations on the east-west runway. In May 1997 the Minister announced that the program would be reprioritised to focus on those areas most affected by revised airport operations envisaged in the Sydney Airport Long Term Operating Plan.

The program of voluntary acquisition of residences in Sydenham was brought to a close on 30 June 1997. Six of the 151 homeowners chose not to accept the offer. Negotiations were underway on the transfer of the acquired land to the Marrickville Council for use as community open space.

During the year, insulation works were completed in two child care centres, one nursing home and 914 houses with work underway on a further 138 as at 30 June 1997. Insulation works were also underway at Newington College.

Costs associated with the program are recovered by the levy on jet aircraft landing at Sydney Airport under the provisions of the *Aircraft Noise Levy Act 1995*. Receipts of \$38 704 596.70 under the *Aircraft Noise Levy Collection Act 1995* are reported in the Financial Statements. Airservices Australia has been authorised under the *Aircraft Noise Levy Collection Act 1995* to collect the levy on behalf of the Department.

The Sub-program participated in meetings of Airport Environment Committees which have been formed at major airports around the country to address issues relating to aircraft noise. The Committees provide a forum for consultation between noise-affected communities and aviation authorities and the industry.

In accordance with the Air Navigation (Aircraft Noise) Regulations the Sub-program continues to oversee the phase out of noisier 'Chapter 2' subsonic jet aircraft. Qantas has completed its phase-out program while Ansett phased out its passenger B727 aircraft during the year.

### **Extent to which secure civil aviation operations have been fostered**

Arrangements which commenced on 1 February 1996 to apply security controls on export air cargo and mail were consolidated during 1996–97. Some 520 companies trading from 850 sites have sought listing as regulated agents and some 270 sites have been audited for compliance since the implementation of the regulations. These audits indicate that the arrangements have significantly improved the security of civil aviation operations.

The Sub-program conducted regular audits of the aviation security operations of 42 security-categorised airports and 62 airlines. In addition to this continuing audit role, Sub-program officers commenced an extensive program involving direct testing of the efficacy of airport security measures.

Preparation of adequate aviation security measures for the Sydney 2000 Olympics is a departmental priority and the Sub-program is liaising with other key organisations to identify and address issues and to develop appropriate arrangements.

A national aviation security exercise program was conducted by the Sub-program which included testing response arrangements and conducting seminars. Nine exercises were held during the year. An evaluation of the exercise program was undertaken by a consultant under the direction of a joint department/industry steering committee in early 1997. The evaluation found that the program was viable and had made a significant contribution to the development of effective arrangements for incident response in Australia.

A Systems Testing Workshop was held in Brisbane in October 1996 in cooperation with the International Civil Aviation Organization. This workshop was attended by 28 participants from 15 countries within the Asia–Pacific Region. The Sub-program also assisted countries in the region to develop their aviation security arrangements.

In June 1997, legislative amendments were introduced into Parliament to alter the responsibility for managing sterile areas in airport terminals. Sterile areas are those parts of terminals which are restricted to people who have been screened for the carriage of weapons or are authorised personnel. The effect of these changes will be to centralise the responsibility for sterile areas and passenger screening at major terminals with the terminal operator. Subject to the passage of the amendments, it is expected that this change will come into effect in 1998.

### **Assessment of overall performance**

The Department continued to direct its efforts to addressing the increased community sensitivity to noise at Sydney and other major airports throughout Australia. Significant progress was made towards assisting the Government in achieving a more equitable sharing of noise at Sydney Airport and in developing measures to reduce the environmental effect of aircraft operations at other airports.

Major progress was made in the planning and environmental assessment of options for the second Sydney airport. In addition, consultation was undertaken with the community and other stakeholders. The scoping phase of a financial study of the airport options was completed.

The overall security of civil aviation operations continues to be enhanced through refinement of legislation, an effective audit program of airports, airlines and regulated cargo agents and testing and adjustment of security practices. Audit reports have shown good compliance with legislative requirements.

### **Social justice**

The environmental assessment for the proposed second Sydney airport is consistent with the recommendations of the Senate Select Committee on Aircraft Noise in Sydney in 1995. These recommendations address the need for extensive consultation, transparency and independent auditing of the EIS process. An extensive community consultation program continued throughout the EIS process based on a series of community meetings, public exhibitions and open days. Brochures and fact sheets (including multi-lingual information) on a range of EIS issues were widely distributed. An information centre was established in Liverpool with a free telephone hotline.

The Sydney Airport Long Term Operating Plan was released for public comment on 5 February 1997. More than 7500 people responded to this invitation via written submissions or via a free telephone inquiry line. A detailed analysis of their comments was prepared by the Department and incorporated into its Proponent's Statement required under the *Environment Protection (Impact of Proposals) Act 1974*.

## Aviation Operations Resource Table

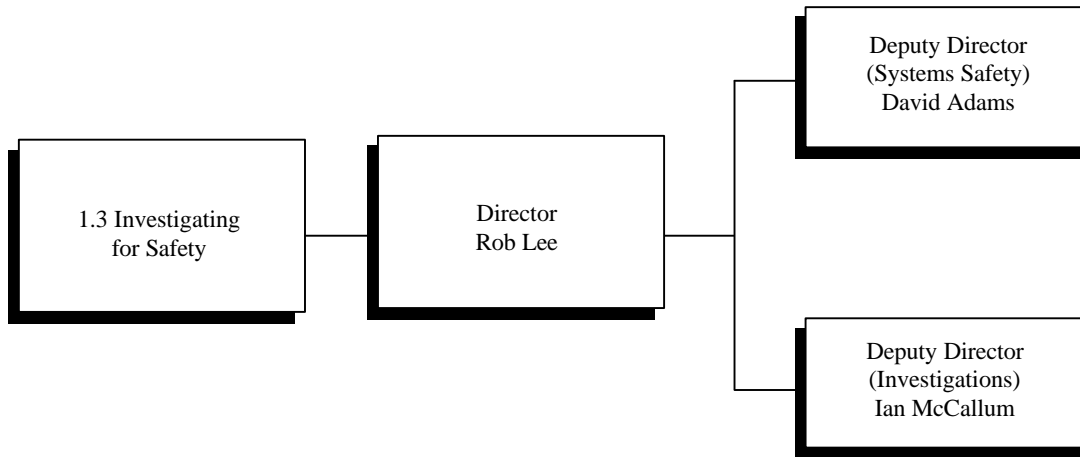
	<b>1995–96 Actual (\$'000)</b>	<b>1996–97 Budget (a) (\$'000)</b>	<b>1996–97 Actual (\$'000)</b>
<b>Running costs</b>	7 494	8 406	7 732
<b>Program costs:</b>			
Sydney West Airport—Expenses for rental properties	—	1 000	197
Environmental impact studies for selection of Sydney airport site	—	12 000	5 642
Second Sydney Airport land acquisition and works	2 104	8 150	153
Implementation of Noise Amelioration Program for Sydney Airport	62 516	83 150	49 026
Contribution towards the development of Badgerys Creek	784	—	—
<b>Total appropriations</b>	<b>72 898</b>	<b>112 706</b>	<b>62 750</b>
Less adjustments	(45)	(10)	(181)
<b>Total outlays</b>	<b>72 853</b>	<b>112 696</b>	<b>62 568</b>
<b>Total revenue (b)</b>	<b>(22 081)</b>	<b>(36 000)</b>	<b>(38 746)</b>
<b>Staff Years</b>	<b>72.6</b>	<b>84.7</b>	<b>85.2</b>

(a) Budget figure amended to include Additional Estimates

(b) See Budget Paper No 1 for a description of items included in revenue (1996–97 BP1, pages 4–3)

## 1.3 Investigating for Safety — Bureau of Air Safety Investigation

Contact officer: Rob Lee (02) 6274 6431



### Description

The Bureau of Air Safety Investigation (BASI) operates as an independent group within the Department and is responsible for investigating accidents, serious incidents and safety deficiencies involving civil aircraft operations in Australia. BASI also participates as an accredited representative on overseas investigations of accidents and serious incidents involving Australian registered aircraft. As well, BASI conducts investigations and studies of the aviation system to identify and rectify underlying factors that can affect safety and potentially become significant factors in accidents. It also is responsible for independently advising the Minister on safety trends and significant broad safety issues.

BASI's primary concern is to maintain and promote the safety of commercial air transport with particular reference to fare paying passenger operations. To this end, BASI investigates selected occurrences and safety deficiencies most likely to yield new and/or high value safety information. In addition to its investigation and systems safety activities, BASI administers the Australian mandatory and confidential aviation incident reporting systems.

BASI performs its functions in accordance with the provisions of Annex 13 to the Convention on International Civil Aviation (Chicago Convention 1944) which are incorporated into the *Air Navigation Act 1920*. Part 2A of the Act sets out BASI's powers and functions to investigate air safety occurrences and safety deficiencies.

BASI employs 76 staff who are primarily located in the Canberra national office, and at small field offices in Perth, Melbourne, Sydney and Brisbane. The majority of staff are air safety investigators working in six different skill groups comprising pilots, engineers, human factors specialists, air traffic services officers, licensed aircraft maintenance engineers and technical officers. The remaining staff are engaged in safety information dissemination, information technology and support activities.

Following a review of BASI's field office structure, the Adelaide Field Office was closed and a Canberra Field Office was established on 31 May 1997. Under these new arrangements, the latter field office has coverage over South Australia and selected areas in New South Wales previously covered by Sydney Field Office. Coverage of the Northern Territory and selected areas in northern New South Wales previously covered by Adelaide and Sydney Field Offices respectively has been allocated to Brisbane Field Office. These changes have been designed to ensure that BASI's finite resources are concentrated as far as possible on the safety investigation of operations in fare paying passenger and other commercial air service markets.

## **Objective**

Safe aviation promoted by disseminating information and safety recommendations.

## **Performance indicators and outcomes**

### **The number of investigations and safety research projects undertaken and the degree of acceptance of recommendations made**

During the year 3795 occurrences consisting of 242 accidents and 3553 incidents were reported and entered in BASI's database for trend analysis and general statistical purposes. Of these occurrences, 51 involved field investigations.

BASI completed and published reports on the following projects:

- phase one of a major study of human–system interface issues associated with the operation of advanced technology aircraft;
- the development of a pro-active airline safety performance program, 'INDICATE';
- an analysis of occurrences in which aircrew failed to comply with air traffic control instructions;
- an analysis of occurrences involving aircraft penetrating controlled airspace without an air traffic control clearance;
- a review of agricultural aircraft accidents;
- a review of aircraft birdstrike occurrences in Australia; and
- an analysis of occurrences in which the operation of traffic collision avoidance systems (TCAS) was a factor.

In addition, major safety studies continue to examine human factors in aircraft maintenance and regional airlines safety issues. A regional airline safety bulletin was published quarterly and distributed to 45 operators. These projects formed the core of BASI's systems safety program for 1996–97 which aims to identify and rectify deficiencies in the aviation system before they became factors in accidents and incidents.

Where appropriate, projects were developed in partnership with the aviation industry. For example, the advanced technology aircraft project was developed in cooperation with the Association of Asia Pacific Airlines (formerly the Orient

Airlines Association) and the INDICATE project was trialled, developed and evaluated in cooperation with a major domestic regional airline. This program promises to yield productive and effective benefits to system safety. It has already been implemented by two regional airlines and further implementation is expected by other airlines and organisations.

BASI issued 35 safety recommendations and 14 safety advisory notices to the Civil Aviation Safety Authority (CASA), Airservices Australia (AA) and the aviation industry during the year. Of these, 33 recommendations and eight safety advisory notices addressed safety deficiencies associated with fare paying passenger operations. Seventy-six responses to recommendations were received in this period of which fifteen are still under consideration. Fifty-nine responses were closed as acceptable to BASI and two were closed as not acceptable but not warranting further action for the time being.

An acceptance rate of 97 per cent was achieved, which is comparable to previous years and indicates that most of BASI's safety recommendations and safety advisory notices are positively received and implemented by CASA, AA and the industry, resulting in outcomes acceptable to BASI.

One of the more important recommendations addressed to CASA related to the need to improve procedures and instructions for visual circling approaches. This resulted from an analysis of accidents involving aircraft conducting visual circling approaches after making instrument approaches. A number of these accidents were associated with fare-paying passenger operations. CASA accepted and acted upon BASI's recommendation.

Recommendations relating to the need to introduce airborne collision avoidance systems such as TCAS to regular public transport services remained a matter of concern for BASI. A number of representations were made to CASA to expedite the process.

### **The quality and quantity of safety information produced and distributed**

Investigations were completed and final reports published into the Boeing 747 VH-INH nose-wheel landing accident at Sydney Kingsford Smith Airport (KSA), the loss of Aero Commander 690 VH-SVQ between Williamstown and Lord Howe Island, the Westwind night freighter VH-AJS accident near Alice Springs and the Metro III VH-NEJ accident near Tamworth. In particular, the B747 report attracted widespread industry interest in Australia and overseas and led to a major restructuring and enhancement in the safety organisation of the operator concerned.

Investigations were completed and reports released into 111 air safety occurrences, 57 of which involved fare paying passenger operations comprising 46 occurrences in the regular public transport category and 11 occurrences in the charter category. Investigations were also carried out into a number of serious breakdowns of in-flight separation between aircraft within Australia and in adjoining areas of controlled airspace to the north of Australia. The incidents involved domestic and foreign-registered aircraft operating regular public transport services.

A new phase in safety investigation cooperation within the Asia–Pacific region was established with BASI conducting its first joint on-site investigations in Indonesia. These concerned two incidents of in-flight breakdown of separation involving Australian registered aircraft operating regular public transport services. The investigations identified safety deficiencies with the air traffic control systems of both countries and relevant safety recommendations were made and accepted to improve appropriate facilities and procedures.

The enhanced cooperation was a direct outcome of the Australia/Indonesia agreement on cooperation in air safety investigation and was further facilitated by BASI's joint organisation of a major air safety seminar with the Association of Asia Pacific Airlines in Jakarta in April 1996.

During the year BASI also concluded successful joint office investigations with Japan and the Philippines on incidents where a breakdown of in-flight separation occurred involving Australian registered aircraft operating regular public transport services.

BASI completed and published an investigation report into a Boeing 737 which during a scheduled service from Brisbane to Melbourne was lost from secondary surveillance radar coverage shortly after departing Brisbane. It continued flight in this condition for 60 minutes over a distance of approximately 400 nautical miles. The investigation revealed serious safety deficiencies resulting in several safety recommendations to CASA and AA. Their responses resulted in a satisfactory outcome to the safety concerns identified by BASI.

Considerable resources were dedicated to activities associated with coronial inquests. Overall, BASI investigators attended a total of 20 inquests throughout Australia. High profile inquests included the crash of a Westwind freighter VH-AJS near Alice Springs in 1995, with a total of six sitting weeks, and the crash of TAMAIR Metro III VH-NEJ at Tamworth in September 1995 with two sitting weeks. Findings for the VH-AJS inquest are not expected until late 1997. Findings for the latter inquest have been handed down with the Coroner fully accepting BASI's accident report.

During the year, BASI's policies, standards and procedures were completely reviewed, updated and consolidated into one comprehensive manual titled *Policies and Procedures*. The manual is BASI's primary operational document which provides a clear frame of reference for all of BASI's activities.

Furthermore, BASI conducted a tabletop occurrence response exercise to test its ability and procedures to respond to a major regular public transport airline accident in Australia. The last accident in this category occurred in September 1968. To keep abreast of best practice in major accident investigations, BASI investigators observed the initial organisation and conduct of the US National Transportation Safety Board investigation into and the subsequent wreckage reconstruction of the TWA 800 Boeing 747 accident which occurred off Long Island USA in July 1996.

During 1996–97 BASI's Confidential Aviation Incident Reporting (CAIR) system received 270 incident reports and issued 138 notifications of potential threats

to aviation safety. Reports raising specific safety issues had the identity of the reporter removed and the issues were referred to CASA for information and appropriate action.

BASI also published two editions of its *Asia–Pacific Air Safety* magazine, which retains a strong level of domestic and international readership. Readership is approximately 66 000 and provides much positive feedback. The magazine also provides feedback information essential to the operation of the CAIR program by publishing reports and comments and contains a CAIR reporting package in selected editions. In addition, a special 300 page edition was published on conference proceedings and recommendations flowing from the widely attended and highly successful 1996 Air Safety Seminar, which BASI jointly organised with the Association of Asia Pacific Airlines in Jakarta.

The format of the magazine was extensively reviewed throughout the year and future editions will be designed to provide all sectors of the industry with relevant and topical safety information in every edition. The first 'new look' edition will be published early in the new financial year.

BASI conducted 715 searches of its database and provided timely responses to requests from the aviation industry, government agencies, media and the public for information on air safety occurrences and related safety information. BASI's World Wide Web site was established in August 1996 and it contains contact and background information, accident statistics and on-line versions of investigation reports. All investigation reports that are published in booklet form are also now available on-line.

### **Contribution and participation in key specialist aviation safety forums**

BASI participated in significant aviation safety seminars including the Singapore Aviation Academy Seminar 'Air Safety—The Asia–Pacific Challenge' in Singapore in June 1996 which it jointly organised with the Academy, a division of the Singapore Civil Aviation Authority. BASI also participated in conferences convened by the International Society of Air Safety Investigators and the Flight Safety Foundation, and the Safety Advisory Committee of the International Air Transport Association.

Within this context, BASI continued to focus throughout the year on opportunities for establishing and expanding effective regional networks by working with operators, manufacturers and government agencies to establish a forward looking safety culture and exchange of operator generated safety information. This included continued participation in the Association of Asia Pacific Airlines flight operations and safety working group (BASI is a technical adviser) which provides a highly effective forum for safety data exchange for the 18 member airlines. Most of these airlines operate to Australia and carry a large share of the Australian passenger market. With the rapid expansion of aviation in the region, BASI's role in the working group is of critical importance to maintaining and promoting an effective regional safety culture.

BASI also monitored air safety initiatives being developed within the APEC forum to ensure that existing and emerging initiatives are not duplicated. Key issues include the need for adequate safety oversight, harmonised civil aviation

standards and practices, effective regional systems for reporting and recording accident and incident data and the need for greater exchange of safety information.

### **Assessment of overall performance**

1996–97 registered a marked reduction in the number of major high profile occurrences compared to previous years. Consequently there was a 10 per cent spending reduction in the search and rescue budget. BASI's general operating budget for the year experienced a 6 per cent reduction and investigatory staff resources experienced a small decline with the separation of a number of investigators.

Within this context, BASI was able to maintain most of its activities satisfactorily and concentrate resources in a number of key areas.

Investigation work was completed and reports were published into 257 occurrences. Investigation of many of these occurrences commenced in years dating back to 1994. As at 30 June 1997, there were 20 of these investigation reports awaiting publication later in 1997. Of these two investigations date from 1995 and the remainder from 1996.

Furthermore, a high standard of quality assessment and review of major high profile accident investigations and the release of associated reports was achieved. Several of these reports received widespread acclaim in Australia and overseas. This standard will be maintained and improved in coming years.

Particular emphasis was given to pro-active systems to identify systemic and organisational factors that may lead to accidents. The development and progressive implementation by a number of regional airlines, of BASI's pro-active airline safety monitoring program INDICATE, represents a major achievement in this field.

BASI also devoted significant resources to maintaining and enhancing its accountability by conducting extensive reviews of a number of high profile completed accident investigations. The reviews were conducted at the request of and in cooperation with people directly involved with the accidents, for example pilots and relatives. Participation in coronial inquests drew heavily on resources. Accountability in these and other forums will continue to be a matter of highest priority.

BASI also maintained its leading role in the Asia–Pacific region by building effective networks to establish a forward looking regional safety culture to facilitate more effective investigation and a greater level of reporting of air safety issues. At a regional level many emerging economies do not have mature or effective safety cultures yet in place. In this regard BASI continued to take opportunities at government and industry levels to gather and exchange safety information. BASI was also able to enhance further regional air safety investigation cooperation by assisting and participating in, the successful investigation of a number of serious air safety occurrences in several countries in the region.

## Social justice

BASI's commitment to improving air safety concentrates on issues of greatest potential benefit to the Australian community. Safety information from its work is disseminated as widely as possible.

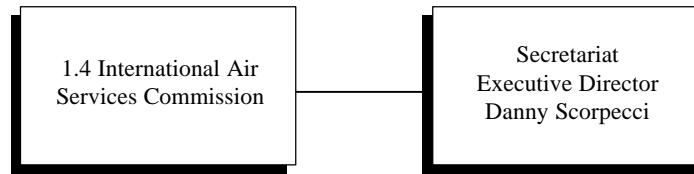
## Investigating for Safety — Bureau of Air Safety Investigation Resource Table

	1995-96 Actual (\$'000)	1996-97 Budget (a) (\$'000)	1996-97 Actual (\$'000)
<b>Running costs</b>	9 883	10 187	9 621
<b>Program costs:</b>			
Search and rescue	329	380	300
<b>Total appropriations</b>	10 212	10 567	9 921
Less adjustments	(44)	(70)	(128)
<b>Total outlays</b>	<b>10 168</b>	<b>10 497</b>	<b>9 793</b>
<b>Staff Years</b>	85.8	96.5	95.8

(a) Budget figure amended to include Additional Estimates

## 1.4 International Air Services Commission

Contact officer: Danny Scorpecci (02) 6267 1100



### Description

The International Air Services Commission is an independent statutory authority which makes determinations on allocating scheduled international air route capacity to Australian carriers on the grounds of public benefit. The Commission works with wide-ranging public benefit criteria set by the Minister for Transport and Regional Development.

The Commission is supported by a small secretariat. The chairman and members of the Commission are appointed by the Governor-General under section 40 of the *International Air Services Commission Act 1992*.

As an independent statutory authority the Commission provides a separate annual report to Parliament on its operations. Air route capacity allocated during the financial year is shown in the report.

### Objective

Allocate international aviation rights to Australian carriers so as to foster:

- greater economic efficiency in the airline industry and increased competition between Australian carriers;
- increased responsiveness by airlines to the needs of consumers, including an increased range of choices and benefits;
- Australian tourism and trade; and
- the maintenance of Australian carriers capable of competing effectively with airlines of foreign countries.

## International Air Services Commission Resource Table

	1995-96 Actual (\$'000)	1996-97 Budget (a) (\$'000)	1996-97 Actual (\$'000)
Running costs	942	1 381	1 174
<b>Total appropriations</b>	942	1 381	1 174
Less adjustments	(4)	(2)	(3)
<b>Total outlays</b>	<b>938</b>	<b>1 379</b>	<b>1 172</b>
<b>Staff Years</b>	7.3	11.1	11.1

(a) Budget figure amended to include Additional Estimates

## PROGRAM 2

# LAND TRANSPORT

### OBJECTIVE

A safe, efficient and innovative land transport sector, complying with government policies on the environment and responsive to user requirements.

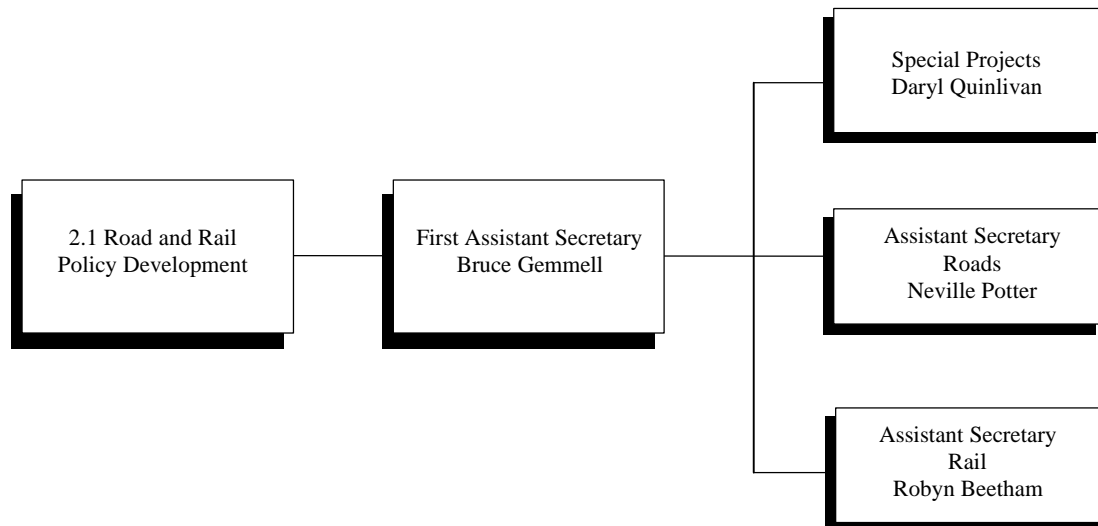
### FINANCIAL AND STAFFING SUMMARY

	<u>OUTLAYS</u>			<u>STAFFING</u>
	1995-96 Actual (\$'000)	1996-97 Budget (a) (\$'000)	1996-97 Actual (\$'000)	1996-97 Actual (Staff years)
<b>Sub-program</b>				
2.1 Road and Rail Policy Development	914 282	868 457	845 324	78.0
2.2 Federal Office of Road Safety	13 897	74 898	72 959	111.3
<b>Total</b>	928 179	943 355	918 283	189.3

(a) Budget figure amended to include additional estimates

## 2.1 Road and Rail Policy Development

Contact officer: Bruce Gemmell (02) 6274 7651



### Description

The Sub-program facilitates access to competitive, reliable road and rail infrastructure. It also seeks to ensure that each level of government and the private sector interact to achieve the most efficient use of road and rail infrastructure. The Sub-program has two branches which deal with the Commonwealth's responsibilities for rail and roads, including social policy matters such as transport for people with disabilities.

In developing its policy advice to the Government, the Sub-program works cooperatively with the States, Territories and industry. It administers Commonwealth road and rail infrastructure programs and funds research supporting land transport program objectives.

### Objective

A policy framework to enable:

- access to competitive and reliable road and rail transport services, operating under nationally consistent regulatory and safety regimes;
- funding of road and rail infrastructure that is provided efficiently and which supports the improved performance of nationally important transport corridors;
- National Rail Corporation Limited (NR) and the Australian National Railways Commission (AN) to meet their service and other obligations to stakeholders consistent with government policies and objectives for these bodies and their industry sector; and
- efficient administration of the *Australian Land Transport Development Act 1988*.

## **Performance indicators and outcomes**

**The extent to which the land transport sector has become more competitive through development of national policies, practices and technical regulations that support industry restructuring and improve efficiency of road and rail transport infrastructure, operations and services**

The Sub-program is pursuing establishment of a national rail track access entity, the aim of which is to provide a more efficient and nationally consistent interstate track access regime. The entity will make it easier for new entrants to gain access to the interstate freight business, thereby increasing competition and bringing cost savings to users.

National Rail Safety Standards are being finalised with Standards Australia. The Sub-program undertook extensive negotiations with State agencies and private rail operators, manufacturers, contractors and organisations. Establishment of an appropriate rail safety regulatory regime is important to effective operation of a national rail track entity.

Investigators drawn from a panel of experts established under the Intergovernmental Agreement on Rail Safety (IGA) investigated four major accidents and one incident. The Department also assisted South Australia, Tasmania and Western Australia to draft rail safety legislation and to implement their decisions to join the IGA.

The Government has put in place a new tax rebate scheme that encourages greater provision of public infrastructure by the private sector. The annual cost of the rebate is to be capped at \$75 million and will facilitate road, rail and associated projects. Resident infrastructure financiers can apply for a tax rebate on interest received from infrastructure providers. In return, the infrastructure providers must forgo the tax deductibility on that interest and be rewarded with lower rates of interest or other incentives. The Sub-program will be responsible in 1997–98 for leading the evaluation of candidate projects against the published evaluation criteria.

A House of Representatives Inquiry into Commonwealth Road Funding, due to report in November 1997, will make recommendations on the Government's appropriate long-term roads role. The Sub-program made a major submission and officers made several appearances before the inquiry.

The Sub-program also contributed to efforts to promote the export of Australian land transport products and expertise through international forums and through specific initiatives in the Asian region. The Sub-program facilitated Australian companies' export to the region by liaising with Austrade and industry on impending infrastructure projects and highlighting opportunities for the provision of technical advice.

**The extent to which prices are aligned more closely with the costs of providing services, thus ensuring greater efficiency in resource use and enhanced demand management**

The Government has decided to sell Australian National (AN) and its interest in National Rail Corporation Limited (NR). The Sub-program worked closely and effectively with the Office of Asset Sales (OAS) towards the sale of AN and to lay the preliminary groundwork for the sale of NR. The Sub-program's objective is to encourage the revitalisation of rail by introducing private sector disciplines to the industry which focus on quality, customer needs and market-based pricing, as well as cost-efficiencies and secure employment prospects.

The Sub-program negotiated new maintenance performance agreements with State and Territory road construction agencies to reflect a 20 per cent saving over four years.

**The extent to which federal land transport programs maximise effectiveness and cost-efficiency of the resources allocated**

Work started on the \$3.1 billion reconstruction of the Pacific Highway to provide a four-lane divided highway along most of the coastal route between Sydney and Brisbane within a decade. The 10-year commitment by the Commonwealth, New South Wales and Queensland Governments is an innovative example of long-term cooperation to provide roads infrastructure. It could be a model for future investment strategies involving major projects requiring long lead times to plan and implement. The Sub-program negotiated a memorandum of understanding with New South Wales and Queensland to fulfil the program objectives and established with both States the order of works, standards to which they would be built and the cashflow projections required to meet the commitments. It has an ongoing role in administering the Pacific Highway program.

**The extent to which Australia's land transport infrastructure inventory is enhanced or improved**

This new performance indicator reflects government policy to address community concern that the Department should measure its annual progress by the pace of infrastructure improvement. A more complete report on the Commonwealth's involvement in improving Australia's roads is provided in a separate report to Parliament dealing with administration of the Australian Land Transport Development Program.

During 1996–97 the Government brought down two Budgets. In difficult budgetary circumstances, the Sub-program devoted significant effort to securing funding for a new roads category, Roads of National Importance, including the Pacific Highway. The Government intends spending a total of \$3.2 billion over four years to 1999–2000 on the National Highway and Roads of National Importance routes. The Sub-program advises the Government on the broad policy direction of the program, sets objectives within the available budget and administers the allocation of funds to State and Territory road authorities in order for the program to be achieved.

Major works continued on heavily trafficked sections of the National Highway. These included the Lake George section of the Federal Highway, Ourimbah section of the F3 and on the New England Highway in New South Wales, the Penguin to Chasm Creek section in northern Tasmania, the Mount Barker Road on the outskirts of Adelaide in South Australia and duplication works on the Bruce Highway at Yandina, Townsville and Cairns in Queensland.

On lower trafficked sections of the National Highway, a program of reconstruction, widening and the provision of passing lanes improved travelling conditions. Sections treated in this way included the Eyre Highway in Western Australia, the Victoria Highway in the Northern Territory, the Newell Highway in New South Wales, the Warrego and Landsborough Highways in Queensland and the Western Highway in Victoria.

The final stage of Melbourne's \$600 million Western Ring Road was completed to provide continuous freeway conditions between the Hume Freeway and the Geelong Road, linking to the Port of Melbourne and the airport at Tullamarine.

In rail, a proposed access regime will provide the framework for a more efficient rail infrastructure network.

The Sub-program also participated with the New South Wales and Australian Capital Territory (ACT) Governments in establishing and implementing arrangements for assessing alternative proposals for a Sydney–Canberra High Speed Train. If such a project is proven viable, it will have a significant impact on the development of the ACT and surrounding regions.

### **The extent to which broader government policy objectives, including social justice and environmental obligations, are reflected in the managed outcomes of the land transport program**

Working through the forum of Australian Transport Ministers, the Department facilitated national acceptance of draft standards for accessibility to public transport for people with disabilities. The draft standards provide for public transport operators to make their equipment accessible for people with disabilities gradually as it is replaced or upgraded at the end of its service life. Further analysis of implementation costs and the market for accessible services will occur before the draft standards are brought into effect.

The Sub-program also coordinated drafting of the transport component of the National Greenhouse Strategy with the result that a broad range of measures designed to reduce the rate of growth of transport emissions of greenhouse gases was released to the public for consideration.

### **Assessment of overall performance**

The Sub-program remains at the forefront of the Government's implementation of a national transport system that maximises the contribution of sustainable, safe and best practice transport services to national productivity, quality of life and equity.

The rail reform policy, including open access to the rail network, the sale of AN and the impending sale of the Commonwealth interest in NR, marks a new era for Australian rail.

The 1997–98 Budget announced \$175 million over three years from 1998–99 for upgrading Australia's mainline rail tracks. The establishment of a national rail track entity combined with this investment will facilitate private access to the network, enhancing rail's ability to compete with other transport modes.

Rail reform is being managed in conjunction with a more focused approach to road systems improvements, also involving the private sector.

The Government is rebuilding Australia's roads through initiatives such as the \$3.1 billion Pacific Highway Reconstruction, other Roads of National Importance and the reconstituted Federal Road Safety Black Spot Program. The Sub-program sets the policy objectives for the programs and administers the funds for individual projects that comprise these infrastructure development and road safety initiatives.

Plans are underway to implement the following major works by the year 2006:

- Construction of a Western Sydney Orbital will be under way.
- New eight and six lanes will be completed on the National Highway north of the Brisbane River to the Sunshine Coast.
- A total of \$136 million will have been spent upgrading the Eyre Highway across the Nullarbor.
- Duplication of the Calder Highway as a Road of National Importance between Melbourne and Bendigo will be nearly complete.
- All narrow sealed sections of the National Highway in rural Australia will be eliminated and most of the less trafficked sections opened to unimpeded access by B-double and B-triple class vehicles.
- Road trains will have access to the National Highway all the way from Toowoomba to Darwin.
- A new National Highway access to Adelaide by-passing the poorly aligned Mount Barker Road will have been built.
- A continuous four-lane divided highway between Sydney and Canberra will have been built.

Forty per cent of the total National Highway funding is spent on maintenance. To improve the return from the road maintenance dollar, the Government has negotiated maintenance performance agreements with the States and Territories.

In addition to increasing capacity and efficiency through infrastructure provision and operation, the achievement of a seamless interface demands an integrated approach to freight movement. Solutions are likely to involve a package of measures, including new technology in operating systems and packaging, adjustment of regulatory constraints and review of institutional arrangements.

The Sub-program is developing strong links with industry advisory groups such as the Transport and Logistics Working Group of the Supermarket to Asia

Council, which is developing a plan of action to improve the effectiveness of the transport and handling chain for the agri-food industry.

The Sub-program will also work with a new body, the National Transport Council, which complements the work of the Transport and Logistics Working Group by focusing on the broader range of supply side issues affecting intermodal transport efficiency, both domestically and internationally. The council aims to remove impediments to the smooth flow of goods between modes by bringing together a number of public and private players to identify interface problems, find practical solutions, promote and identify responsibility for implementation and provide advice on the condition of transport infrastructure assets and appraisal.

Social justice and environmental considerations are also driving the Sub-program's administration of the Government's land transport agenda. The proposed disability standards for accessible public transport will help transport operators meet the requirements of the *Disability Discrimination Act 1992*. The standards will also ensure the transport needs of people with disabilities and others in our community are adequately met.

There is increasing awareness of the need to build social objectives, such as environmental protection, into infrastructure development decision-making processes. Environmental issues highlight the need for further integration of transport planning between modes and with land use and other considerations. This move would shift the focus of environmental protection mechanisms away from that of imposing limitations on development towards creating opportunity for synergies and sustainable development.

### **Social justice**

While the Sub-program will continue to seek economic savings from administration and operation of the roads program, social considerations influence decision making—particularly the distance disadvantages experienced by people living in rural and remote locations. About 90 per cent of the Federal Government's roads spending is directed to rural urban and remote localities.

Throughout 1996–97, the Sub-program continued to work towards the objective of assisting transport operators to comply with the requirements of the *Disability Discrimination Act 1992*. It also administered community service obligation payments for a number of AN rail services, including passenger concessional travel for pensioners.

## Road and Rail Policy Development Resource Table

	1995–96 Actual (\$'000)	1996–97 Budget (a) (\$'000)	1996–97 Actual (\$'000)
<b>Special Appropriations</b>			
<i>Australian Land Transport Development Act 1988</i>	833 940	803 453	803 453
<i>Interstate Road Transport Act 1985 (c)</i>	28 966	—	—
<b>Running costs</b>	7 842	7 773	6 806
<b>Program costs:</b>			
Reimbursement to the Australian National Railways Commission for free or concessional fares	5 468	5 400	5 399
Establishment of and payment to the National Road Transport Commission (c)	1 240	—	—
Survey work—Alice Springs—Darwin rail link	1 123	—	—
Contribution to the Organisation for Economic Cooperation and Development—Road Transport Research Program (c)	32	—	—
Funding for transport infrastructure	16 364	—	—
Standardisation of Grain Branch Lines in SA	5 000	—	—
National Rail Corporation—equity contribution	22 300	6 100	6 100
Payment of amounts equal to penalties resulting from prosecutions under the <i>Interstate Road Transport Act 1985(c)</i>	290	—	—
Payment to South Australia for remediation of land at the Islington Railyards	—	2 000	250
Australian National Railways Commission—Restructuring Australian National Railways Commission	—	53 000	38 100
<b>Total appropriations</b>	922 566	877 726	860 108
Less adjustments	(8 284)	(9 269)	(14 784)
<b>Total outlays</b>	<b>914 282</b>	<b>868 457</b>	<b>845 324</b>
<b>Total revenue (b)</b>	(34 445)	(3 961)	(3 340)
<b>Staff Years</b>	81.4	78.4	78.0

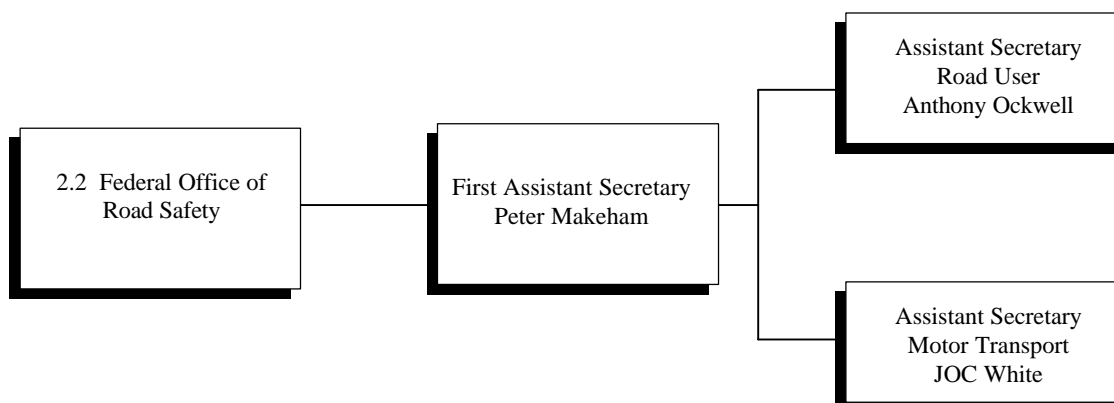
(a) Budget figure amended to include Additional Estimates

(b) See Budget Paper No 1 for a description of items included in revenue (1996–97 BP1 pages 4–3)

(c) These items were transferred to sub-program 2.2 Federal Office of Road Safety on 1 July 1996

## 2.2 Federal Office of Road Safety

Contact officer: Peter Makeham (02) 6274 7447



### Description

The Federal Office of Road Safety (FORS) guides the development of measures to promote road safety and reduce the incidence and severity of road crashes.

Road User Branch focuses on the human aspect of road crashes and covers all areas of road safety behaviour. It researches the causes of road crashes and develops standards, policies and road safety public education programs to improve the safety of road users. It is also responsible for progressing national road transport reform objectives and promoting the safe transport of dangerous goods. Other responsibilities include the Federal Road Safety Black Spot Program and intelligent transport systems.

Motor Transport Branch administers the *Motor Vehicle Standards Act 1989*, which sets uniform national vehicle safety, emissions and noise standards for all vehicles entering the Australian market for the first time. Its responsibilities include vehicle imports, vehicle certification, compliance audits and coordination with other jurisdictions. Other responsibilities also include vehicle safety-related defects and trade facilitation in the vehicles and components sector through the development of international mutual recognition arrangements for vehicle standards and compliance.

### Objective\*

A safer environment for road users through developing and implementing effective road safety policies that will help minimise deaths, injuries and crashes and meet the Government's environmental and trade policy objectives. An effective nationally uniform regulatory framework that promotes efficiency and safety for the road transport and vehicle industries.

\* The objective has been revised to reflect the transfer of the road transport reform function from Land Transport to FORS in July 1996. As a result two performance indicators are new to address the new function and revised consultative arrangements.

## **Performance indicators and outcomes**

### **The extent to which practical road safety measures are implemented at the Federal, State and Territory levels**

FORS, in cooperation with the National Road Transport Commission (NRTC) and the Advisory Committee on the Transport of Dangerous Goods, developed a new nationally uniform dangerous goods regime for land transport operations. This includes:

- the enactment of dangerous goods legislation;
- the development of regulations for the transport of dangerous goods by road;
- the development of rules for the transport of dangerous goods by rail;
- the development of a new Australian Code for the Transport of Dangerous Goods by Road and Rail (6th edition); and
- a review of options for achieving a national regulatory regime for dangerous goods transport operations by rail.

The Road Transport Reform (Heavy Vehicles Registration) legislation was enacted on 20 March 1997. The purpose of the legislation was to establish a framework for a national registration scheme for heavy vehicles as part of nationally consistent road transport laws. The scheme will provide uniform arrangements for initial registration, renewal, transfer, suspension and cancellation of registration, and issuing of clearance of vehicle defect notices.

FORS has been instrumental in improving transport efficiency and road safety by amending the Interstate Road Transport Regulations which apply to heavy vehicles registered under the Federal Interstate Registration Scheme. The amendments, which were gazetted on 13 November 1996, allow for an increase in the maximum allowable length of B-doubles from 23 to 25 metres and an increase in gross mass from 59 to 62.5 tonnes.

The amendments also contribute to improved road safety by requiring the fitting of anti-lock braking systems to:

- recently manufactured prime movers used as part of a B-double truck combination; and
- prime movers and semi-trailers used as part of a B-double truck combination which include tank trailers for the carriage of dangerous goods.

FORS encouraged road safety in the bus industry by amending the Road Transport Reform Mass and Loading Regulations to allow an increase of mass limits to buses which complied with certain specifications in the Australian Design Rules concerning emergency exits, rollover strength and occupant protection and having an approved air suspension system. These amendments were gazetted on 24 December 1996 amendments to the Road Transport Reform (mass and Loading) regulations.

FORS was instrumental in the development of an agreed national road safety package to expedite the delivery of key initiatives to achieve improved road

safety outcomes across all States and Territories. The major elements of the package include:

- greater focus on optimisation of enforcement resources in priority safety areas and consistency in penalties, particularly for speed and alcohol offences;
- the development of best practice in all road safety activities; and
- increased emphasis on seat belt wearing and fatigue management.

A program of road safety works worth \$36 million in 1996–97 was approved for implementation in all jurisdictions as part of the Federal Road Safety Black Spot Program. Consultative panels were established in all States and Territories to facilitate the project selection process.

FORS, in conjunction with the NRTC, vehicle manufacturers, operators, consumer groups and road safety experts, developed Australian Design Rules (ADRs) for vehicle safety. The ADRs are determined as national standards under the *Federal Motor Vehicle Standards Act 1989*.

### **The degree to which improvements to vehicle safety standards have been achieved**

Safety of light commercial and off-road passenger vehicles was improved in two stages and standards are now equal to those in place for passenger vehicles. The first stage aligned a range of general safety standards with passenger vehicles and came into effect on 1 July 1996. The second stage of improvements to occupant protection in light commercial and off-road passenger vehicles is now complete with the gazettal of the remaining ADRs on 1 September 1996. The amended ADRs require these vehicles to comply with the full frontal barrier crash standard and will be implemented between 1 January 1998 and 1 July 1998 in line with international implementation schedules.

The program for improving occupant protection in side impact crashes has continued. Research showed that American and European standards provided similar road safety benefits to Australian standards. The new ADR allowing compliance to either standard was gazetted in January 1997 for implementation on 1 January 1999.

FORS conducted a series of crash tests in collaboration with industry under the Australian New Car Assessment Program to promote the safety benefits of airbags and to provide this information to consumers. Test results suggest that airbags, as a supplement to seat belts, have the potential to at least halve the chance of serious head injury in a frontal crash. A brochure covering large passenger cars popular with families and fleet buyers was released in February 1997. A brochure covering popular small passenger cars will be released in July 1997.

FORS published a monograph on the risk of injury to children and small adults during airbag deployment. This followed concern arising from publication of incidents in the USA where airbags had caused serious injuries. Airbags in the USA are designed to operate without seat belts and consequently activate at

lower speeds and with greater force than Australian designed systems where seat belts are required. The monograph outlined how airbags work and why airbags fitted to Australian vehicles are less likely to cause this sort of injury. It also offers advice on how to protect small occupants, for example, small adults should sit as far from the steering wheel as is comfortable and children should use an approved child restraint system in rear seats. The publication was widely distributed and well received by the public.

FORS, working with the NRTC, has also developed new safety standards for commercial vehicle and trailer brake systems. These new ADRs will be effective from 1 July 1998 and are aimed at improving both vehicle safety and productivity.

### **The extent to which vehicle safety investigations and monitoring of vehicle recall campaigns contribute to vehicle safety**

FORS conducted 96 formal safety investigations in 1996–97. Manufacturers announced 76 safety recalls, affecting over 585 000 vehicles with possible safety related defects. FORS was instrumental in the notification of ten of the recalls with the remainder being initiated by overseas manufacturers. Safety defects investigated by FORS during the year included motorcycle tyres being slippery when new, 4WD steering shaft failure, seat belt buckle failure and heavy truck suspension failure.

New procedures for safety related vehicle recalls were developed between FORS and the automotive industry. The Australian Transport Council (ATC) endorsed new arrangements which provide clearer descriptions of actions and responsibilities in the event of a recall. Included in this initiative is the establishment of an Internet site to provide easy access by industry and consumers to vehicle recall information.

### **The extent to which statistical analysis and road safety research initiatives have assisted in formulating policy and in providing direction for road safety public education campaigns**

National statistical data and research on risk factors, enforcement practices and public opinion guided development of the National Road Safety Package.

The development of National Road Transport Regulations includes alternative compliance provisions based on certified fatigue management programs. Research on fatigue in the long distance road transport industry is being applied in the development and evaluation of pilot programs.

Research on the characteristics of repeat drink drivers aided discussion at the Drink Driving Recidivism Summit held in November 1996.

FORS research on speed and pedestrian safety was widely cited in policy debate on urban speed limits. It shaped the development of the FORS urban and rural public campaigns and those of other agencies. Further research on speed risks is nearing completion.

FORS statistical analysis and research guided the development of the '1997 Young Drivers Campaign'.

FORS' sponsorship of vehicle standards research contributed to the development and adoption of improved safety and emissions design rules, including the full frontal crash barrier test and the new petrol engine emission standard. Results are also being published in consumer brochures to foster consumer awareness and encourage demand for safety features.

Trends in road trauma, including the identification of high risk groups, are analysed and reported in monthly, quarterly and annual statistical reports. Road safety policy is developed by FORS in response to these emerging trends and public education programs are aimed at road users identified as being at high risk. FORS *Monograph Series* contains detailed analysis of a range of road safety topics such as alcohol, pedestrians, airbags, female car drivers and Australia's international road safety performance. By identifying and reporting on emerging issues in road safety, this series assists in providing clearer direction for research, policy development and public education activities.

The States and Territories, through AUSTRROADS and with the assistance of FORS, have cleared a final report containing common data for reporting on Australian road crashes. Consistent road crash data across the States and Territories will improve the quality and quantity of data available to monitor road crash trends and research the causes of road crashes.

### **The degree to which the community responds positively to public education campaigns**

The *Every 10 KM/H Makes a Difference* public education campaign used television advertising and printed support material to build an understanding by motorists of the relationship between speed and stopping distances. The campaign achieved a reach of over 70 per cent with motorists. The campaign evaluation found an improvement in motorists' understanding of the consequences of an extra 10 km/h speed on stopping distances.

Radio, cinema and magazine advertisements were used in a national campaign targeting young drivers aged from 17 to 25. The campaign sought to highlight the adverse consequences of risk taking and turning the thrill of risk taking into a threat. The radio advertisements achieved a top awareness level of 53 per cent, considered a good performance for the medium. The cinema advertisement was recalled by 24 per cent of the target audience while 28 per cent were aware of the magazine advertising. The advertisements were well received by the target audience with around 90 per cent claiming interest in the messages.

With the financial support of BP Australia and in cooperation with VicRoads and other State and Territory road safety authorities, FORS completed the redevelopment of BikeEd, a bicycle safety education resource for children of primary school age. This is the first children's road safety education resource to be jointly developed for national use. Considerable interest has been shown by road safety authorities, community groups and schools in the use of BikeEd.

Ten topics were added to the FORS *Monograph Series* of information papers designed to increase community awareness of key road safety issues. Five

thousand sets of monographs were distributed to a broad audience including road safety authorities, police, media, road safety practitioners and the general community.

Demand was high for road safety information materials on a variety of road user behaviour issues from the public, schools, police, community groups and road safety authorities. In 1996–97 FORS received around 5000 requests for information.

**The extent to which the Motor Vehicle Certification System and related imports approval system operate efficiently and meet the changing requirements of the *Motor Vehicle Standards Act 1989***

The Act requires all vehicles to meet uniform national standards (the Australian Design Rules), at the time of first supply to the Australian market. In 1996–97 there were 727 new applications for vehicle compliance approval, 14 455 submissions of technical evidence demonstrating compliance of vehicles with the ADRs and 992 approvals granted (including amendment approvals).

There were 8200 import approvals issued for over 17 000 vehicles to individuals or organisations as personal imports, vehicles to be dismantled, older vehicles or under the Low Volume Scheme. The number of import approvals has nearly doubled in the last two years. There was no significant increase to delays in issuing approvals.

Import Category	Number of Vehicles		
	1994–95	1995–96	1996–97
Personal imports	1 283	1 339	1 596
Dismantling	821	991	2 354
Low volume	892	2 826	5 332
Older than 15 years	2 918	3 009	4 140
Other vehicles for special	2 112	2 514	3 790
<b>TOTAL</b>	<b>9 026</b>	<b>10 679</b>	<b>17 212</b>

A risk-based approach was used to schedule national standard compliance audits of testing and production facilities of major vehicle suppliers to the Australian market. Audit scheduling decisions are based on time lapsed since a previous audit, the level of compliance achieved at that audit and, in the case of production facilities, the size of the vehicle manufacturer. The risk-based approach extends to ADRs, where new standards and major safety and emissions standards are audited more frequently.

There were 23 audits of testing facilities and 31 audits of production facilities undertaken in Australia during 1996–97. FORS also carried out 33 audits of test facilities and 36 audits of production facilities at overseas locations for the same period. All audits undertaken in Australia were conducted by FORS staff. Some overseas audits were conducted through contracts with equivalent overseas agencies in Europe, the United Kingdom and Japan. Australian

contractors audited other facilities in Korea, Japan, India and the United States of America.

FORS has made significant progress in the redevelopment of the vehicle certification system during 1996–97. The design phase for electronic data transfer of manufacturers' vehicle information has been completed and prototype testing commenced in June 1997. Full scale implementation of the new system is expected by mid 1998.

The Government identified the *Motor Vehicle Standards Act 1989* for review under the Commonwealth Legislation Review Schedule. The review will examine the need to retain or modify the current regulatory arrangements, including the Low Volume Scheme. Preparatory work for the review has commenced and is to be completed by mid 1998.

A major review of the ADRs commenced in 1997 under the auspices of the Trans Tasman Mutual Recognition Arrangement (TTMRA) and is expected to be completed over the next five years. Its principal objective is to develop an internationally harmonised set of vehicle safety and emissions standards.

### **Effectiveness in addressing environmental issues as they relate to road safety and the community**

The noxious emissions standards for new passenger vehicles were significantly tightened from January 1997, with the introduction of the revised ADR 37/01. New limits now apply to new vehicles and will reduce emissions by around 70 per cent in comparison with emission standards under the previous version of the ADR.

Major reviews of the emission standards for petrol-engine and diesel-engine vehicles are well advanced. The reviews aim to adopt internationally recognised standards to take Australia into the next century and assist efforts to continue the improving air quality trends in our major cities.

FORS is also managing a number of research projects into vehicle emissions issues. In May 1997 FORS published the report *LPG In-service Vehicle Emissions Study*, the first supplementary report to the major *Motor Vehicle Pollution in Australia* report published in May 1996. A report on fuel volatility will be published in the second half of 1997 and work is continuing on examining emissions from diesel-engine vehicles. The research is providing essential information for environmental and transport planners to develop effective strategies for minimising pollution from motor vehicles.

### **The extent to which the Government's international policy objectives have been supported through vehicle standards harmonisation and mutual recognition programs and other activities**

FORS is working towards international harmonisation of Australian vehicle standards. Australia, along with the major motor vehicle manufacturing nations, recognises the United Nations/Economic Commission for Europe (UN/ECE) as the relevant international standards developing body for the automotive sector.

The adoption of international standards will enhance Australia's competitive position in the automotive sector.

Significant achievements were made during 1996–97 to facilitate trade in the automotive sector. The Trans Tasman Mutual Recognition Arrangement has established mechanisms to harmonise Australian and New Zealand road vehicle standards and certification systems over the next five years. Work has commenced on this initiative with the first 19 vehicle standards being considered by technical experts.

A Mutual Recognition Agreement on Conformity Assessment with the European Union has been signed and will allow testing conducted in Australia to be accepted by European Union authorities without further inspection. The agreement will provide opportunities for Australian automotive exporters to reduce compliance costs considerably.

Australia is also pursuing standards harmonisation within the APEC forum. An Australian initiative for a model Mutual Recognition Arrangement (MRA) on Automotive Product was endorsed by APEC Transport Ministers in June 1997.

Australia continues to play a role within the APEC forum in increasing the awareness of intelligent transport systems (ITS) and its benefits to APEC members. APEC endorsed an Australian initiative, proposed by FORS, to establish an ITS special interest group.

FORS administers Australia's membership of the OECD Land Transport Research Program. Australia is the lead country for a research project, known as DIVINE, which is examining the role air suspensions play in reducing the impact of heavy vehicles on roads and bridges. The first of three Concluding Conferences on DIVINE was held in Ottawa, Canada in June 1997. Melbourne will be the host for the Asia–Pacific Concluding Conference between 5 and 7 November 1997.

### **The extent to which road transport reform objectives have been met**

FORS progresses road transport reform cooperatively with the States and Territories, through a policy and legislative process coordinated by the National Road Transport Commission.

In addition to its 35 per cent financial support of the NRTC, participation in the consultative process and management of the introduction of the necessary road transport reform legislation, the Commonwealth made a number of particular contributions:

- the Department chaired and provided the secretariat to the Steering Committee reviewing the *National Road Transport Commission Act 1991* (NRTC Act) and associated legislation in regard to its legislative sunset of January 1998.
- the Ministerial Council for Road Transport endorsed the key recommendations of the Steering Committee, including, among others, the extension of the *National Road Transport Commission Act 1991* and Road Transport Reform legislation. Heads of government provided in-principle endorsement of the key recommendations.

- FORS is preparing draft amendments to the NRTC Act and to the Heavy Vehicles Agreement and the Light Vehicles Agreement in consultation with the States and Territories. Agreement and passage of the legislation will be finalised in 1997–98.

FORS also, in cooperation with the NRTC and the Advisory Committee on the Transport of Dangerous Goods oversaw the enactment of amendments to the *Road Transport Dangerous Goods Act 1995* and development of a national regulatory regime for the land transport of dangerous goods.

FORS has been a key player in the development of an audit framework for the proposed National Heavy Vehicle Alternative Compliance Scheme for road transport, incorporating mass management and vehicle maintenance. The scheme offers considerable efficiency benefits to both industry and regulators.

### **The extent to which consultative and partnership arrangements have been enhanced with key stakeholders**

The Australian Advisory Committee on Road Trauma, an expert advisory body to the Federal Government, conducted a major conference in late 1996 to identify policy approaches and technical options to the emerging problem of recidivist, or repeat, drink driving offences. The committee also sponsored a road trauma technologies' training workshop in Alice Springs for medical and paramedical practitioners in remote areas.

The AUSTRROADS Road Safety Panel and the National Road Safety Strategy Implementation Task Force merged in June 1997 to form the Road Safety Strategy Panel. With its broader stakeholder representation, the panel will provide a more effective mechanism for considering strategic national road safety issues.

A key feature of the Federal Road Safety Black Spot Program is the establishment of consultative panels in each State and Territory comprising representatives from road and transport agencies, local government, industry, community and road user groups. The panels consider and comment on nominations for the Federal Road Safety Black Spot Program funding to assist in determining a final program of projects in the States and Territories.

FORS worked closely with the Road Transport Forum (RTF) to develop data collections and reporting methods relevant to the trucking industry. FORS has also developed links with the Australian Local Government Association to facilitate information exchange between FORS and local government to raise awareness of road safety issues.

The FORS Advisory Panel was established by the Minister for Transport and Regional Development, the Hon. John Sharp MP to consolidate and expand links between FORS and external stakeholders. The panel, which includes representatives from the transport and automotive industries, road user organisations, police and the health sector, met for the first time in June 1997. It will provide strategic advice on FORS' work program, covering vehicle standards, road transport regulation, road user issues and provide feedback to FORS on service delivery.

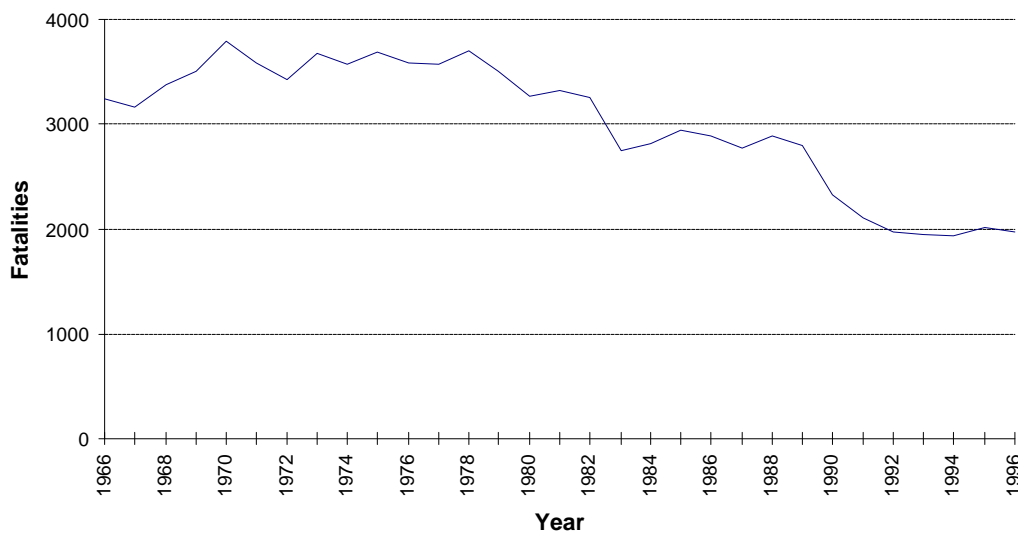
The Vehicle Standards Review Advisory Committee was established in March 1997 and held its first meeting in June 1997. The committee, comprising industry and consumer groups and government bodies including New Zealand, will oversee the Australian Design Rules review.

Other ongoing technical and working groups are supported through the chair and secretariat functions provided by FORS. These include the Technical Liaison Group which provides technical support for development of vehicle safety related ADRs and the Advisory Committee on Vehicle Emissions and Noise which provides technical support for the development of vehicle emissions ADRs. These bodies have representation from all States and Territories.

Special purpose consultative groups chaired by FORS during the year included the Industry Liaison Group supporting the Road Vehicle Certification System project, the Diesel Working Group supporting the development of new diesel emissions standards and a range of working groups established under the review of the ADRs.

### Assessment of overall performance

Annual Road Fatalities in Australia 1966–1996



Road trauma is a major social and economic problem in Australia. Between 1989 and 1992 there were significant reductions in the level of road trauma in Australia. Since 1992, however, the road toll has remained relatively steady and in 1996, 1970 people were killed. Indications in 1997 are that the toll is beginning a downward trend and all efforts should now be focused on re-establishing a continuing reduction in road death.

The Bureau of Transport and Communications Economics estimates that road trauma costs the Australian community \$6.1 billion each year.

## **Social justice**

The need to reduce road trauma in rural Australia is a priority in the Rural Road Safety component of the National Road Safety Action Plan. It also provides for special communication campaigns and public education programs targeting road safety for Aboriginal people.

In line with the priority, the Federal Road Safety Black Spot Program provides for some 50 per cent of program funds in each State and Territory to be directed to projects in non-metropolitan areas.

FORS continues to support research into road safety among Aboriginal people. Queensland Transport is undertaking a community-based road safety project in remote and rural Aboriginal communities to reduce the level of risk associated with travel by road. FORS provided funding to extend the project to other Aboriginal communities. It is anticipated that this project will provide a model for Aboriginal communities in other States and Territories.

Statistical analysis has indicated that female drivers are at greater risk than male drivers of being admitted to hospital as a result of a road crash. FORS has undertaken research to identify the factors contributing to this higher level of risk. Results will assist in the development of appropriate countermeasures.

In association with the Australian Advisory Committee on Road Trauma, FORS sponsored a training workshop on road trauma treatment for medical and paramedical practitioners in rural and remote Australia. A training video of the highlights from the workshop was produced and is being distributed to hospitals and appropriate personnel in rural and remote areas.

Public education campaigns were conducted targeting youth in urban and rural Australia with a range of specific road safety messages. Initial evaluation results indicate high levels of recognition from the target groups and positive responses to messages.

## Federal Office of Road Safety Resource Table

	1995–96 Actual (\$'000)	1996–97 Budget (a) (\$'000)	1996–97 Actual (\$'000)
<b>Special Appropriations</b>			
<i>Australian Land Transport Development Act 1988</i>	—	36 000	36 000
<i>Interstate Road Transport Act 1985 (c)</i>	—	20 000	19 916
<b>Running costs</b>	9 951	10 065	9 595
<b>Program costs:</b>			
Establishment of and payment to the National Road Transport Commission (c)	—	1 309	1 239
Road safety improvement package	4 228	6 106	6 009
Contribution to the Organisation for Economic Cooperation and Development—Road Transport Research Program (c)	—	55	27
Road Vehicle Certification System	—	1 393	318
Payment of amounts equal to penalties resulting from prosecutions under the <i>Interstate Road Transport Act 1985 (c)</i>	—	250	88
<b>Total appropriations</b>	14 179	75 178	73 193
Less adjustments	(281)	(280)	(234)
<b>Total outlays</b>	<b>13 897</b>	<b>74 898</b>	<b>72 959</b>
<b>Total revenue (b)</b>	(5 840)	(26 092)	(26 107)
<b>Staff Years</b>	96.9	110.3	111.3

(a) Budget figure amended to include Additional Estimates

(b) See Budget Paper No 1 for a description of items included in revenue (1996–97 BP1, pages 4–3)

(c) These items were transferred from Sub-program 2.1 Road and Rail Policy Development on 1 July 1996

## PROGRAM 3

# MARITIME

### OBJECTIVE

Efficient, competitive and safe shipping and shore-based services to support Australia's international and domestic trade.

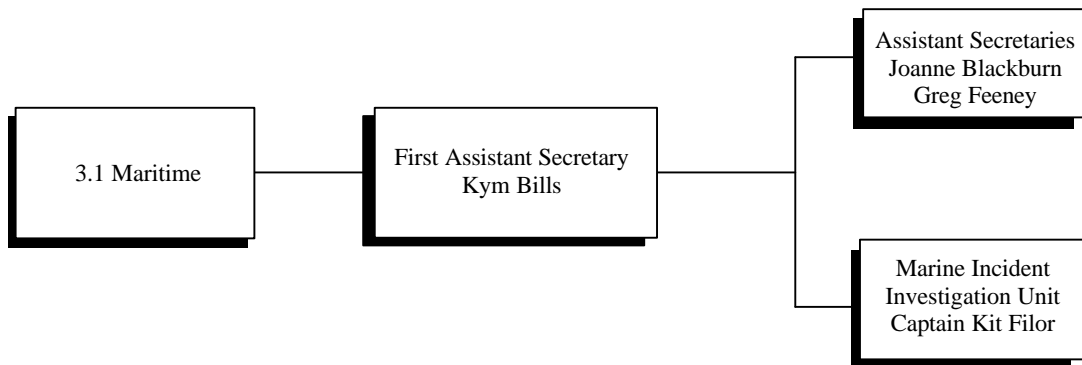
### FINANCIAL AND STAFFING SUMMARY

	<u>OUTLAYS</u>			<u>STAFFING</u>
	1995-96 Actual (\$'000)	1996-97 Budget (a) (\$'000)	1996-97 Actual (\$'000)	1996-97 Actual (Staff years)
<b>Sub-program</b>				
3.1 Maritime Policy	79 720	87 273	83 905	68.2
<b>TOTAL</b>	<b>79 720</b>	<b>87 273</b>	<b>83 905</b>	<b>68.2</b>

(a) Budget figure amended to include additional estimates

## 3.1 Maritime

Contact Officer: Joanne Blackburn (02) 6274 7982



### Description

The Sub-program provided advice on international and domestic shipping, shore-based shipping services, ANL Limited, the Australian Maritime Safety Authority (AMSA), seafarers rehabilitation and compensation arrangements and maritime industry occupational health and safety arrangements. It also administered regulatory regimes for international liner and coastal shipping and financial assistance programs for Australian shipping and Bass Strait shipping. The Marine Incident Investigation Unit (MIIU) investigated and reported publicly on marine accidents and incidents associated with ship operations.

### Objectives

A policy framework to enable:

- access to more competitive and reliable shipping and waterfront services for Australia's tradeable goods and greater transparency in the service delivery cost of ports and shore-based cargo handling industries;
- promotion of Australian maritime transport and trade in services interests at international forums; and
- access by Australian shippers to competitive international shipping services which are safe, reliable and efficient.

An operational environment which delivers:

- effective monitoring of the operating and financial performance of ANL Ltd resulting in outcomes which advance the Government's objectives for the future of the company;
- effective liaison with AMSA and support to the Seafarers Safety, Rehabilitation and Compensation Authority (Seacare Authority) to meet their service and other obligations to stakeholders consistent with government policies and objectives for these bodies and their industry sector;
- efficient and equitable administration of the *Ships (Capital Grants) Act 1987*, the Tasmanian Freight Equalisation Scheme, the Bass Strait Passenger Vehicle Equalisation Scheme and the Bass Strait passenger subsidy arrangements; and

- promotion of safe shipping by disseminating the findings of investigations into marine incidents.

## **Performance indicators and outcomes**

### **The extent to which Australian shippers have access to more efficient and competitive domestic shipping services**

All ships carrying cargo or passengers on the Australian coast, either as part of international or interstate voyages, must be licensed under the *Navigation Act 1912* or obtain a permit. The Sub-program issued 65 coasting trade licences in 1996–97, 10 less than in 1995–96.

All ships, irrespective of flag, must be licensed to operate on an ongoing basis in the coasting trade. Licences are subject to Australian rates of pay being paid to crew members on ships involved in the coasting trade and provided that ships are not in receipt of a foreign subsidy or have not received such subsidy in the preceding 12 months.

Single voyage permits are issued under the Navigation Act to allow unlicensed ships to carry coastal cargo when no suitable licensed vessel is available. In 1996–97, 571 single voyage permits were issued, 36 per cent more than 1995–96. The tonnage carried under permit was over 4 million tonnes or 28 per cent more than that carried in 1995–96. The significant increase in the issue of permits reflects the continuing demand by shippers and the reduction in the number of licensed vessels in the coasting trade.

The Sub-program provided secretariat support to the Shipping Reform Group (SRG) established by the Minister for Transport and Regional Development, the Hon. John Sharp MP, in August 1996 to provide the Government with options:

- to increase the competitiveness of Australian shipping through the introduction, if appropriate, of a second register-type structure; and
- for the windback and removal of cabotage.

The SRG reported to the Minister in March 1997. The report was published in May with industry, union and public comment required by the end of August. The Government's response to the report is expected later in 1997.

### **Efficient administration of the *International Shipping (Australian-resident Seafarers) Grants Act 1995* and the *Ships (Capital Grants) Act 1987***

The Sub-program managed the development and passage of the *Shipping Grants Legislation Act 1996* which repealed the *International Shipping (Australian-resident Seafarers) Grants Act 1995* with effect from 1 July 1996 and amended the *Ships (Capital Grants) Act 1987* which ceased effect on 30 June 1997.

During 1996–97 the Sub-program made grants under the *Ships (Capital Grants) Act 1987* worth \$9.2 million relating to the purchase of two new ships and under the *International Shipping (Australian-resident Seafarers) Grants Act*

1995, \$17.7 million was paid in respect of 28 vessels involved in international shipping during the 1995–96 financial year.

In winding up the *Ships (Capital Grants) Act 1987* it is anticipated that a further \$4 million in grants will be paid in respect of a vessel commissioned before 30 June 1997.

### **Efficient and equitable administration of the Tasmanian Freight Equalisation Scheme and the Bass Strait Passenger Vehicle Equalisation Scheme**

The Sub-program processed 3928 Tasmanian Freight Equalisation Scheme (TFES) claims in 1996–97 (4365 in 1995–96) worth \$41.2 million (\$42.7 million in 1995–96, a reduction of 3.5 per cent). The northbound component of the scheme totalled \$32.1 million and the southbound component was \$9.1 million. The average time for processing TFES claims was five days which is better than the previous best of six days in 1995–96.

The TFES Review Authority provided an advisory opinion to the Minister in December 1996 on TFES rates of assistance. In May 1997 the Minister announced that the Government had decided to commission a further review of the rates of assistance to ensure that shippers are appropriately compensated. The Review Authority is required to provide a final report to the Minister and the Tasmanian Minister for Transport, the Hon. John Cleary MP, by early March 1998. The Authority has not been required to review any administrative decisions under the scheme.

Continuous improvement program initiatives are contributing to more efficient TFES administration with a focus on simplified claim compilation and an increase in the value of claims submitted on computer disks. For example, a limited number of selected claimants using summary-based claims has reduced processing resources by up to 50 per cent in some cases. Claims lodged on disks involved 26 claimants who lodged claims worth \$18 million in 1996–97 representing an increase of 33 per cent on 1995–96 (\$13.5 million). The ongoing improvement program has resulted in implementation and administration of claims payment for the new Bass Strait Passenger Vehicle Equalisation Scheme (BSPVES) without the requirement for additional staff resources.

The BSPVES commenced on 1 September 1996. The scheme is aimed at reducing the cost of passengers accompanying their vehicle across Bass Strait to closer to the cost of an equivalent car journey. Therefore it provides an incentive for more passengers to travel between the mainland and Tasmania with direct benefits flowing to Tasmanian tourism, growth in jobs and investment.

Since the inception of the scheme, \$8.4 million of rebates has been provided to passengers on the TT Line ferry *Spirit of Tasmania*. Passenger bookings are up 20 per cent from 1995–96 and vehicle bookings are up 28 per cent for the same period.

### **Improvements in the price, efficiency and transparency of shore-based shipping services**

As part of the Sub-program's effort to increase waterfront performance to internationally competitive levels, ACIL Economics and Policy Pty Ltd (ACIL) was engaged to provide preliminary advice regarding an industrial relations strategy for waterfront reform. ACIL subsequently commenced a further consultancy to provide advice on options to improve the reliability and productivity of waterfront services.

The Sub-program, in conjunction with State and Northern Territory Governments, compiled a report on progress with port reform and port authority charge reductions for presentation to Commonwealth, State and Territory Ministers at the November 1996 meeting of the Australian Transport Council (ATC). The report showed that port authority charges had fallen by as much as 36 per cent since 1990. It also noted that significant areas of potential saving for the trading community remain including in stevedoring and towage reform.

Stevedoring and port activities continued to be monitored. During the year, the Sub-program contributed to the preparation of *Waterline*, the quarterly bulletin on waterfront charges and operational performance, which is published by the Bureau of Transport and Communications Economics. *Waterline* is circulated widely within the maritime industry and is frequently cited in the maritime press and mainstream media.

Through cooperative activities with industry, including jointly funded projects, the Sub-program promoted the use of electronic data interchange (EDI) to reduce the costs and improve the efficiency of importing and exporting goods by sea. The results of these projects are being used in an APEC-endorsed project trialing EDI messages between businesses in a number of APEC economies.

In January 1997 the two peak electronic commerce bodies in Australia, Tradegate and Electronic Commerce Australia, merged to form Tradegate ECA. Shortly after this, the Department's Deputy Secretary, Mr John Bowdler, accepted an invitation to chair the Tradegate Logistics Management Working Group, which aims to facilitate and encourage the take up of electronic commerce by all transport modes and the related trading sector.

### **Extent to which Australian exporter access to competitive liner shipping service is enhanced through policy and regulatory means**

The Sub-program provided authorised officers under Part X of the *Trade Practices Act 1974* to facilitate negotiations aimed at resolving problems concerning the imposition of currency and bunker adjustment factors as surcharges to the normal freight rates. The problems were resolved in a manner acceptable to the shipping conferences and to the Australian Peak Shippers Association (APSA).

At the request of the APSA, the Australian Competition and Consumer Commission undertook an investigation into the Australia/United States Discussion Agreement. As the ACCC was unable to obtain sufficient

information from exporters directly affected by the discussion agreement, it decided to discontinue the investigation.

The Sub-program developed and introduced the *Carriage of Goods by Sea Act 1991* Amendment Bill into the Parliament. The Bill implements an agreed industry compromise on the application of a marine cargo liability regime in Australia. The Bill needs to be passed by 19 October 1997 to prevent the automatic implementation in Australia of the Hamburg Rules relating to cargo liability.

### **The extent to which Australia has promoted a competitive international shipping environment in international forums**

The Sub-program represented Australia on the International Maritime Organization (IMO) Facilitation Committee, which has as its primary objective the facilitation of maritime transport by simplifying and minimising the formalities, documentary requirements and procedures associated with port calls by ships engaged in international voyages. This task required close collaboration with the Australian Customs Service, the Department of Immigration and Multicultural Affairs, Tradegate ECA, the Australian Shipowners Association and the Australian Chamber of Shipping.

The Maritime Transport Committee (MTC) of the OECD developed a framework of competition principles to apply to international shipping. The Sub-program contributed to this work with a view to ensuring the interests of Australian shippers were protected. This work will also contribute to the review of Part X of the *Trade Practices Act 1974* scheduled for 1998–99.

Australia, in concert with other member economies, pursued the development of a maritime transport agenda at APEC, focusing on liberalisation and safe shipping. A framework for developing a strategic maritime focus in APEC was established.

Australia has taken a leading role in the IMO on the development of an agreed process for the designation of archipelagic sealanes under the United Nations Convention on the Law of the Sea (UNCLOS). This work was undertaken in the context of IMO consideration of Indonesia's proposal to designate three north–south sealanes and no east–west sealane. The work involved substantial consultation with industry, other Commonwealth agencies and other countries, including the United States of America, Indonesia and Japan. As a result of these activities Australia is now well placed to participate in the IMO process which will determine the access for Australian shipping to sealanes in the Indonesian archipelago.

### **The extent to which measures, consistent with reasonable use, are in place to enhance navigational safety and environmental protection in a cost-effective manner**

In November 1996, the Australian Transport Council (ATC) agreed to improve maritime safety regulation coordination arrangements. The Sub-program, which chairs the Marine and Ports Group (MPG), coordinated the establishment of the National Marine Safety Committee. The committee, comprising marine safety

heads, has responsibility for coordination of standards setting and regulation of marine safety among the Commonwealth, States and the Northern Territory. ATC launched a draft National Marine Safety Strategy prepared by MPG for small commercial vessels and recreational craft, aimed at increasing awareness of safety responsibilities and improving the effectiveness and efficiency of marine safety administration in Australia.

The Sub-program, through its participation in the MPG, assisted in the coordination of comments on the Australia and New Zealand Environment and Conservation Council (ANZECC) draft Best Practice Guidelines for the Provision of Waste Reception Facilities. The guidelines are designed to assist managers of Australian commercial ports, marinas and boat harbours in providing adequate waste reception facilities. The Sub-program also secured ATC agreement to a joint launch with ANZECC of the guidelines.

The Sub-program coordinated the Government's response to the House of Representatives Standing Committee on Transport, Communications and Infrastructure (HORSCOTCI) reports: *Ships of Shame—A Sequel* and *Oil Spills—A Response Strategy*. The Government responded positively to the reports and the Sub-program and AMSA will pursue implementation of the agreed recommendations.

The Government is developing a Commonwealth oceans policy which will be completed and announced in mid 1998, The International Year of the Oceans. The Sub-program contributed to the drafting of the policy and will continue to ensure that the diversity of shipping and maritime interests and uses associated with Australia's ocean territory are considered in the development of that policy.

The Sub-program provided a comprehensive report to the Senate Environment, Recreation, Communications and the Arts References Committee's Inquiry into Maritime Pollution and also coordinated Australia's agreement to a number of amendments and protocols to international maritime conventions.

### **Effectiveness of advice on the operations and future of ANL Limited**

ANL restructuring continued in 1996–97 with ANL's exit from the loss making Tasman trade and purchase of the Australian Enterprise, to operate in a new consortium arrangement in South East Asia. Purchase of the vessel was funded internally by sale of its predecessor, the ANRO Australia, other vessel sales and cash reserves. The Sub-program provided advice which assisted the Government to progress these and other restructuring initiatives. The Sub-program manager was a member of the ANL Board during 1996–97.

### **Effectiveness of advice on the operations of the Australian Maritime Safety Authority (AMSA)**

Following the completion of an independent consultant's report, the Minister announced the amalgamation of the existing search and rescue coordination functions of AMSA and Airservices Australia into a single national maritime and aviation coordination centre to be managed by AMSA. The Sub-program coordinated changes to AMSA's and Airservices Australia's financial and

operational arrangements to facilitate the operation of the national centre from 1 July 1997 and managed the preparation of legislative amendments required to effect the amalgamation.

As part of the Commonwealth Legislation Review Schedule, the Sub-program participated in a task force of seconded officials reviewing the *Australian Maritime Safety Authority Act 1990*. The review evaluated the regulatory impact of the Act on the shipping industry and the effectiveness with which AMSA performs its statutory functions. The task force is scheduled to complete its work in July 1997.

The Sub-program worked closely with AMSA to resolve a number of major issues, including accommodation, budgets, development of performance indicators, and to ensure cooperative participation in international and domestic forums. The Sub-program manager was an ex officio member of the AMSA Board during 1996–97.

### **Effectiveness of investigations of marine casualties**

The Maritime Incident Investigation Unit (MIIU) began investigations into 27 marine incidents, an increase of 15 from the number of investigations initiated the previous year. Fourteen reports of investigations were published and released through the circulation of 750 hard copies of each report and on the Internet. Due to the increased workload, the median time between an incident occurring and the publication of the report of the investigation increased from 28 to 33 weeks. The investigations identified a number of safety issues which are being considered by the appropriate authorities.

The Inspector of Marine Accidents continued to act as coordinator for the IMO correspondence group developing an international code for marine accident investigation. The draft code was approved by the Marine Safety Committee on 30 May during its 68th meeting in London and was submitted to the 20th IMO Assembly for adoption.

### **Assessment of overall performance**

In 1996–97, the Sub-program met its obligations and achieved some important outcomes in undertaking its regulatory, financial assistance, monitoring and advising functions for the maritime sector. These included significant input towards the Government's objective for reform of the Australian shipping and shore-based industries.

The profile of Australian maritime issues was raised significantly in international forums. During 1996–97, the Sub-program focused on the changes required to meet a growing and increasingly complex policy workload, while reducing program administration responsibilities. The Sub-program was reorganised into a team-based structure to assist with multi-skilling and improve flexibility and job satisfaction.

### **Social justice**

Through the TFES and BSPVES the Commonwealth has sought to alleviate the comparative freight disadvantage of shipping certain non-bulk goods between

Tasmania and the mainland and reduce the cost of seagoing travel for an eligible passenger and accompanied vehicle.

Through its support of the Seafarers Safety, Rehabilitation and Compensation Authority, the Sub-program gives impartial advice about the seafarers' compensation scheme and legislation to the maritime unions, employers, claimants and the legal profession.

## Maritime Resource Table

	1995– 96 Actual (\$'000)	1996–97 Budget (a) (\$'000)	1996–97 Actual (\$'000)
<b>Special Appropriations</b>			
<i>Ships (Capital Grants) Act 1987</i>	31 114	10 000	9 192
<i>International Shipping (Australian–resident Seafarers) Grants Act 1995</i>	—	19 000	17 666
<b>Running costs</b>	5 624	6 508	5 862
<b>Program costs:</b>			
Tasmanian Freight Equalisation Scheme	42 673	41 700	41 200
Search and Rescue	1 066	1 400	1 308
Tasmania—Compensation payment in respect of the Bass Strait Passenger Service	371	366	366
Bass Strait Passenger Vehicle Equalisation Scheme	—	8 404	8 403
<b>Total appropriations</b>	80 848	87 378	83 997
Less adjustments	(1 128)	(105)	(92)
<b>Total outlays</b>	<b>79 720</b>	<b>87 273</b>	<b>83 905</b>
<b>Total revenue (b)</b>	(213)	(245)	(307)
<b>Staff Years</b>	61.2	67.9	68.2

(a) Budget figure amended to include Additional Estimates

(b) See Budget Paper No 1 for a description of items included in revenue (1996–97 BP1, pages 4–3)

## PROGRAM 4

# REGIONAL DEVELOPMENT

### OBJECTIVE\*

To provide policy advice on whole-of-government strategies to maximise the potential of Australia's regions and to manage appropriate regional adjustment measures as well as commitments entered into under former regional and urban programs.

*\*On 17 July 1996 the Government announced that the regional and urban programs administered by the Department would be wound down, with no new projects to be funded under those programs. As a result, the Regional Development Sub-program objective and performance indicators have been revised to reflect the new operational arrangements.*

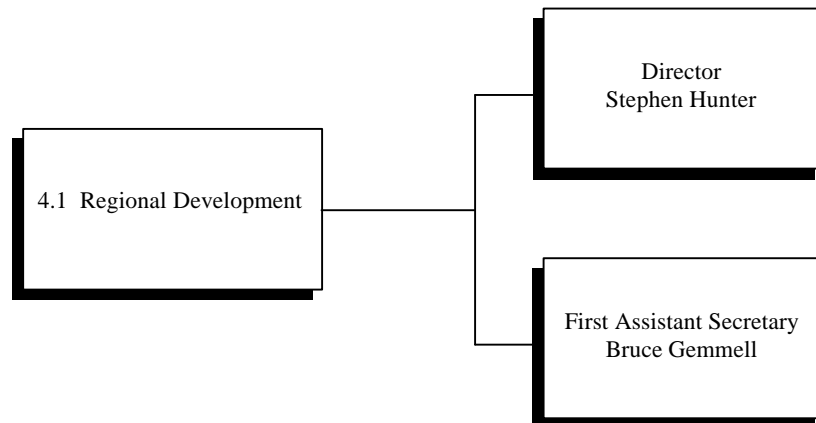
### FINANCIAL AND STAFFING SUMMARY

	<u>OUTLAYS</u>			<u>STAFFING</u>
	1995-96 Actual (\$'000)	1996-97 Budget (a) (\$'000)	1996-97 Actual (\$'000)	1996-97 Actual (Staff years)
<b>Sub-program</b>				
4.1 Regional Development	204 632	102 287	49 389	90.9
<b>TOTAL</b>	<b>204 632</b>	<b>102 287</b>	<b>49 389</b>	<b>90.9</b>

(a) Budget figure amended to include additional estimates

## 4.1 Regional Development

Contact Officers: Simon Murnane (02) 6274 6757; Ed Cory (02) 6274 6274



### Description

The Regional Affairs Unit (RAU) provides advice on whole-of-government strategies to maximise the potential of Australia's regions and manages appropriate regional adjustment measures. The Unit reports to the Director of the Bureau of Transport and Communications Economics.

The Regional and Urban Program Management Section manages ongoing commitments entered into under former regional and urban programs. The Section reports to the First Assistant Secretary in the Land Transport Policy Division.

### Performance indicators and outcomes

#### Improved coordination in regional policies and programs

The Government established the Ministerial Working Group on Regional Affairs (MWGRA), which seeks to ensure:

- the needs and performance of regional Australia are understood by the Commonwealth Government and addressed in an effective way;
- the Government's policies and programs designed to benefit regional Australia have maximum impact;
- Commonwealth activities and funding are not duplicated; and
- the Government is able to communicate its messages effectively to regional Australia.

The Sub-program provides administrative and policy support to the Minister for Transport and Regional Development and to the MWGRA in achieving the working group's objectives.

#### Expanded levels of investment in regional Australia

To meet this objective the Sub-program designed and developed the Institutional Investor Information Service (IIIS) through a partnership arrangement with the Commonwealth and governments and industry in the

Australian Capital Territory, New South Wales, Tasmania, Victoria and Western Australia. The IIS aims to expand private sector investment in regional Australia by bridging the information gap between institutional investors and regional project proponents.

The Sub-program, with assistance under the partnership arrangement and the services of a private sector contractor, manages and coordinates the three core elements of the IIS:

- a national register of 'Investor Ready Projects' to provide a direct information conduit between proponents and institutional investors;
- a marketing/information awareness campaign to explain to project proponents (regional development organisations, local council, public authorities, industry groups, developers and entrepreneurs) how the institutional investor market works and what it requires in terms of project presentation, documentation, etc; and
- an education campaign aimed at key decision-makers within the institutional investor market (for example, fund managers, advisers, trustees, consultant actuaries) and the banking industry about the benefits of holding a more diversified investment portfolio and the investment opportunities that exist at the regional level.

The IIS was established in early 1997 and it is expected that initial projects will be listed on the register in the second half of 1997. The interest shown in the IIS, and the number and quality of infrastructure projects which have been discussed at IIS workshops, augers well for the future.

### **Manage appropriate regional adjustment measures**

On 24 November 1996 the Minister for Transport and Regional Development, the Hon. John Sharp MP, announced a series of reforms to place the national railway system on a sustainable and competitive footing. While these reforms will bring substantial long-term national benefits it is anticipated that there will be transitional impacts upon certain regions. To assist local economies to adjust to the changes that are expected to be created by these initiatives, the Commonwealth Government has allocated a total of \$20 million over 1996–97 and 1997–98 to support measures which will create real and enduring jobs through economic development of the regions most adversely affected. The Sub-program is assessing a wide range of initiatives capable of creating long-term employment. The initial projects being supported will be announced early in 1997–98.

The Sub-program is also coordinating the Commonwealth's response to the announced closure of BHP Steel in Newcastle.

The Sub-program's management of commitments made under the former regional and urban programs is effectively drawing to a conclusion, for example:

- the Better Cities I and II Programs were finalised in 1996–97 in accordance with Commonwealth–State agreements and Parliamentary directions; and

- commitments under the regional economic development and infrastructure components of the Regional Development Program are being honoured and Commonwealth obligations to the Regional Development Organisations established under the program are being met.

### **Assessment of overall performance**

In 1996–97, the Sub-program made substantial progress towards achieving its objective. In particular, the policy advice provided to the Minister and the Parliamentary Secretary and the support made available to the Ministerial Working Group on Regional Affairs provided a sound foundation for a whole-of-government approach to the needs of regional Australia.

### **Social justice**

The Sub-program provided policy advice to the Minister and Parliamentary Secretary on whole-of-government strategies to meet the particular needs of rural and regional Australia.

### **Discretionary grants**

In the 1996–97 Budget \$7.5 million was provided for regional projects. The bulk of the funds was allocated to projects which, as a result of other decisions in the 1996–97 Budget, would not have otherwise proceeded. Payments of \$19.7 million were made during 1996–97 on projects that were part of the former Government's Regional Development Program. A list of grant recipients is available on request.

## Regional Development Resource Table

	1995–96 Actual (\$'000)	1996–97 Budget (a) (\$'000)	1996–97 Actual (\$'000)
<b>Special Appropriations</b>			
<i>States Grants (Petroleum Products) Act 1965</i> Petroleum Products Freight Subsidy scheme	1 214	3 500	3 142
<b>Running costs</b>	23 516	14 481	18 967
<b>Program costs:</b>			
Regional and Urban Development	29 726	38 063	29 918
Better Cities—Mark 1	120 129	50 000	49 744
Better Cities—Mark II	20 000	2 597	2 556
Northern Territory Indigenous Health Infrastructure	—	5 000	5 000
Regional assistance—Impact of Australian National Railways Commission restructuring	—	10 000	10 000
Better urban design	4 687	—	—
Greenhouse—Urban Public Transport	21	—	—
Murray–Darling Basin Commission	2 957	—	—
Departmental Computer Equipment	363	—	—
Payment to Western Australia for sewerage and water quality infrastructure	435	—	—
Northern Territory—Construction and maintenance of strategic roads on Aboriginal land	5 200	—	—
New homes for old—Expanding housing choices for older Australians	300	—	—
<b>Total appropriations</b>	208 547	123 641	119 327
Less adjustments	(3 915)	(21 354)	(69 938)
<b>Total outlays</b>	<b>204 632</b>	<b>102 287</b>	<b>49 389</b>
<b>Total revenue (b)</b>	(15 709)	(15 420)	(13 786)
<b>Staff Years</b>	215.6	107.8	90.9

(a) Budget figure amended to include Additional Estimates

(b) See Budget Paper No 1 for a description of items included in revenue (1996–97 BP1, pages 4–3)

## PROGRAM 5

# CORPORATE DIRECTION AND SUPPORT

### OBJECTIVE

Strategic leadership and direction, together with appropriate management organisation, structure, practices, support and research, to enable efficient and effective program formulation and delivery, while preserving proper accountability.

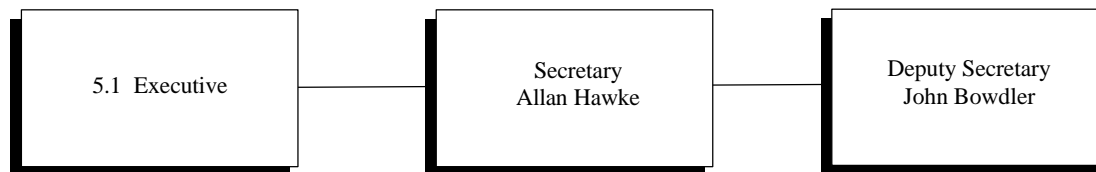
### FINANCIAL AND STAFFING SUMMARY

Sub-program	<u>OUTLAYS</u>			<u>STAFFING</u>
	1995-96 Actual (\$'000)	1996-97 Budget (a) (\$'000)	1996-97 Actual (\$'000)	1996-97 Actual (Staff years)
5.1 Executive	1 365	979	871	6.7
5.2 Management Support and Advice	20 706	18 083	12 664	86.5
5.3 Research	7 515	8 017	7 758	78.7
<b>TOTAL</b>	<b>29 586</b>	<b>27 079</b>	<b>21 293</b>	<b>171.9</b>

(a) Budget figure amended to include additional estimates

## 5.1 Executive

Contact officer: Bill Ellis (02) 6274 7657



### Description

The Executive provides strategic leadership and effective management of the Department. At 30 June 1997 it comprised the Secretary, Allan Hawke, and the Deputy Secretary, John Bowdler.

### Objective

Strategic leadership, direction and management organisation for the Department.

### Performance indicators and outcomes

#### The extent to which the Department meets the Government's priorities and policy objectives and is managed effectively

As well as overseeing the contributions of individual sub-programs to program objectives, the Executive played a significant role in ensuring the achievement of a number of key policy outcomes. Specifically, the Secretary and the Deputy Secretary were involved in:

- setting directions for the Department in line with the Government's objectives, through the Corporate Plan and achieving appropriate staffing and program activity adjustments following substantial funding reductions;
- creating a greater focus on the importance of the people who are the Department, through the People Charter, the Leadership Program (for all SES and Senior Officers in the Department), the Departmental Staff Survey and follow-up activity, the taking a lead agency role in piloting the Investors in People program and strategically linking it to the Corporate Plan;
- guiding the work of the Department in carrying out the Government's privatisation agenda within the portfolio in relation to rail and maritime initiatives and the first tranche of airport lease transfers to the private sector;
- developing better top level coordination with the portfolio agencies to ensure strategic leadership and direction across the entire portfolio;
- developing closer relationships with state, territory and local government counterparts and with industry; and
- directing a greater bilateral and multilateral focus, taking forward the APEC agenda on transport and dealing with portfolio responsibilities covering Australia's relationship with Indonesia, Japan and New Zealand.

Members of the Executive also played key roles in management issues and in setting a corporate direction for the Department. They led the People and

Organisation Committee and the Planning, Evaluation and Audit Committee, as well as chairing the Departmental Consultative Committee. The Secretary led the development of the Department's Corporate Plan, which was released in May, and the Leadership Program for senior staff which continued throughout the year.

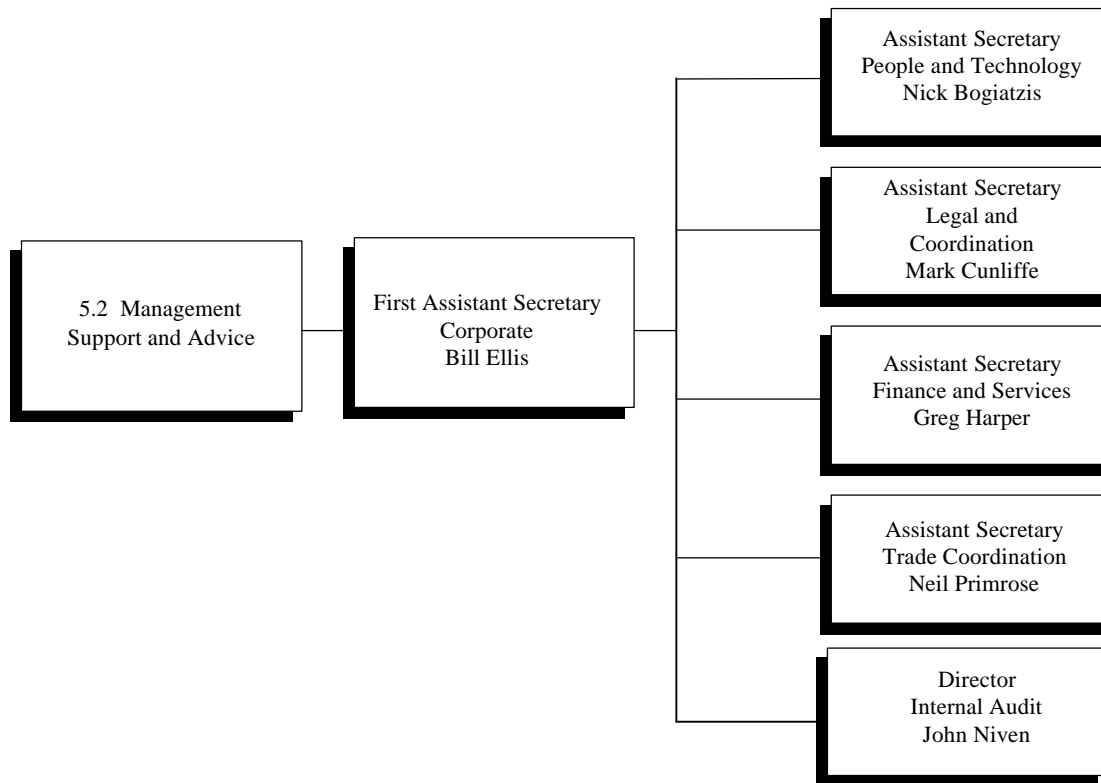
## Executive Resource Table

	<b>1995-96 Actual (\$'000)</b>	<b>1996-97 Budget (a) (\$'000)</b>	<b>1996-97 Actual (\$'000)</b>
<b>Running costs</b>	1 365	980	873
<b>Total appropriations</b>	1 365	980	873
Less adjustments	—	(1)	(2)
<b>Total outlays</b>	<b>1 365</b>	<b>979</b>	<b>871</b>
<b>Staff Years</b>	7.2	7.4	6.7

(a) Budget figure amended to include Additional Estimates

## 5.2 Management Support and Advice

Contact officer: Bill Ellis (02) 6274 7657



### Description

Corporate provides a range of support and advisory services essential to the Department's ability to deliver its program responsibilities and to ensure accountability and equity requirements are upheld. It has a key role in providing well-coordinated, quality advice to the Minister for Transport and Regional Development, the Hon. John Sharp MP, the Parliamentary Secretary, the Hon. Michael Ronaldson MP and the Executive of the Department.

Internal Audit is an independent function responsible to the Secretary through the Planning, Evaluation and Audit Committee (PEAC).

### Objective

High quality and timely support services and advice, delivered efficiently and effectively, to meet the program objective and the needs of the Minister, the Parliamentary Secretary and departmental program management.

### Performance indicators and outcomes

#### Degree to which Corporate's services and resources have effectively met the management support and advice needs of the Department

Corporate contributed to two Commonwealth Budgets during the reporting period. It provided advice and support to the Minister and departmental

management to ensure that Budget decisions reflected comprehensive analysis and information.

On 17 July 1996 the Government announced the abolition of the Regional Development Program administered by the Department. Two hundred and twenty-three staff were affected by this decision. As program activity was to cease immediately, Corporate implemented a strategy to wind down the program, manage the affected people and deal with property and physical assets.

In response to the 14 per cent reduction in the Department's operational costs in 1996–97, Corporate developed a staffing strategy to manage the consequences of downsizing. Staff and union representatives were consulted about processes for redeployment or redundancy. An agreement was negotiated with the Community and Public Sector Union (CPSU) on redeployment timing and the offers of voluntary redundancy. Strict control of and overall reductions in recruitment and the number of temporaries engaged remained in place until the Department had reached its funded staffing level.

Corporate employed a number of processes to assist staff in gaining employment within the Australian Public Service (APS). It initially referred all permanent staff affected by the Government's decision to the APS Labour Market Adjustment Program (APSLMAP) for redeployment. The majority of APS Departments were advised that these staff were available for placement and that the Department would consider either straight transfers or job swaps with other officers. In addition Corporate ran an internal job swap scheme.

Overall 127 officers secured ongoing positions with the APS and 86 officers left the service through redundancy, resignation or termination of contract. Eight officers are seeking redeployment and two remaining officers are to be considered on their return from long-term leave.

Corporate made effective use of information from the PERSPECT people management system during the downsizing process. A quarterly report of staffing indicators entitled *State of the Department*, which provides managers with a statistical guide to their sub-programs, is also prepared from information extracted from PERSPECT.

Substantial progress was made in transferring or sub-leasing properties which are no longer required by the Department. At 30 June 1997, there was one property out of a total 21 surplus properties that had yet to be transferred or sub-leased.

Fifteen Graduate Administrative Assistants (GAAs) joined the Department in 1996–97. Their areas of study were diverse, encompassing economics, law, political science, aerospace engineering, environmental science, urban planning, physics and Asian studies. Corporate coordinates a one-year competency-based GAA program which provides external training and on-the-job work experience through placements in three sub-program areas. On successful completion of the program, GAAs will gain the Certificate III (GAA) in Public Administration.

In October 1996 an exposure draft of the Department's Corporate Plan was circulated for comment to all staff and over 150 government, industry and community groups. The Corporate Plan was refined and released on 15 May 1997. It comprises the Corporate Statement and the Program Outlines, identifies the key strategic issues facing the Department over the next few years, identifies the way ahead and clearly articulates the Department's core business and key result areas.

Based on these documents, each sub-program developed detailed business plans and performance measures.

In addition, the Corporate Plan highlights the way the Department intends to work as an organisation to achieve its corporate goals. The Department is positioning itself to achieve these goals by focusing on results through people. A People Charter was developed and launched and all Senior Executive Service (SES), Senior Officers Grade B and some Senior Officers Grade C completed an in-house leadership program specifically designed for the Department's needs.

To complement the senior executive training, Corporate developed a program for staff in the Administrative Service Officer (ASO) Grades 1–6. The program responds to issues identified in the staff survey and encourages the use of Individual Development Plans while enabling people to work towards a qualification.

Corporate conducted the Department's first staff survey in October 1996. It was well supported by staff with an 80 per cent response rate. Results revealed that, although the Department was equal to Commonwealth best practice in terms of staff satisfaction with personal development activities and the quality of work produced by local work areas, three key areas could be improved. The areas related to supervisory practices, rewards and recognition and communication.

The Secretary launched the results of the survey in sub-program specific seminars in February. Since then each sub-program has worked on the issues of particular importance to it. A committee of ASO 1–6 staff was established to examine issues relating to communication. At the quarterly meetings of the People and Organisation Committee, sub-program managers share ideas on how to address survey issues as part of the Department's program to improve its people management practices continuously.

In accordance with Government policy, the Department is developing a Service Charter for all relevant aspects of its operations. Corporate is working with sub-programs to link the Service Charter with business plans and intends to report on progress in next year's annual report. Work in this area is strategically linked with performance information review, the introduction of accrual accounting and market testing of traditional government activities.

Corporate developed an information technology (IT) strategic plan for the Department and worked closely with the Office of Government Information Technology (OGIT) on three major projects. The OGIT Information Technology Scoping Study costed IT and telecommunications facilities used by the

Department. OGIT collated this information with similar data from other agencies and invited expressions of interest from the private sector IT industry on the costs that would be incurred if such services were outsourced. The results were submitted to the Government, which decided to direct agencies to market test provision of IT support.

The second major IT project related to the development of a Year 2000 Project Plan to address any deficiencies in computer-based systems that might have a problem handling dates after 31 December 1999. Corporate is working to test all departmental computer systems and, where necessary, modify or enhance systems that are problematic. On a wider front, the Department has commenced raising the Year 2000 issue with the various transport industry sectors to identify any possible implications for Australia's transport infrastructure.

Corporate also participated as a member of the OGIT Shared Systems Steering Committee which oversaw the tender process to select Government-preferred systems for financial management, human resource management and information management.

Corporate implemented a new version of the Financial Management Information System software in December 1996. This version is more user-friendly and includes additional enquiry facilities and pick-lists on data entry screens. An additional reporting module was developed to streamline access to financial data and increase the flexibility available in extracting financial information.

Corporate commenced work to position the Department to meet the requirements for the transition to accrual accounting. These efforts will result in a greater focus on the costs of producing outputs and should contribute to greater overall accountability for departmental activities.

The Department's staff costs accounting system was modified to make better use of electronic transfer of information. This provides a more efficient reporting mechanism and enhances the Department's ability to analyse staffing costs.

Corporate continued preparations for the introduction of proposed new financial management legislation. This involved, among other things, a substantial revision of Chief Executive Instructions, which will set out financial management requirements within the Department under the proposed new framework.

Corporate managed the portfolio's input to the Treasurer's Commonwealth Legislation Review Schedule on reviews of regulation that restrict competition or affect business. A review of the *Australian Maritime Safety Authority Act 1990* is nearing completion and reviews of the *Shipping Registration Act 1981* and the *Motor Vehicle Standards Act 1989* are underway.

On 7 May 1997, the Minister announced the membership of the new National Transport Council, to be chaired by Mr David Mortimer, Chairman and Chief Executive of the TNT Asia Pacific Region. The council will identify problems in

the transport system, particularly in the links between transport modes, and find and promote practical solutions. It was to hold its first meeting on 9 July 1997, with Corporate providing secretariat support, and is expected to be a source of leading-edge advice to the Minister from an industry perspective.

As well, Corporate helped develop policy advice on private sector provision of infrastructure and GBE governance, did initial work on a sustainable transport policy and worked with the States to develop a forward work program for the Australian Transport Council (ATC).

ATC is a ministerial forum for Commonwealth, State and Territory consultations on the coordination and integration of all transport policy issues at a national level. During 1996–97, ATC agreed to assume the role of governing Ministerial Council for National Road Transport Commission (NRTC) issues, to take effect from January 1998, replacing the former Ministerial Council for Road Transport (MCRT).

ATC matters addressed during the year included: the review of national road transport legislation, the development of a national road safety package, review of marine safety regulation, waterfront and port reform, rail reform, road funding, accessible transport and Trans Tasman Mutual Recognition Arrangement.

The Department's requirements for legal services remain substantial and are growing. These requirements are currently met by in-house lawyers and the General Counsel, using the Attorney-General's Department as appropriate. Principal areas of legal services activity covered the development and implementation of the regulatory framework for leased airports, litigation arising out of the Government's noise sharing policies at Sydney Airport, advisings concerning the proposed sale of the Australian National Rail Corporation and related issues, drafting Regional Development Deeds of Grant, drafting a large number of consultancy and service contracts (some dealing with outsourcing arrangements), dealing with amendments to portfolio legislation and general advising across a wide range of portfolio matters.

Corporate conducted a review of arrangements for its public affairs support during the year. Following consideration of the needs of those affected, including the Minister and Parliamentary Secretary, a draft report proposing changed public affairs arrangements was circulated for comment in December 1996. After a period for consultation and an opportunity for comment, a preferred final proposal was circulated in June 1997.

The Department's World Wide Web site has facilitated a more economical and efficient dissemination of information than previously. Public access to the Department's Web-published information has increased 400 per cent over the last 12 months. Internal usage of the Internet as an information tool has also increased, with the majority of staff now having access to the Internet.

The Department's transport trade work, undertaken to support businesses exporting transport goods and services, is an integral part of the Government's micro-economic reform agenda. Coordination of that work by Corporate is

focused particularly upon bilateral relationships with Indonesia, Japan and New Zealand and upon the transport work in APEC.

The Department has encouraged development of integrated transport logistics and a repositioning of customer priorities from transport cost minimisation regardless of consequence to a greater appreciation of the quality of service needed for particular products. This has been undertaken through support of the Prime Minister's Supermarket to Asia Council. Corporate also contributed to a strengthened coordination effort for the Department's work supporting the development of new technologies, including fast ferries and satellite tracking of freight.

Corporate coordinated Australia's participation in the second APEC Transportation Ministers' Meeting, held in Canada on 23–24 June 1997. The Minister led a strong delegation which included some of the most senior figures in Australia's transport industry. The outcome of the meeting reinforced the momentum toward an integrated regional transport system and highlighted opportunities for Australian businesses.

**Degree to which corporate services activities are relevant, timely, efficient and uphold accountability requirements**

Corporate provides advice and assistance to ensure that contracts entered into by the Department meet the Government's requirements for contracting activities, particularly purchases and engagement of consultants. In 1996–97, the Department engaged 84 consultants. Of those, 16 did not receive any payments because the contracts were carried over to 1997–98. The total amount paid to consultants was \$10 108 658. Details of individual consultancies are available on request.

The Trace Library, a joint facility with the Department of Communications and the Arts, provides transport and communications information for governments, research organisations, industry and the general public. During the year the library handled over 12 000 loans and requests for information (1800 were for individuals, businesses and libraries outside the two departments). Beside providing the usual reference, inter-library and current awareness services, the library also created an Internet home page (via the Department's Internet site), implemented a customer service charter and provided extensive training and advice about the Internet and CD-ROM based information.

The Department's annual assets stocktake accounted for 99 per cent of total assets at written down value. This was a good result in the light of the closure of many of the Department's smaller offices and the need to reallocate or dispose of surplus assets.

Assessment of SES officers under the Department's performance appraisal guidelines were made and those entitled to performance pay received payment.

The Deputy Secretary chairs the Planning, Evaluation and Audit Committee (PEAC) with membership from SES in each sub-program. The Committee oversees the operations of Internal Audit and approves the Strategic Internal Audit Plan. It also approves the Internal Audit Annual Work Plan which

identifies specific audits and their broad objectives. The results of all audits are reported to PEAC.

Internal Audit was restructured during the year and the security policy element relocated elsewhere within Corporate. The area established a panel contract for the provision of the bulk of its internal audit and related services including the conduct of internal reviews listed on the approved work plan. The majority of reviews were completed during the financial year.

Internal Audit reviews completed during the year confirmed that the Department's compliance with legislative requirements was generally satisfactory. Some recommendations were made and adopted to enhance performance and accountability. Internal Audit continued to provide management with advice and support as issues arose during the year.

Consultants completed a Departmental Protective Security Risk Review in November 1995. All the report's recommendations were addressed.

A Fraud Risk Assessment, developed by Corporate with assistance from sub-programs, was assessed by the Commonwealth Law Enforcement board as satisfactory and meeting Commonwealth requirements. A Departmental Fraud Control Plan was distributed throughout the Department during February 1997.

The Minister and the Parliamentary Secretary received 9159 individual letters, which is a 42.8 per cent increase on 1995–96. Of these 7593 were either replied to or had action taken in response to them. The remaining letters were for information only. As well, 49 084 letters were received as part of public campaigns.

The number of Freedom of Information requests received by the Department increased by 124 per cent from 21 in 1995–96 to 47 in 1996–97. At 30 June 1997, there were 10 requests on hand and three overdue requests. The average time taken to respond to requests decreased from 47 days by 23 per cent to 36 days.

As required under the *Freedom of Information Act 1982* (the FOI Act) the Department submitted quarterly statistics throughout 1996–97 to the Attorney-General's Department and produced statements as required under Section 8 and Section 9 of the FOI Act.

The portfolio included 25 bids on the legislation programs for the 1996 Spring Sittings and the 1997 Autumn and Winter Sittings. From these bids, eight bills were introduced into Parliament and five were passed. One Bill introduced in 1996 Winter sittings was also passed during the Autumn 1997 sittings. This slightly lower than usual level of legislative activity is due to priority being given to legislation to give effect to the Government's election commitments in the 1996 Spring sittings and the fact that little portfolio legislation was included in that category.

The Department's Health and Safety Committee (HSC) considered key occupational health and safety policies and re-configured the workplace representative structure within the Department. The Department has maintained a downward trend in its overall claims for compensation from staff.

The Department is participating with four other agencies in a trial of Investors in People (IIP), a project managed by the Public Service and Merit Protection Commission. The program is an international people development standard which was developed in the UK for private enterprise and has since become mandatory for the British Civil Service. The Department is aiming for accreditation as Investors in People by the end of 1998. Achieving accreditation will mean that the Department's people practices compare favourably with world best practice and are closely aligned with corporate goals. Overseas experience has shown that this results in better staff morale, less absenteeism and improved performance throughout the entire organisation.

In November 1995 the Management Advisory Board (MAB) study, Achieving Cost Effective Personnel Services (ACEPS) found that Australian Public Service agencies' people management practices were less efficient and less effective than best practice in the private sector.

Corporate coordinated the Department's participation in Stage 1 of the ACEPS study. The study involved information gathering, analysis, benchmarking and costing of service standards in personnel practices. Costs identified for the Department were relatively high.

An initial strategy to investigate how we might improve people management practices was developed and agreed by the Department's People and Organisation Committee in early 1996 but momentum faltered with the shift of resources to implement changes to the Department's structure, particularly the resultant placement exercise for former Regional Development Program staff.

Corporate developed a program and timetable for implementation of ACEPS in late February 1997. Significant progress has been achieved since then to focus less on administrative and processing tasks and more on strategic value-adding activities such as staff planning and performance and career management.

### **Assessment of overall performance**

Corporate is working to position the Department for continued improved service delivery to the Minister, the Parliamentary Secretary, industry and community groups. This is being done by strategically addressing current and potentially new policy directions in the context of new management frameworks, new workplace relations, competitive tendering and results-focused performance evaluation.

Through a difficult time of downsizing following the abolition of the Regional Development Program and a reduction in 1996–97 running costs, Corporate has maintained the quality of its support services to sub-programs, for example by handling increases in parliamentary correspondence and FOI requests and by introducing new financial information software.

At the same time Corporate further developed the People Framework, conducted a staff survey and took action on survey results, developed an ASO 1–6 training program and produced the Corporate Plan.

By applying a staffing strategy to the Regional Development Program closure arrangements, the Department was able to reduce its staffing numbers successfully to funded levels. The Department was the first APS agency to make extensive use of external job swaps. This meant that those staff who were excess to the requirements of the Department but wished to remain in APS employment had the opportunity to do so.

In addition, Corporate was able to make significant progress towards developing strategic management links between the Corporate Plan, initiatives such as output-based accrual budgeting and service charters and future annual reports.

Corporate's high standard of coordination on cross-portfolio policy issues resulted in increased cooperation with industry and advanced Australia's interests in the international trade area.

### Social justice

Corporate continued to support social justice principles through its coordination of issues such as Access and Equity, Affirmative Action and Native Title.

Corporate coordinates updating of the APPOINT database on the membership of boards of portfolio bodies. The database is used to provide reports to Office of the Status of Women on board membership of equal opportunity target groups. Corporate also maintains a register of women interested in board appointments.

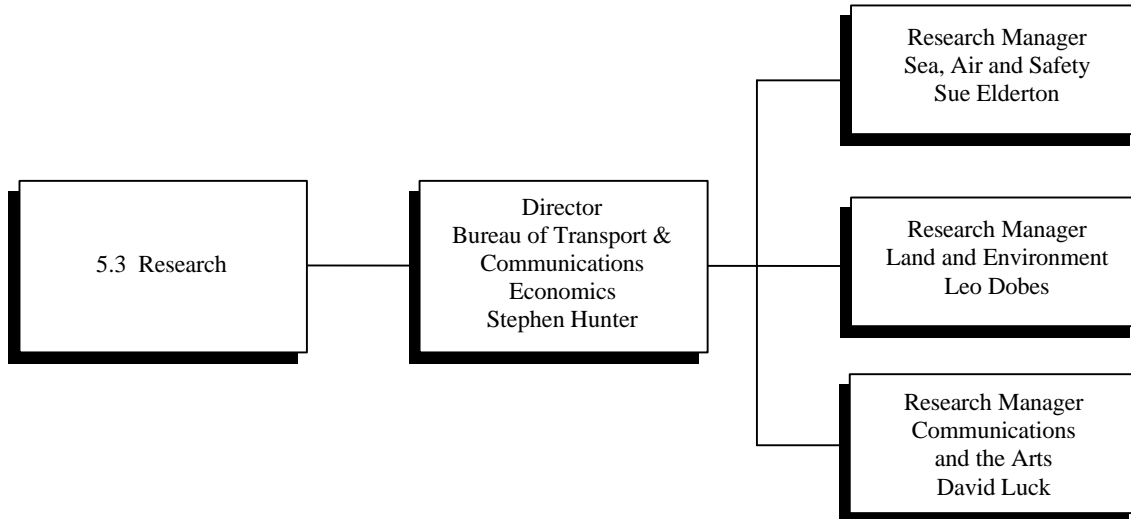
## Management Support and Advice Resource Table

	<b>1995-96 Actual (\$'000)</b>	<b>1996-97 Budget (a) (\$'000)</b>	<b>1996-97 Actual (\$'000)</b>
<b>Running costs</b>	19 830	17 945	12 177
<b>Program costs:</b>			
Compensation and legal expenses	1 269	1 538	1 121
<b>Total appropriations</b>	21 100	19 483	13 298
Less adjustments	(394)	(1 400)	(634)
<b>Total outlays</b>	<b>20 706</b>	<b>18 083</b>	<b>12 664</b>
<b>Staff Years</b>	243.7	90.5	86.5

(a) Budget figure amended to include Additional Estimates

## 5.3 Research — Bureau of Transport and Communications Economics

Contact officer: Stephen Hunter (02) 6274 6808



### Description

The Sub-program is the responsibility of the Bureau of Transport and Communications Economics (BTCE). BTCE carries out research on policy issues in the Transport and Regional Development portfolio and the Communications and the Arts portfolio. BTCE has three research groups and a corporate services unit which provides support services to the research groups.

### Objective

To provide, through research, a better information and analysis base for policy formulation in transport and communications and to contribute to more informed public debate, through the dissemination of research results.

### Performance indicators and outcomes

#### Extent to which the Bureau of Transport and Communications Economics (BTCE) research has contributed to policy development in transport and communications

BTCE Report 94 *Transport and Greenhouse: Costs and Options for Reducing Emissions* was published on schedule in October 1996. The report has provided an essential input into the policy making process, as well as informing public debate. Comparable information has not previously been available. The Stanley Foster Foundation has used the report's findings on the viability of planting trees to absorb emissions to explore the feasibility of coordinating a network of community-based schemes to plant seven trees per year for each car in Victoria. In addition, the Department of Primary Industries and Energy funded the visit of a BTCE officer to provide advice on the report at an International Energy Agency meeting in Paris. The National Inquiry into Urban

Air Pollution also requested BTCE modelling assistance with its work on the transport sector.

BTCE studied the employment effects of road construction and published an index of road construction and maintenance prices. The index has proved to be a useful input to the policy process, both at federal and local government levels.

As a result of previous work, BTCE provided information on assessing the adequacy of transport infrastructure in its submission to the House of Representatives Standing Committee on Communications, Transport and Microeconomic Reform Inquiry into Federal Road Funding.

BTCE carried out the Australian segment of a joint Australian/Indonesian project on Transport Synergies between Northern Australia and Eastern Indonesia. The project aimed to identify trade complementarities between these two geographically close regions and to identify the transport infrastructure requirements necessary to ensure that these trade opportunities are maximised. The Australian section focused on two industries which met the complementarity requirements: namely, tourism and the export of live cattle.

BTCE assisted the Tasmanian Freight Equalisation Scheme (TFES) Review Authority in its investigation of rates of assistance and participated in the review of the *Australian Maritime Safety Authority Act 1990* under the Commonwealth Legislation Review Schedule.

BTCE work on communications issues involving short-term policy consultancies with the Department of Communications and the Arts (DoCA) increased considerably this year. The work covered a broad range of issues in broadcasting, telecommunications and other areas of concern to the Department.

BTCE working paper, *Interconnection Pricing Principles: The Choice of Pricing Principles for Standard Access Obligations in the Proposed Telecommunications Access Regime in Australia* assisted DoCA and the Australian Competition and Consumer Commission to assess the best approach to the interconnection pricing regime prevailing under the *Telecommunications Act 1997*.

A number of papers were prepared for presentation at BTCE's annual Communications Research Forum. One of these, entitled *Financial Assistance to the Film Industry* was used as BTCE input to the Gonski inquiry into Assistance to the Australian Film Industry.

A submission was presented to the Australian Broadcasting Authority's (ABA) inquiry into use of the 6th television channel and a review of the use of this channel under section 215(1) of the *Broadcasting Services Act 1992*.

As part of an inquiry under section 215(2) of the *Broadcasting Services Act 1992* BTCE Working Paper 31 was prepared on *Australian Content in Pay TV*. The paper formed a major contribution to the ABA's report to the Minister on the level and type of Australian content to be required of the pay TV industry.

BTCE's estimation of the extent of potentially unmet demand for data services in rural Australia in the project *Access to Information and Communications Services* assisted a Ministerial Review Group working on an appropriate regulatory definition of the 'Standard Telephone Service' (STS). BTCE worked closely with the Australian Bureau of Statistics (ABS) in the analysis and helped identify the need for more detailed regional and sub-regional disaggregations of data relating to adoption of digital technologies.

DoCA sought BTCE's advice in regard to the design of the evaluation of the recently established Regional Telecommunications Infrastructure Fund.

### **The extent to which BTCE information contributed to more informed public debate**

BTCE contributed to more informed public debate through its publication distribution, presentations, seminars and workshops and through dissemination of its work by others. As well, BTCE's work was frequently adopted as authoritative reference material by government and private agencies, both in Australia and overseas. Examples include:

- BTCE Report 95 *General Aviation Flying in Australia* was published in July 1996. This is the first comprehensive analysis of the general aviation industry in Australia. It was based on a survey sent to all Airport Operators' Certificate holders (issued under the *Civil Aviation Act 1988*) conducting commercial operations and non-commercial fliers who owned aircraft. The report covers industry structure, aircraft and airfleet, flying activities, industry conduct, financial structure and performance and industry views and perceptions.
- BTCE published an *Information Sheet* on Australian public road-related expenditure and revenue by level of government and category of expenditure over the last decade. The *Sheet* replaces the regular publication of similar information in past March quarter issues of *Transport and Communications Indicators*.
- Based on its 1995 survey of freight forwarders, BTCE published a report on the quality of service in the rail freight sector from the customer's perspective.
- Different methodological approaches to assessing the cost of accidents were evaluated in a publication entitled *Valuing Transport Safety in Australia* (Working Paper 26).
- BTCE continued to produce the quarterly publication *Waterline* which records stevedoring performance on a quarterly basis and port performance on a bi-annual basis. Each edition also contains one-off case studies. Two new sets of indicators were added this year: monitoring crew-to-berth ratios on a quarterly basis for Australian merchant shipping and the fleet servicing the off-shore oil and gas industries; and reliability indicators for waterfront performance.
- In 1997 the quarterly publication *Transport and Communications* became available via the Internet and Infifax.

- The BTCE Aerocost model, first developed in 1990, and further enhanced this year, is a direct operating cost model for different kinds of aircraft. The model has been in great demand from industry, government agencies and consultants and has been updated and enhanced to cater for changes in cost structures, imposition of new charges and coverage of international flying on Australian routes as well as domestic aircraft. It is available for sale from the BTCE.
- A study revisiting the intermodal links between wharf and road was completed.
- A colloquium on research and policy developments in the road sector, organised jointly by BTCE and the Australian Automobile Association, attracted a significant number of participants.
- Presentations were made by senior BTCE officers to a range of audiences, including the Australian Institute of Petroleum and the Canberra branch of the Institute of Engineers.
- BTCE again sponsored the Communications Research Forum in October 1996 with the assistance of RMIT. Papers resulting from this conference were made widely available.
- BTCE staff submitted several journal articles for publication in industry journals including *Modelling Television Programming Choices in Information Economics and Policy* and 'Policies for Domestic Content of TV Programs' in *Agenda*.
- Scenarios of future adoption of digital technologies in the home, generated from the *Access to Information and Communications Service* project, were reported widely, both in mainstream media and special interest publications. The Communications Research Forum paper from this project has been listed as curriculum material in a postgraduate communications course. BTCE was also invited to contribute a feature article in the ABS Statistics Yearbook.
- BTCE produces a list of publications which is available on request. BTCE also publishes abstracts of its work and the full-text of some research on the Internet at <http://www.dot.gov.au/programs/btce/btcehome.htm>

### **Assessment of overall performance**

Throughout the year, BTCE outputs contributed positively to policy development and public debate. BTCE non-public work for client departments, including commercially sensitive research, increased substantially this year.

All 1996–97 achievements were accomplished amidst organisational restructure and downsizing.

### **Social justice**

A significant part of BTCE output relates to the social impact of government policies. An example of this is the *Tasmanian Freight Equalisation Scheme: Discussion Paper September 1996* where an analysis of general rates of assistance offered under the TFES was made available to the TFES Review Authority.

BTCE working paper *Employment Effects of Road Construction* examined the employment gain from various road construction activities.

In Communications, the *Access to Information and Communications Services* project focused on barriers faced by groups such as people in rural areas, people on low incomes and people with a disability.

## Bureau of Transport and Communications Economics Resource Table

	<b>1995-96 Actual (\$'000)</b>	<b>1996-97 Budget (a) (\$'000)</b>	<b>1996-97 Actual (\$'000)</b>
<b>Running costs</b>	7 571	8 066	7 856
<b>Total appropriations</b>	7 571	8 066	7 856
Less adjustments	(55)	(49)	(98)
<b>Total outlays</b>	<b>7 515</b>	<b>8 017</b>	<b>7 758</b>
<b>Staff Years</b>	85.5	77.9	78.7

(a) Budget figure amended to include Additional Estimates

# **FINANCIAL STATEMENTS**

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**INDEPENDENT AUDIT REPORT**

**To the Minister for Transport and Regional Development**

**Scope**

I have audited the financial statements of Department of Transport and Regional Development for the year ended 30 June 1997. The financial statements comprise:

- Statement by the Departmental Secretary and First Assistant Secretary, Corporate
- Departmental and Administered statements of:
  - Revenues and Expenses
  - Assets and Liabilities
  - Revenues and Expenses by Program
  - Assets and Liabilities by Program
  - Cash Flows
- Schedule of Commitments
- Schedule of Contingencies
- Transactions by Fund, and
- Notes to and forming part of the Financial Statements.

The Department's Secretary and First Assistant Secretary, Corporate are 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 Minister for Transport and Regional Development.

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 Australian Accounting Standards, other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) and

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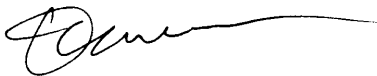
statutory requirements so as to present a view of the Department which is consistent with my understanding of its financial position, its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

**Audit Opinion**

In accordance with sub-section 51(1) of the *Audit Act 1901*, I now report that in my opinion, the financial statements:

- are in agreement with the accounts and records kept in accordance with section 40 of the Act;
- are in accordance with the Guidelines for Financial Statements of Commonwealth Departments, and
- present fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements, the information required by the Guidelines, including the results of departmental and administered financial operations and cash flows for the year ended 30 June 1997 and departmental and administered assets and liabilities as at that date.



David C. McKean  
Executive Director  
26 September 1997

For the Auditor-General

Canberra

**DEPARTMENT OF TRANSPORT AND REGIONAL DEVELOPMENT**  
**Statement by the Secretary**  
**and Principal Accounting Officer**

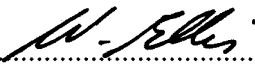
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In our opinion, the attached financial statements present fairly the information required by the Guidelines for *Financial Statements of Commonwealth Departments* issued by the Minister for Finance in June 1997.

Signed  .....

Allan Hawke  
SECRETARY

**24** September 1997

Signed  .....

W R Ellis  
First Assistant Secretary  
Corporate

**24** September 1997

**DEPARTMENT OF TRANSPORT AND REGIONAL DEVELOPMENT**  
**DEPARTMENTAL REVENUES AND EXPENSES**

*for the year ended 30 June 1997*

	Notes	1996-97 \$'000	1995-96 \$'000
<b>NET COST OF SERVICES</b>			
<b>Expenses</b>			
Employees	4A	54 793	54 166
Suppliers	4B	24 848	28 559
Abnormal expense	4C	1 691	-
Depreciation and amortisation	4D	4 958	3 945
Write down of assets	4F	165	52
Net losses from sales of assets	4H	523	268
<b>Total expenses</b>		<b>86 978</b>	86 990
<b>Revenues from independent sources</b>			
Sales of goods and services		895	662
Reversals of previous asset write-downs		4	-
Transfers from provisions		13	-
<b>Total revenues from independent sources</b>		<b>912</b>	662
<b>Net cost of services</b>		<b>86 066</b>	86 328
<b>REVENUES FROM GOVERNMENT</b>			
Appropriations used for:			
Ordinary annual services (net appropriations)	2.5	91 916	83 315
Other services		1 121	1 269
Resources received free of charge from other depts	5	167	162
<b>Total revenues from government</b>		<b>93 204</b>	84 746
<b>Operating result before extraordinary items</b>		<b>7 138</b>	(1 582)
Net revenues or expenses from extraordinary items:			
Restructuring	7A	-	(1 383)
Other		-	(3 707)
<b>Operating result</b>		<b>7 138</b>	(6 672)
Accumulated results at 1 July		(5 335)	1 337
<b>Accumulated results at 30 June</b>		<b>1 803</b>	(5 335)

The above Statement should be read in conjunction with the accompanying notes.

**DEPARTMENT OF TRANSPORT AND REGIONAL DEVELOPMENT**  
**ADMINISTERED REVENUES AND EXPENSES**

*for the year ended 30 June 1997*

	Notes	1996-97 \$'000	1995-96 \$'000
<b>REVENUES</b>			
Other taxes, fees and fines	9	107 210	102 966
Sales of goods and services		6 006	5 756
Interest and dividends	10A	60 875	56 507
Net gains from asset sales program	10B	11	-
Other	10C	24 114	16 019
<b>Total revenues</b>		<b>198 216</b>	<b>181 249</b>
<b>EXPENSES</b>			
Subsidies		86 614	80 735
Grants	6	1 432 800	560 415
Depreciation and amortisation	4E	1	-
Net write down of assets	4G	9 123	18 365
Other	4I	57 236	36 699
<b>Total expenses</b>		<b>1 585 774</b>	<b>696 213</b>
<b>Net contribution/cost to government</b>		<b>(1 387 558)</b>	<b>(514 964)</b>
<b>TRANSFERS</b>			
Cash from Commonwealth Public Account		1 635 754	n/a
Cash to Commonwealth Public Account		(292 967)	n/a
<b>Net change in administered assets before extraordinary items</b>		<b>(44 771)</b>	<b>n/a</b>
Extraordinary items	7B	-	(89 195)
<b>Net change in administered assets</b>		<b>(44 771)</b>	<b>n/a</b>
Transfers from Reserves		89 900	n/a
Accumulated results at 1 July		(1 471 131)	n/a
Changes in accounting policy effected 1 July	8	1 681 301	n/a
<b>Accumulated results at 30 June</b>		<b>255 302</b>	<b>n/a</b>

The above Statement should be read in conjunction with the accompanying notes.

**DEPARTMENT OF TRANSPORT AND REGIONAL DEVELOPMENT**  
**DEPARTMENTAL ASSETS AND LIABILITIES**

*as at 30 June 1997*

	Notes	1996-97 \$'000	1995-96 \$'000
<b>DEBT</b>			
Other	11A	690	1 382
<b>Total debt</b>		<b>690</b>	<b>1 382</b>
<b>PROVISIONS AND PAYABLES</b>			
Employees	12A	16 044	21 979
Suppliers	12B	671	930
Other	12C	87	87
<b>Total provisions and payables</b>		<b>16 802</b>	<b>22 997</b>
<b>EQUITY</b>			
Accumulated results		1 803	(5 335)
Reserves		106	115
<b>Total equity</b>	13A	<b>1 909</b>	<b>(5 220)</b>
<b>Total liabilities and equity</b>		<b>19 401</b>	<b>19 159</b>
<b>FINANCIAL ASSETS</b>			
Cash		30	46
Receivables	14B	5 886	42
<b>Total financial assets</b>		<b>5 916</b>	<b>88</b>
<b>NON-FINANCIAL ASSETS</b>			
Land and Buildings	15A, E	272	301
Infrastructure, plant and equipment	15C, E	9 983	15 378
Inventories	15G	355	368
Intangibles	15C, E	559	1 150
Other	15I	2 315	1 873
<b>Total non-financial assets</b>		<b>13 485</b>	<b>19 071</b>
<b>Total assets</b>		<b>19 401</b>	<b>19 159</b>
<b>Current liabilities</b>			
<b>Current liabilities</b>		<b>7 289</b>	<b>11 027</b>
<b>Non-current liabilities</b>			
<b>Non-current liabilities</b>		<b>10 203</b>	<b>13 351</b>
<b>Current assets</b>			
<b>Current assets</b>		<b>8 587</b>	<b>2 328</b>
<b>Non-current assets</b>			
<b>Non-current assets</b>		<b>10 814</b>	<b>16 831</b>

The above Statement should be read in conjunction with the accompanying notes.

**DEPARTMENT OF TRANSPORT AND REGIONAL DEVELOPMENT  
ADMINISTERED ASSETS AND LIABILITIES**

*as at 30 June 1997*

	Notes	1996-97 \$'000	1995-96 \$'000
<b>DEBT</b>			
Loans	11B	246 057	-
<b>Total debt</b>		<b>246 057</b>	<b>0</b>
<b>PROVISIONS AND PAYABLES</b>			
Subsidies		172	189
Grants	12E, F	44 200	530 819
Other	12D	8 747	15 668
<b>Total provisions and payables</b>		<b>53 118</b>	<b>546 676</b>
<b>EQUITY</b>			
Accumulated results		255 302	(1 698 078)
Reserves		3 811 389	3 932 048
<b>Total equity</b>	13B	<b>4 066 691</b>	<b>2 233 970</b>
<b>Total liabilities and equity</b>		<b>4 365 866</b>	<b>2 780 646</b>
<b>FINANCIAL ASSETS</b>			
Cash	14A	413	22
Receivables	14C	261 270	357 815
Investments	14D	4 060 638	2 367 774
Accrued revenues	14E	8 011	12 684
<b>Total financial assets</b>		<b>4 330 332</b>	<b>2 738 295</b>
<b>NON-FINANCIAL ASSETS</b>			
Land and Buildings	15B, F	34 620	39 121
Infrastructure, plant and equipment	15D, F	328	4
Inventories	15H	350	590
Other	15J	235	2 635
<b>Total non-financial assets</b>		<b>35 533</b>	<b>42 351</b>
<b>Total assets</b>		<b>4 365 866</b>	<b>2 780 646</b>
<b>Current liabilities</b>			
<b>Current liabilities</b>		<b>71 963</b>	<b>352 904</b>
<b>Non-current liabilities</b>			
<b>Non-current liabilities</b>		<b>227 213</b>	<b>193 772</b>
<b>Current assets</b>			
<b>Current assets</b>		<b>47 290</b>	<b>54 529</b>
<b>Non-current assets</b>			
<b>Non-current assets</b>		<b>4 318 576</b>	<b>2 726 117</b>

The above Statement should be read in conjunction with the accompanying notes.

**DEPARTMENT OF TRANSPORT AND REGIONAL DEVELOPMENT**  
**DEPARTMENTAL PROGRAM REVENUES AND EXPENSES**

for the year ended 30 June 1997

	Aviation		Land Transport		Maritime		Regional Development		Corporate		Total	
	1996-97 \$'000	1995-96 \$'000	1996-97 \$'000	1995-96 \$'000	1996-97 \$'000	1995-96 \$'000	1996-97 \$'000	1995-96 \$'000	1996-97 \$'000	1995-96 \$'000	1996-97 \$'000	1995-96 \$'000
NET COST OF SERVICES												
<b>Expenses</b>												
Employees	17 462	16 023	11 566	11 563	4 139	3 768	12 790	5 684	8 837	17 128	54 793	54 166
Suppliers	7 812	7 160	3 716	4 846	1 606	1 356	2 764	3 173	8 950	12 024	24 848	28 559
Abnormal Expense	203	-	139	-	4	-	21	-	1 324	-	1 691	-
Depreciation and amortisation	807	903	320	325	174	157	1 597	427	2 060	2 133	4 958	3 945
Write down of assets	12	26	0	4	-	0	150	-	3	22	165	52
Net losses from sales of assets	51	51	17	29	5	23	372	-	78	164	523	268
<b>Total expenses</b>	<b>26 347</b>	<b>24 163</b>	<b>15 758</b>	<b>16 767</b>	<b>5 928</b>	<b>5 304</b>	<b>17 693</b>	<b>9 284</b>	<b>21 252</b>	<b>31 472</b>	<b>86 978</b>	<b>86 990</b>
<b>Revenues from independent sources</b>												
Sales of goods and services	121	81	269	239	1	8	(165)	36	669	298	895	662
Reversals of previous asset write-downs	1	-	-	-	-	-	2	-	0	-	4	-
Transfers from provisions	13	40	-	-	-	-	-	-	0	-	13	-
Inter-program asset transfers	118	-	99	17	60	7	(448)	-	172	(64)	0	-
<b>Total revenues from independent sources</b>	<b>252</b>	<b>121</b>	<b>369</b>	<b>256</b>	<b>61</b>	<b>15</b>	<b>(611)</b>	<b>36</b>	<b>842</b>	<b>234</b>	<b>912</b>	<b>662</b>
<b>Net cost of services</b>	<b>26 095</b>	<b>24 042</b>	<b>15 389</b>	<b>16 511</b>	<b>5 868</b>	<b>5 289</b>	<b>18 304</b>	<b>9 248</b>	<b>20 411</b>	<b>31 238</b>	<b>86 066</b>	<b>86 328</b>
REVENUES FROM GOVERNMENT												
Appropriations used for:												
Ordinary annual services (net appropriations)	26 117	23 331	15 751	16 153	5 929	5 293	18 888	10 841	25 232	27 697	91 916	83 315
Other services	-	-	-	-	-	-	-	-	1 121	1 269	1 121	1 269
Resources received free of charge from other depts	11	11	7	8	8	10	4	2	137	131	167	162
<b>Total revenues from government</b>	<b>26 128</b>	<b>23 342</b>	<b>15 758</b>	<b>16 161</b>	<b>5 937</b>	<b>5 302</b>	<b>18 892</b>	<b>10 843</b>	<b>26 489</b>	<b>29 097</b>	<b>93 204</b>	<b>84 746</b>
<b>Operating result before extraordinary items</b>	<b>33</b>	<b>(700)</b>	<b>369</b>	<b>(350)</b>	<b>69</b>	<b>13</b>	<b>588</b>	<b>1 595</b>	<b>6 079</b>	<b>(2 140)</b>	<b>7 138</b>	<b>(1 582)</b>
Net revenues or expenses from extraordinary items:												
Restructuring	-	-	-	-	-	-	-	(1 383)	-	-	-	(1 383)
Other	-	(3 676)	-	-	-	-	-	-	-	(31)	-	(3 707)
<b>Operating result</b>	<b>33</b>	<b>(4 376)</b>	<b>369</b>	<b>(350)</b>	<b>69</b>	<b>13</b>	<b>588</b>	<b>212</b>	<b>6 079</b>	<b>(2 171)</b>	<b>7 138</b>	<b>(6 672)</b>
Accumulated results at 1 July	(2 746)	1 630	(3 039)	(2 689)	(741)	(754)	212	-	978	3 149	(5 335)	1 337
<b>Accumulated results at 30 June</b>	<b>(2 712)</b>	<b>(2 746)</b>	<b>(2 670)</b>	<b>(3 039)</b>	<b>(672)</b>	<b>(741)</b>	<b>800</b>	<b>212</b>	<b>7 057</b>	<b>978</b>	<b>1 803</b>	<b>(5 335)</b>

The above Statement should be read in conjunction with the accompanying notes.

<b>DEPARTMENT OF TRANSPORT AND REGIONAL DEVELOPMENT</b>												
<b>ADMINISTERED PROGRAM REVENUES AND EXPENSES</b>												
<i>for the year ended 30 June 1997</i>												
	<b>Aviation</b>		<b>Land Transport</b>		<b>Maritime</b>		<b>Regional Development</b>		<b>Corporate</b>		<b>Total</b>	
	<b>1996-97</b>	1995-96	<b>1996-97</b>	1995-96	<b>1996-97</b>	1995-96	<b>1996-97</b>	1995-96	<b>1996-97</b>	1995-96	<b>1996-97</b>	1995-96
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
<b>REVENUES</b>												
Other taxes, fees and fines	<b>36 004</b>	27 997	<b>20 033</b>	28 546	<b>51 173</b>	46 424	-	-	-	-	<b>107 210</b>	102 966
Sales of goods and services	-	-	<b>6 006</b>	5 756	-	-	-	-	-	-	<b>6 006</b>	5 756
Interest and dividends	<b>41 362</b>	40 117	<b>4 350</b>	6 664	<b>979</b>	4 697	<b>14 185</b>	5 030	-	-	<b>60 875</b>	56 507
Net gains from asset sales	<b>11</b>	-	-	-	-	-	-	-	-	-	<b>11</b>	-
Other	<b>4 859</b>	230	<b>684</b>	1	<b>109</b>	1 122	<b>18 356</b>	14 547	<b>105</b>	120	<b>24 114</b>	16 019
<b>Total revenues</b>	<b>82 236</b>	68 343	<b>31 073</b>	40 967	<b>52 261</b>	52 243	<b>32 541</b>	19 577	<b>105</b>	120	<b>198 216</b>	181 249
<b>EXPENSES</b>												
Subsidies	<b>1 270</b>	1 362	<b>5 376</b>	4 815	<b>76 827</b>	73 345	<b>3 142</b>	1 214	-	-	<b>86 614</b>	80 735
Grants	<b>96 094</b>	82 511	<b>1 234 628</b>	383 467	<b>60 965</b>	49 699	<b>41 112</b>	44 738	-	-	<b>1 432 800</b>	560 415
Depreciation and amortisation	<b>1</b>	-	-	-	-	-	-	-	-	-	<b>1</b>	-
Net write down of assets	<b>6 996</b>	16 388	<b>4</b>	(4)	-	(1)	<b>2 123</b>	1 981	-	0	<b>9 123</b>	18 365
Other	<b>48 284</b>	57 144	<b>6 529</b>	(22 893)	<b>2 150</b>	1 846	<b>273</b>	602	-	-	<b>57 236</b>	36 699
<b>Total expenses</b>	<b>152 645</b>	157 403	<b>1 246 536</b>	365 386	<b>139 941</b>	124 890	<b>46 651</b>	48 534	-	0	<b>1 585 774</b>	696 213
Net contribution/cost to government	<b>(70 409)</b>	(89 060)	<b>(1 215 463)</b>	(324 419)	<b>(87 681)</b>	(72 647)	<b>(14 109)</b>	(28 958)	<b>105</b>	120	<b>(1 387 558)</b>	(514 964)
<b>TRANSFERS</b>												
Cash from Commonwealth Public Account	<b>147 174</b>	n/a	<b>1 250 542</b>	n/a	<b>137 678</b>	n/a	<b>100 360</b>	n/a	-	n/a	<b>1 635 754</b>	n/a
Cash to Commonwealth Public Account	<b>(181 055)</b>	n/a	<b>(31 294)</b>	n/a	<b>(52 248)</b>	n/a	<b>(28 334)</b>	n/a	<b>(35)</b>	n/a	<b>(292 967)</b>	n/a
<b>Net change in administered assets before extraordinary items</b>	<b>(104 291)</b>	n/a	<b>3 785</b>	n/a	<b>(2 251)</b>	n/a	<b>57 917</b>	n/a	<b>69</b>	n/a	<b>(44 771)</b>	n/a
Extraordinary items	-	(248 078)	-	n/a	-	n/a	-	158 883	-	n/a	-	(89 195)
<b>Net change in administered assets</b>	<b>(104 291)</b>	n/a	<b>3 785</b>	n/a	<b>(2 251)</b>	n/a	<b>57 917</b>	n/a	<b>69</b>	n/a	<b>(44 771)</b>	n/a
Transfers from/(to) Reserves	<b>96 000</b>	n/a	<b>(6 100)</b>	n/a	-	n/a	-	n/a	-	n/a	<b>89 900</b>	n/a
Accumulated results at 1 July	<b>(226 843)</b>	n/a	<b>(1 311 463)</b>	n/a	<b>(62 877)</b>	n/a	<b>129 925</b>	n/a	<b>130</b>	n/a	<b>(1 471 131)</b>	n/a
Changes in accounting policy effected 1 July	<b>1 593 425</b>	n/a	<b>394 685</b>	n/a	<b>(14 932)</b>	n/a	<b>(291 878)</b>	n/a	-	n/a	<b>1 681 301</b>	n/a
<b>Accumulated results at 30 June</b>	<b>1 358 291</b>	n/a	<b>(919 093)</b>	n/a	<b>(80 059)</b>	n/a	<b>(104 036)</b>	n/a	<b>199</b>	n/a	<b>255 302</b>	n/a

The above Statement should be read in conjunction with the accompanying notes.

**DEPARTMENT OF TRANSPORT AND REGIONAL DEVELOPMENT  
DEPARTMENTAL PROGRAM ASSETS AND LIABILITIES**

*for the year ended 30 June 1997*

	Aviation		Land Transport		Maritime		Regional Development		Corporate		Total	
	1996-97 \$'000	1995-96 \$'000	1996-97 \$'000	1995-96 \$'000	1996-97 \$'000	1995-96 \$'000	1996-97 \$'000	1995-96 \$'000	1996-97 \$'000	1995-96 \$'000	1996-97 \$'000	1995-96 \$'000
DEBT												
Other	-	-	-	-	-	-	690	1 382	-	-	690	1 382
<b>Total debt</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>690</b>	<b>1 382</b>	<b>-</b>	<b>-</b>	<b>690</b>	<b>1 382</b>
PROVISIONS AND PAYABLES												
Employees	5 532	5 460	3 608	3 856	1 354	1 334	353	3 192	5 196	8 137	16 044	21 979
Suppliers	92	210	88	115	36	20	8	114	447	472	671	930
Other	12	5	75	82	-	-	-	-	-	-	87	87
<b>Total provisions and payables</b>	<b>5 636</b>	<b>5 675</b>	<b>3 772</b>	<b>4 052</b>	<b>1 390</b>	<b>1 354</b>	<b>361</b>	<b>3 306</b>	<b>5 643</b>	<b>8 609</b>	<b>16 802</b>	<b>22 997</b>
EQUITY												
Accumulated results	(2 712)	(2 746)	2 670	(3 039)	(672)	(741)	800	212	7 057	978	1 803	(5 335)
Reserves	106	115	-	-	-	-	-	-	-	-	106	115
<b>Total equity</b>	<b>(2 606)</b>	<b>(2 631)</b>	<b>(2 670)</b>	<b>(3 039)</b>	<b>(672)</b>	<b>(741)</b>	<b>800</b>	<b>212</b>	<b>7 057</b>	<b>978</b>	<b>1 909</b>	<b>(5 220)</b>
<b>Total liabilities and equity</b>	<b>3 030</b>	<b>3 045</b>	<b>1 102</b>	<b>1 014</b>	<b>718</b>	<b>613</b>	<b>1 851</b>	<b>4 900</b>	<b>12 700</b>	<b>9 588</b>	<b>19 401</b>	<b>19 159</b>
FINANCIAL ASSETS												
Cash	5	5	1	-	0	2	-	10	23	30	30	46
Receivables	755	38	210	-	211	3	-	-	4 710	0	5 886	42
<b>Total financial assets</b>	<b>760</b>	<b>44</b>	<b>212</b>	<b>-</b>	<b>211</b>	<b>6</b>	<b>-</b>	<b>10</b>	<b>4 733</b>	<b>30</b>	<b>5 916</b>	<b>88</b>
NON-FINANCIAL ASSETS												
Land and Buildings	272	301	-	-	-	-	-	-	-	-	272	301
Infrastructure, plant and equipment	1 809	2 370	845	860	481	579	1 848	4 862	5 000	6 706	9 983	15 378
Inventories	-	6	44	23	4	3	2	11	304	325	355	368
Intangibles	6	172	-	106	-	-	-	-	553	873	559	1 150
Other	183	152	1	24	22	25	-	18	2 109	1 654	2 315	1 873
<b>Total non-financial assets</b>	<b>2 270</b>	<b>3 001</b>	<b>890</b>	<b>1 014</b>	<b>507</b>	<b>607</b>	<b>1 851</b>	<b>4 891</b>	<b>7 967</b>	<b>9 558</b>	<b>13 485</b>	<b>19 071</b>
<b>Total assets</b>	<b>3 030</b>	<b>3 045</b>	<b>1 102</b>	<b>1 014</b>	<b>718</b>	<b>613</b>	<b>1 851</b>	<b>4 900</b>	<b>12 700</b>	<b>9 588</b>	<b>19 401</b>	<b>19 159</b>

The above Statement should be read in conjunction with the accompanying notes.

**DEPARTMENT OF TRANSPORT AND REGIONAL DEVELOPMENT  
ADMINISTERED PROGRAM ASSETS AND LIABILITIES**

for the year ended 30 June 1997

	Aviation		Land Transport		Maritime		Regional Development		Corporate		Total	
	1996-97 \$'000	1995-96 \$'000	1996-97 \$'000	1995-96 \$'000	1996-97 \$'000	1995-96 \$'000	1996-97 \$'000	1995-96 \$'000	1996-97 \$'000	1995-96 \$'000	1996-97 \$'000	1995-96 \$'000
<b>DEBT</b>												
Loans	110 000	-	20 050	-	3 733	-	112 273	-	-	-	246 057	-
<b>Total debt</b>	<b>110 000</b>	<b>-</b>	<b>20 050</b>	<b>-</b>	<b>3 733</b>	<b>-</b>	<b>112 273</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>246 057</b>	<b>-</b>
<b>PROVISIONS AND PAYABLES</b>												
Subsidies	106	98	-	24	66	67	-	-	-	-	172	189
Grants	5 500	-	2 001	440 740	6 300	3 980	30 399	86 099	-	-	44 200	530 819
Other	8 585	15 484	71	19	91	143	-	23	-	-	8 747	15 668
<b>Total provisions and payables</b>	<b>14 191</b>	<b>15 582</b>	<b>2 072</b>	<b>440 782</b>	<b>6 456</b>	<b>4 190</b>	<b>30 399</b>	<b>86 122</b>	<b>-</b>	<b>-</b>	<b>53 118</b>	<b>546 676</b>
<b>EQUITY</b>												
Accumulated results	1 358 291	(1 561 452)	(919 093)	(368 444)	(80 059)	10 770	(104 036)	220 995	199	53	255 302	1 698 078
Reserves	1 762 964	3 486 121	1 732 263	389 525	126 229	56 402	190 010	-	(77)	-	3 811 389	3 932 048
<b>Total equity</b>	<b>3 121 254</b>	<b>1 924 669</b>	<b>813 170</b>	<b>21 081</b>	<b>46 170</b>	<b>67 172</b>	<b>85 974</b>	<b>220 995</b>	<b>122</b>	<b>53</b>	<b>4 066 691</b>	<b>2 233 970</b>
<b>Total liabilities and equity</b>	<b>3 245 445</b>	<b>1 940 251</b>	<b>835 292</b>	<b>461 863</b>	<b>56 359</b>	<b>71 362</b>	<b>228 647</b>	<b>307 117</b>	<b>122</b>	<b>53</b>	<b>4 365 866</b>	<b>2 780 646</b>
<b>FINANCIAL ASSETS</b>												
Cash	-	2	401	-	12	20	-	1	-	-	413	22
Receivables	110 017	115 002	20 439	46 310	3 765	14 940	126 927	181 510	122	53	261 270	357 815
Investments	3 097 572	1 777 696	811 544	411 825	52 582	56 402	98 940	121 851	-	-	4 060 638	2 367 774
Accrued revenues	3 226	5 916	2 240	3 139	-	-	2 545	3 630	-	-	8 011	12 684
<b>Total financial assets</b>	<b>3 210 815</b>	<b>1 898 615</b>	<b>834 624</b>	<b>461 273</b>	<b>56 359</b>	<b>71 362</b>	<b>228 412</b>	<b>306 992</b>	<b>122</b>	<b>53</b>	<b>4 330 332</b>	<b>2 738 295</b>
<b>NON-FINANCIAL ASSETS</b>												
Land and Buildings	34 620	39 121	-	-	-	-	-	-	-	-	34 620	39 121
Infrastructure, plant and equipment	10	4	318	-	-	-	-	-	-	-	328	4
Inventories	-	-	350	590	-	-	-	-	-	-	350	590
Other	-	2 510	-	-	-	-	235	125	-	-	235	2 635
<b>Total non-financial assets</b>	<b>34 630</b>	<b>41 636</b>	<b>668</b>	<b>590</b>	<b>-</b>	<b>-</b>	<b>235</b>	<b>125</b>	<b>-</b>	<b>-</b>	<b>35 533</b>	<b>42 351</b>
<b>Total assets</b>	<b>3 245 445</b>	<b>1 940 251</b>	<b>835 292</b>	<b>461 863</b>	<b>56 359</b>	<b>71 362</b>	<b>228 647</b>	<b>307 117</b>	<b>122</b>	<b>53</b>	<b>4 365 866</b>	<b>2 780 646</b>

The above Statement should be read in conjunction with the accompanying notes.

**DEPARTMENT OF TRANSPORT AND REGIONAL DEVELOPMENT**  
**DEPARTMENTAL CASH FLOWS**  
*for the year ended 30 June 1997*

	Notes	<b>1996-97</b> <b>\$'000</b>	1995-96 \$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Appropriation revenue		<b>87 188</b>	84 584
Sales of goods and services		<b>913</b>	709
<b>Total cash received</b>		<b>88 101</b>	85 293
<b>Cash used</b>			
Employee expenses		<b>60 729</b>	50 714
Administrative expenses		<b>26 445</b>	31 493
<b>Total cash used</b>		<b>87 174</b>	82 207
<b>Net cash from operating activities</b>	16A	<b>927</b>	3 086
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from the disposal of property, plant and equipment		<b>264</b>	100
<b>Total cash received</b>		<b>264</b>	100
<b>Cash used</b>			
Payment for the acquisition of property, plant and equipment		<b>1 208</b>	3 170
<b>Total cash used</b>		<b>1 208</b>	3 170
<b>Net cash from (used by) investing activities</b>		<b>( 944)</b>	(3 070)
<b>Net increase/(decrease) in cash held</b>		<b>(17)</b>	16
add cash at 1 July		<b>46</b>	30
<b>Cash at 30 June</b>		<b>30</b>	46

The above Statement should be read in conjunction with the accompanying notes.

**DEPARTMENT OF TRANSPORT AND REGIONAL DEVELOPMENT**  
**STATEMENT OF CASH FLOWS**

*for the year ended 30 June 1997*

	Notes	1996-97 \$'000	1995-96 \$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Other taxes, fees and fines		110 042	n/a
Sales of goods and services		5 948	n/a
Interest and dividends		61 313	n/a
Other non-taxation revenues		20 197	n/a
Cash from CPA		1 632 300	n/a
<b>Total cash received</b>		<b>1 829 800</b>	n/a
<b>Cash used</b>			
Subsidies		86 631	n/a
Grants		1 478 914	n/a
Other		63 931	n/a
Cash to CPA		197 123	n/a
<b>Total cash used</b>		<b>1 826 599</b>	n/a
<b>Net cash from operating activities</b>	16B	<b>3 200</b>	n/a
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from sales of property, plant and equipment		156	n/a
Equity repayments		96 000	n/a
Repayment of loans		97 586	n/a
Cash from CPA		6 100	n/a
<b>Total cash received</b>		<b>199 842</b>	n/a
<b>Cash used</b>			
Equity payment		6 100	n/a
Purchase of property, plant and equipment		2 964	n/a
Repayment to CPA		97 586	n/a
Cash to CPA		96 000	n/a
<b>Total cash used</b>		<b>202 650</b>	n/a
<b>Net cash from (used by) investing activities</b>		<b>(2 809)</b>	n/a
<b>Net increase in cash held</b>		<b>391</b>	n/a
add cash at 1 July		22	n/a
<b>Cash at 30 June</b>		<b>413</b>	n/a

The above Statement should be read in conjunction with the accompanying notes.

**DEPARTMENT OF TRANSPORT AND REGIONAL DEVELOPMENT**  
**SCHEDULE OF COMMITMENTS**  
*for the year ended 30 June 1997*

<b>BY TYPE</b>	<i>Departmental</i>		<i>Administered</i>	
	<b>96/97</b>	95/96	<b>96/97</b>	95/96
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
<b>CAPITAL COMMITMENTS</b>				
Land and buildings	-	-	-	-
Infrastructure, plant and equipment	-	-	-	-
Specialist military hardware	-	-	-	-
Investments	-	-	-	6 100
Other capital commitments	<b>98</b>	-	-	-
<b>Total capital commitments</b>	<b>98</b>	-	-	6 100
<b>OTHER COMMITMENTS</b>				
Operating leases	<b>28 349</b>	45 959	-	-
Project commitments	-	-	<b>1 939 700</b>	150
Research and development	<b>6</b>	-	<b>20</b>	-
Other commitments	<b>763</b>	118	<b>44 213</b>	520
<b>Total other commitments</b>	<b>29 118</b>	46 077	<b>1 983 933</b>	670
<b>COMMITMENTS RECEIVABLE</b>				
	-	-	<b>160</b>	-
<b>Net commitments</b>	<b>29 217</b>	46 077	<b>1 983 773</b>	6 770
 <b>BY MATURITY</b>				
One year or less	<b>8 711</b>	11 390	<b>722 804</b>	6 770
From one to two years	<b>7 729</b>	10 869	<b>402 261</b>	-
From two to five years	<b>11 531</b>	22 823	<b>304 627</b>	-
Over five years	<b>1 246</b>	994	<b>554 241</b>	-
<b>Net commitments</b>	<b>29 217</b>	46 077	<b>1 983 773</b>	6 770

The above Schedule should be read in conjunction with the accompanying notes.

**DEPARTMENT OF TRANSPORT AND REGIONAL DEVELOPMENT**  
**SCHEDULE OF CONTINGENCIES**  
*for the year ended 30 June 1997*

	<i>Departmental</i>		<i>Administered</i>	
	<b>96/97</b>	95/96	<b>96/97</b>	95/96
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
<b>CONTINGENT LOSSES</b>				
Guarantees to PTEs	-	-	<b>999 672</b>	1 088 523
Guarantees to PFEs	-	-	-	-
Other guarantees	-	-	-	-
Indemnities	-	-	-	-
Uncalled shares	-	-	-	-
Claims for damages/costs	<b>5 070</b>	7 900	<b>44 100</b>	40 000
Other	-	-	-	-
<b>Total contingent losses</b>	<b>5 070</b>	7 900	<b>1 043 772</b>	1 128 523
<b>CONTINGENT GAINS</b>	-	-	-	-
<b>Net contingencies</b>	<b>5 070</b>	7 900	<b>1 043 772</b>	1 128 523

**SCHEDULE OF UNQUANTIFIABLE CONTINGENCIES**

**Departmental**

There are no unquantifiable contingencies for the 1996-97 financial year.

**Administered**

**Indemnities**

ANL Board - Indemnity for protection against civil claims

Civil Aviation Safety Authority - Indemnity for air safety functions

Civil Aviation Safety Authority - Indemnity for insurance liability  
under Part IVA of the *Civil Aviation Act 1959*

**Balance Outstanding**

**1996-97**      **1995-96**

\$                      \$

**Unspecified**      Unspecified

**Unspecified**      Unspecified

**Unspecified**      -

**Guarantee**

The Commonwealth has issued a guarantee for all ANL's major lease facilities. The risk of the full guarantee exposure materialising is highly remote, but would anyway be likely to be largely offset by the value of ANL's lessor loans and the value of assets that ANL would assume in the event of termination of leases.

**Litigation**

Compensation claims relating to a number of properties acquired for the proposed second Sydney Airport at Badgerys Creek were outstanding at 30 June 1997. Potential liabilities are estimated at \$44 100 000 (1995-96: \$40 000 000)

The above Schedule should be read in conjunction with the accompanying notes.

**DEPARTMENT OF TRANSPORT AND REGIONAL DEVELOPMENT**  
**STATEMENT OF TRANSACTIONS BY FUND**

*for the year ended 30 June 1997*

	Notes	1996-97 Budget \$	1996-97 Actual \$	1995-96 Actual \$
<b>Consolidated Revenue Fund</b>				
RECEIPTS	17	316 265 000	<b>394 074 419</b>	1655 161 050
<b>EXPENDITURE</b>				
Expenditure from special appropriations:	18	981 721 000	<b>997 363 494</b>	1016 590 855
Expenditure from annual appropriations:	19			
Appropriation Act (No 1) 1996-97		258 248 000 }		
		}		
Appropriation Act (No 3) 1996-97		n/a }	<b>247 290 278</b>	327 882 131
		}		
Audit Act 1901 (section 35)		1 155 584 }		
Appropriation Act (No 2) 1996-97		209 626 000 }		
		}	<b>479 444 000</b>	259 112 177
Appropriation Act (No 4) 1996-97		n/a }		
<b>Total expenditure</b>		<b>1 450 750 584</b>	<b>1 724 097 772</b>	1 603 585 163
<b>Loan Fund</b>				
RECEIPTS		Nil	<b>Nil</b>	Nil
EXPENDITURE		Nil	<b>Nil</b>	Nil
<b>Trust Fund</b>				
Heads of trust (private moneys):	20			
Receipts		536 000	<b>714 852</b>	731 191
Expenditure		536 000	<b>665 961</b>	815 223
Trust accounts (Commonwealth activities):				
Receipts		851 453 000	<b>859 909 385</b>	862 906 003
Expenditure		851 453 000	<b>859 507 985</b>	862 906 003
<b>Total receipts</b>		<b>851 989 000</b>	<b>860 624 237</b>	863 637 194
<b>Total expenditure</b>		<b>851 989 000</b>	<b>860 173 946</b>	863 721 236

The above Statement should be read in conjunction with the accompanying notes.

**DEPARTMENT OF TRANSPORT AND REGIONAL DEVELOPMENT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*for the year ended 30 June 1997*

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<b>Note</b>	<b>Description</b>
1	Departmental Objectives
2	Summary of Significant Accounting Policies
3	Events Occurring after Balance Date
4	Goods and Services Expenses
5	Resources Received Free of Charge
6	Subsidies and Grants Expenses
7	Extraordinary Items
8	Changes in Accounting Policy
9	Taxation revenue
10	Non-taxation revenue
11	Debt
12	Provisions and Payables
13	Equity
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21	Executive Remuneration
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23	Act of Grace Payments and Waivers
24	Average Staffing Level

## **Note 1 - Departmental Objectives**

The purpose of the Department is to support the Government's objectives of promoting economic and social development by enhancing Australia's infrastructure performance.

The program structure and the objectives of each program are set out in the annual report.

## **Note 2 - Summary of Significant Accounting Policies**

### **2.1 Basis of Accounting**

The financial statements are required by section 50 of the *Audit Act 1901* and are a general purpose financial report. The financial statements have been prepared in accordance with Guidelines titled *Financial Statements of Commonwealth Departments* issued by the Minister for Finance in June 1997 (the 'Guidelines'). The Guidelines require compliance with the Australian Accounting Standards and Accounting Guidance Releases issued by the Australian Accounting Research Foundation, having regard to Statements of Accounting Concepts and the Consensus Views of the Urgent Issues Group.

Where it is not practicable to adopt the 1997 Guidelines in full, this Department is permitted continuing compliance with the previous (1995) version. The Department complies with the 1995 Guidelines in relation to the matter at note 2.4.

The financial statements have been prepared on an accrual basis and 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 of the financial position.

The continued existence of the Department in its present form, and with its present programs, is dependent on Government policy and on continuing appropriations by Parliament for the Department's administration and programs.

### **2.2 Changes in accounting policy**

A number of the changes made in the 1997 Guidelines involve changes to accounting policies. These and other changes made are identified in this note.

### **2.3 Departmental and Administered items**

Departmental assets, liabilities, revenues and expenses are those items that are controlled by the Department including:

- computers, plant and equipment used in providing goods and services;
- liabilities for employee entitlements;
- revenues from running costs appropriations and from user charging etc where the proceeds are deemed appropriated under section 35 of the *Audit Act 1901*; and
- employee expenses and other suppliers expenses incurred in providing goods and services.

Administered items are those items which are controlled by the Government and managed or oversighted by the Department on behalf of the Government. These items include grants, subsidies, other taxes, fees and fines.

The separation of administered and departmental items enables the assessment of administrative efficiency of the Department in providing goods and services.

The basis of accounting described in note 2.1 applies to both departmental and administered items.

The Guidelines require that, from 1 July 1996, administered transactions be accounted for on a double entry basis. The effect of this requirement is that transfers of cash to and from the Commonwealth Public Account (CPA) will be reported on the face of the statement of Administered Revenues and Expenses where operating transactions are involved, and that, where transactions involving financial assets and liabilities not arising from operations are involved, receivables from and payables to the Public Account will be recognised in the Statement of Assets and Liabilities.

Liabilities totalling \$346,013,063 being "Amounts payable to the CPA", were recognised as at 1 July 1996 to give effect to this policy change. The adjusting entry was made against administered accumulated results.

Administered items are distinguished from departmental items by shading.

#### **2.4 Allocation of Costs and Revenues and Assets and Liabilities to Departmental Programs**

Direct costs have been allocated against the program which incurred these costs. Corporate overheads and components of administrative expenses have been allocated to programs using staffing levels as the cost allocation base.

Appropriation revenue has been allocated in accordance with the program allocation at the time of preparing the Department's budget.

Assets and liabilities have been allocated to programs responsible for control and administration of the asset/liability.

The Department will adopt in full the requirements of the 1997 Guidelines in 1997-98. Sub-clause 11(5) of the 1997 Guidelines requires the allocation of overhead costs to primary programs in accordance with the Guidelines from 1997-98.

#### **2.5 Appropriations**

Appropriations for departmental operations other than running costs are recognised as revenue to the extent that the appropriations are spent.

The Guidelines require that, from 1 July 1996, amounts received as appropriations for departmental running costs operations are to be recognised according to their nature under the Running Costs Arrangements. Under these arrangements, the department receives a base amount of funding by way of appropriation for running costs each year. The base amount may be supplemented in any year by a carryover from the previous year of unspent appropriations up to allowable limits, as well as by borrowings at a discount against future appropriations of the base amount. The repayment of a borrowing is effected by an appropriate reduction in the appropriation actually received in the year of repayment.

The Department now recognises:

- as revenue an amount equal to the base funding spent in the year or carried over to the next year,
- as a receivable, an amount equal to the amount of unspent appropriation carried over to the next financial year, and

- as a liability, outstanding amounts of running costs borrowings. The interest cost of the borrowing is expensed over the life of the borrowing.

Previously, an amount equal to the running costs appropriations received was credited as revenue. This change in policy means that the carryover from 1995-96 of \$6 016 000 is recognised as revenue in 1996-97 in addition to the carryover for 1996-97.

## **2.6 Resources Received Free of Charge**

Resources received free of charge are recognised in the statement of Departmental Revenues and Expenses as revenue where the amounts can be reliably measured. Use of those resources is recognised in the Net Cost of Services.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised at their fair value when the asset qualifies for recognition, unless received from another department as a consequence of a restructuring of administrative arrangements. In the latter case, the assets are initially recognised at the amounts at which they were recognised by the transferring department immediately prior to the transfer.

## **2.7 Asset Sales program**

The guidelines require that, from 1 July 1996, sales of Commonwealth interests in controlled entities conducted by the Office of Asset Sales (OAS) within the Department of Finance are to be fully reported by the OAS. At the time of sale, the Department of Transport and Regional Development writes back the carrying amount of the investment against the investment's share of the Administered Investments Reserve and the Administered Assets Revaluation Reserve. In previous years, such asset sales were reported by the Department of Transport and Regional Development except for the costs of sale, which were reported by OAS.

During 1995-96 the Commonwealth disposed of its remaining equity in Qantas Airways Ltd. The result reported in the statement of Administered Revenues and Expenses represented the difference between the proceeds from the sale and the Commonwealth's share of net assets of the company as at 30 June 1995. The costs of sale were reported by the Department of Finance.

## **2.8 Grants (Administered)**

The Department of Transport and Regional Development administers a number of grant schemes on behalf of the Commonwealth. Except as indicated below, agreements made under these schemes are multi-year grant agreements and are covered in note 12F in these financial statements. The amounts recognised are the full amounts under the agreement.

The Department administers the Australian Land Transport Development (ALTD) program grant scheme on behalf of the Commonwealth. The scheme covers payments to the States and Territories to cover their expenditures for approved projects carried out on the National Highway, Pacific Highway and other Roads of National Importance.

The Commonwealth makes monthly payments to the States and Territories under the program to meet its social policy objectives. Each monthly payment includes a component for funds provided in advance to cover the States' and Territories' estimated expenditure requirements covering one and three quarter months from the time of payment.

Previously, the unspent balance of the project approval limit was recognised as an expense and a liability at the time the agreements were made. The change in policy follows advice from the Public Sector Accounting Standards Board that multi-year government-to-government agreements

made to meet social policy objectives of the grantor government do not create a present obligation on the grantor until the requisite agreed services have been provided by the recipient government.

The outstanding liability as at 30 June 1996 of \$440 740 000 has been written back against the opening balance of administered accumulated results.

## **2.9 Employee Entitlements**

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 in future years by employees of the Department 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 at 30 June 1997 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 at 30 June 1997. In determining the present value of the liability, the Department has taken into account attrition rates and projected pay increases through promotion and inflation.

## **2.10 Superannuation**

Staff of the Department of Transport and Regional Development contribute to the Commonwealth Superannuation Scheme and the Public Sector Superannuation Scheme. Employer contributions amounting to \$5 955 585 (1995-96 \$5 884 831) in relation to these schemes have been expensed in these financial statements.

No liability is shown for superannuation in the Statement of Assets and Liabilities as the employer contributions extinguish the Department's liability for superannuation. The accruing liability is assumed by the Commonwealth.

Employer Superannuation Productivity Benefit contributions totalled \$946 093 (1995-96 \$1 063 536).

## **2.11 Separation and Redundancy**

Provision is also made for separation and redundancy payments in circumstances where the Department has formally identified positions as excess to requirements and a reliable estimate of the amount of the payments can be determined.

## **2.12 Leases**

Operating lease payments are charged to the statement of Departmental Revenues and Expenses on a basis which is representative of the pattern of benefits derived from the leased assets.

The Department did not have any financial lease arrangements.

Lease incentives taking the form of 'free' leasehold improvements and rent free holidays are recognised as liabilities. These liabilities are reduced by allocating lease payments between rental expense and reduction of the liability.

### **2.13 Cash**

Cash includes notes and coins held, deposits held at call with a bank or financial institution and balances in the Commonwealth Public Account (CPA).

### **2.14 Bad and Doubtful Debts**

Bad debts are written off as bad when so identified. The write-off is to expense or, to the extent a provision for a doubtful debt already existed, as a reversal of the provision.

A provision is raised for any doubtful debts based on a review of all outstanding accounts at year end.

### **2.15 Asset Capitalisation Threshold**

Depreciable non-current assets are capitalised in the year of acquisition where the historical cost is equal to or in excess of \$2,000. Other assets which are capitalised in the year of acquisition regardless of the historical cost are:

- CPU's and monitors; and
- items of plant and equipment acquired as part of a leasehold fitout. Leasehold improvements are valued on a project basis and therefore include items of plant and equipment with a unit value of less than \$2 000.

All other assets with historical costs less than \$2 000 are expensed in the year of acquisition.

### **2.16 Measurement of Assets**

The Guidelines require that property, plant and equipment be progressively revalued in accordance with the 'deprival' method of valuation (as set out in the *Guidelines on Accounting Policy for Valuation of Assets of Government Trading Enterprises*) by 1 July 1999 and thereafter be revalued progressively on that basis every three years.

The Department is implementing its progressive revaluations as follows (changes in accounting policy from 1995-96 are indicated):

- freehold land and buildings will be initially revalued progressively over the financial years 1998-99 and thereafter over successive three year periods. A geographical approach will be adopted. For 1996-97, the carrying amounts of these assets are based on a June 1996 valuation. (The previous policy was to revalue the whole class in full every third year);
- leasehold improvements will be revalued progressively every three years on a geographical basis from 1997-99;
- plant, equipment and intangibles will be initially revalued over the financial years 1997-98 and 1998-99, and thereafter over successive three year periods on a geographical basis. (Previous policy was to carry these assets on the basis of the value recognised on acquisition.)

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 for the duration of the progressive revaluation then in progress.

The financial effect of the move to progressive revaluations is that the carrying amounts of assets will reflect current values and that depreciation charges will reflect the current cost of the service potential consumed in each period.

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.

Assets acquired as a consequence of restructuring administrative arrangements are initially recognised at the amounts at which they were recognised in the transferor departments' accounts immediately prior to the restructuring.

The Department revalues all land and buildings every three years.

Revaluations are accounted for by separately stating the gross amount and the related accumulated depreciation of the revalued asset.

Valuation of administered land at Kingsford Smith Airport is based on the market value for proposed use. As it is proposed to use the land for open space purposes the valuation has been made on this basis.

The valuation of administered land at Badgerys Creek is based on the use of the land for purposes not incompatible with operations of an airport.

## **2.17 Depreciation and Amortisation of Non-Current Assets**

Depreciable non-current assets are written-down to their estimated residual values over their estimated useful lives. Estimated useful lives are reviewed annually.

Depreciation is calculated using the straight-line method which effectively reflects the pattern of usage and rate of loss of value of the Department's depreciable non-current assets.

Leasehold improvements are amortised on a straight line basis over the lesser of the estimated useful life of the improvements and the unexpired period of the lease.

## **2.18 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 an FIFO 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.

## **2.19 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. The investment was initially recognised as an asset as at 30 June 1996, with a contra entry

being made to the Administered Investment Reserve. Contra entries for all movements in the investment subsequent to 30 June 1996 are made to an Administered Assets Revaluation Reserve.

## **2.20 Taxation**

The Department is exempt from all forms of Commonwealth taxation except fringe benefits tax.

## **2.21 Foreign Currency**

Transactions denominated in a foreign currency are converted at the exchange rate at the date of the transaction. Foreign currency receivables and payables are translated at the exchange rates current as at balance date. Associated currency gains and losses are not material. Loan guarantees arranged in overseas currencies have been converted at the exchange rate current at balance date.

## **2.22 Insurance**

In accordance with Commonwealth Government policy, assets are not insured and losses are expensed as they are incurred.

## **2.23 Comparative Figures**

Where possible, comparative figures have been adjusted to conform with changes in presentation in these financial statements.

## **2.24 Rounding**

Amounts have been rounded to the nearest \$1000 except in relation to the following items:

- Statement of Transaction by Fund and associated notes;
- act of grace payments, waivers; and
- remuneration of executives.

Totals are the rounded sums of unrounded figures.

## **Note 3 Events Occurring after Balance Date**

On 1 July 1997, three Federal Airports Commission (FAC) airports (Melbourne, Brisbane and Perth) were sold.

On 28 August 1997, three Australian National Rail Commission businesses were sold, namely SA Rail, Tasrail and Passenger Rail.

These entities have been accounted for as administered investments. Their sale will be accounted for in the 1997-98 financial statements in accordance with the accounting policy as set out in Note 2.7.

The events occurred after balance date and have not been brought to account in the 1996-97 financial statements.

**1996-97**      1995-96  
**\$'000**          \$'000

**Note 4 - Goods and Services Expenses**

Note 4A - Employee Expenses

Remuneration (for services provided)	52 794	52 074
Separation and redundancy	1 999	2 091
	<b>54 793</b>	<b>54 166</b>

Note 4B - Suppliers Expenses

Supply of goods and services	15 199	19 265
Operating lease rentals	9 649	9 294
	<b>24 848</b>	<b>28 559</b>

Note 4C - Abnormal item

Asset adjustments affecting prior year	<b>1 691</b>	-
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Note 4D - Depreciation and Amortisation

Provision for Depreciation - property, plant and equipment	4 795	3 769
Provision for Amortisation - Intangibles	163	177
	<b>4 958</b>	<b>3 945</b>

Note 4E - Depreciation and Amortisation - Administered

Provision for Depreciation - property, plant and equipment	<b>1</b>	0
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Note 4F - Write-down of assets

Financial assets		
Receivables	0	15
Non-financial assets		
Infrastructure, plant and equipment	165	37
	<b>165</b>	<b>52</b>

Note 4G - Write-down of assets - Administered

Financial assets		
Loans to State and Territory governments	2 123	1 981
Other	4	31
	<b>2 127</b>	<b>2 013</b>
Non-financial assets		
Land and buildings	6 996	16 352
	<b>9 123</b>	<b>18 365</b>

<b>1996-97</b>	1995-96
<b>\$'000</b>	\$'000

Note 4H - Net losses from sales of assets

Non-financial assets

Infrastructure, plant and equipment

<b>523</b>	268
<b>523</b>	268

Note 4I - Other Expenses - Administered

Goods and Services

<b>56 250</b>	64 139
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Other

<b>985</b>	(27 440)
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<b>57 236</b>	36 699
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**Note 5 - Resources received free of charge**

The following resources received free of charge from other Departments have been recognised in the Operating Statements:

Australian National Audit Office

Provision of audit services

<b>123</b>	116
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Department of Finance

Provision of accounting services - payroll processing and ledger transactions

<b>44</b>	46
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<b>167</b>	162
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**Note 6 - Subsidies and Grants**

Note 6 - Grants Expense - Administered

Non-profit institutions

<b>16 469</b>	17 919
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Commonwealth Authorities

<b>528 993</b>	206 628
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State and Territory governments

<b>886 227</b>	332 921
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Local governments

<b>36</b>	1 752
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Overseas entities

<b>1 075</b>	1 194
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<b>1 432 800</b>	560 415
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<b>1996-97</b>	1995-96
<b>\$'000</b>	\$'000

## Note 7 - Extraordinary Items

### Note 7A - Extraordinary items

As a result of a restructuring of administrative arrangements during 1995-96, the Department assumed responsibility for the delivery of Regional Development Program on 11 March 1996 from the Department of Housing and Regional Development.

There was no such arrangement affecting the Department during 1996-97.

Total assets recognised	-	6 459
Total liabilities recognised	-	(7 499)
Adjustment for differing accounting policies	-	( 343)
Net liabilities assumed	-	<u>(1 383)</u>
Asset transfers to other departments	-	(3 707)
Net extraordinary (expenses)/revenues	-	<u><u>(5 090)</u></u>

### Note 7B - Extraordinary items - Administered

Assets received from restructuring	-	295 631
Liabilities assumed from restructuring	-	(136 748)
Investment Reserve assumed	-	-
Net assets/(liabilities) assumed	-	<u>158 883</u>
Sale of QANTAS	refer note 2.7	-
		(248 078)
Net extraordinary (expenses)/revenues	-	<u><u>(89 195)</u></u>

## Note 8 - Changes in Accounting Policy

### Note 8 - Changes in Accounting Policy - Administered

Write down Administered Investment Reserve - QANTAS	<b>1 708 425</b>	-
Initial recognition of Administered Investment Reserve - AWDC	<b>(121 851)</b>	-
Write back of ALTD liability	<b>440 740</b>	-
Initial recognition of Loan from CPA for on-lending	<b>(346 013)</b>	-
	<u><b>1 681 301</b></u>	<u>-</u>

<b>1996-97</b>	1995-96
<b>\$'000</b>	\$'000

**Note 9 - Taxation revenue**

<u>Note 9 - Other taxes, fees and fines - Administered</u>		
Levies	<b>86 880</b>	74 191
Licence and registration fees	<b>20 240</b>	28 485
Fines	<b>88</b>	290
Other fees	<b>2</b>	-
	<b>107 210</b>	102 966

**Note 10 - Non-taxation revenue**

<u>Note 10A - Interest and dividends - Administered</u>		
Interest from other governments		
State and Territory loans	<b>16 993</b>	10 266
Interest from other sources		
Commonwealth Authorities	<b>13 272</b>	14 411
Other loans	<b>440</b>	(73)
	<b>13 712</b>	14 338
Dividends		
Commonwealth authorities	<b>30 150</b>	31 045
Other companies	<b>20</b>	859
	<b>30 170</b>	31 904
	<b>60 875</b>	56 507

<u>Note 10B - Net gains from sale of assets - Administered</u>		
Non-financial assets		
Land and buildings	<b>11</b>	-
	<b>11</b>	-

<u>Note 10C - Other non-taxation revenues - Administered</u>		
AWDC Land Sales	<b>14 500</b>	14 300
Other	<b>9 614</b>	1 719
	<b>24 114</b>	16 019

<b>1996-97</b>	1995-96
<b>\$'000</b>	\$'000

**Note 11 - Debt**

Note 11A - Other Debt

Lease incentives	<b>690</b>	1 382
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<u>Note 11B - Loans from Commonwealth - Administered</u>		
Amounts payable to the Commonwealth Public Account	<b>246 057</b>	-
Maturity schedule for loans:		
Payable: within one year	<b>23 062</b>	-
in one to two years	<b>6 961</b>	-
in two to five years	<b>12 504</b>	-
in more than five years	<b>203 530</b>	-
	<b>246 057</b>	-

**Note 12 - Provisions and Payables**

Note 12A - Employee liabilities

Salaries and wages	<b>656</b>	488
Leave	<b>15 223</b>	19 861
Superannuation	<b>66</b>	63
Separation and Redundancy	-	1 392
Other	<b>99</b>	174
	<b>16 044</b>	21 979

Note 12B - Suppliers

Trade Creditors	<b>658</b>	918
Operating lease rentals	<b>13</b>	13
	<b>671</b>	930

Note 12C - Other

Prepayments received	<b>87</b>	87
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<u>Note 12D - Other - Administered</u>		
Goods and Services	<b>8 743</b>	15 668
Prepayments received	<b>3</b>	-
	<b>8 747</b>	15 668

**1996-97**      1995-96  
**\$'000**        \$'000

<u>Note 12E - Grants Payable - Administered</u>		
Non-profit institutions	<b>20 399</b>	33 406
Commonwealth Authorities	<b>11 800</b>	3 980
State and Territory governments	<b>12 001</b>	493 433
	<b>44 200</b>	530 819

<u>Note 12F - Multi-year grant agreements - Administered</u>					
Year in which agreement was made	Grant Details	Total amount of Agreement \$'000	Payments		
			1996-97 \$'000	1997-98 \$'000	1998-99 \$'000
1996-97	Grants to non-profit organisations	7 500	1 867	4 558	1 075

**Note 13 - Equity**

Note 13A - Equity - Departmental

<b>Item</b>	<b>Capital</b>	<b>Accumulated results</b>	<b>Asset revaluation reserve</b>	<b>Other reserves</b>	<b>Total reserves</b>	<b>TOTAL EQUITY</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Balance 1 July 1996</b>	-	(5 335)	115	-	115	(5 220)
<b>Operating Result</b>	-	7 138	-	-	-	7 138
<b>Dividends</b>	-	-	-	-	-	-
<b>Net Revaluation increases/(decreases)</b>	-	-	(9)	-	(9)	(9)
<b>Transfers to/(from) reserves</b>	-	-	-	-	-	-
<b>Changes in accounting policies</b>	-	-	-	-	-	-
<b>Currency translation gain/(loss)</b>	-	-	-	-	-	-
<b>Balance 30 June 1997</b>	-	1 803	106	-	106	1 909

Note 13B - Equity - Administered

<b>Item</b>	<b>Capital</b>	<b>Accumulated results</b>	<b>Asset revaluation reserve</b>	<b>Administered Investments Reserve</b>	<b>Other Reserves</b>	<b>Total reserves</b>	<b>TOTAL EQUITY</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Balance 1 July 1996</b>	-	(1 471 131)	-	3 932 048	(226 947)	3 705 101	2 233 970
<b>Net change in administered assets</b>	-	(44 771)	-	-	-	-	(44 771)
<b>Net revaluation increases/(decreases)</b>	-	-	1 785 129	(2 365)	-	1 782 764	1 782 764
<b>Transfers to/(from) reserves</b>	-	89 900	-	(89 900)	-	(89 900)	0
<b>Changes in accounting policies</b>	-	1 681 301	-	(1 586 574)	-	(1 586 574)	94 727
<b>Balance 30 June 1997</b>	-	255 302	1 785 129	2 253 209	(226 947)	3 811 389	4 066 691

1996-97      1995-96  
\$'000      \$'000

**Note 14 - Financial Assets**

Note 14A - Cash - Administered

Federal Office of Road Safety Trust Fund	401	-
Cash at bank and on hand	12	22
	413	22
	413	22

Note 14B - Receivables

Appropriations	5 849	-
Goods and services	37	57
Less: provision for doubtful debts	-	15
	5 886	42
	5 886	42

Receivables (gross) are aged as follows:

Not overdue	5 884	42
Overdue by:		
- less than 30 days	-	-
- 30 to 60 days	2	-
- more than 60 days	-	15
	5 886	57
	5 886	57

Note 14C - Receivables - Administered

Loans to State and Territory Governments	132 009	202 377
Loans to Commonwealth Authorities	113 733	141 152
Other Loans	2 225	2 484
Goods and Services	317	255
Other	18 074	17 337
Gross Receivables	266 359	363 605
Less: provision for waiving of debts	(964)	(553)
Less: provision for doubtful debts	(4 124)	(5 237)
Net Receivables	261 270	357 815
	261 270	357 815

Receivables (gross) are aged as follows:

Not overdue	266 261	360 884
Overdue by:		
- less than 30 days	86	97
- 30 to 60 days	3	2 427
- more than 60 days	9	197
	266 359	363 605
	266 359	363 605

**1996-97**      1995-96  
**\$'000**          \$'000

<u>Note 14D - Investments - Administered</u>			
	<b>Cth</b>		
<b>Shares in Commonwealth companies:</b>	<b>Interest</b>		
ANL Ltd	100%	<b>(12 035)</b>	(5 769)
National Rail Corporation	73%	<b>293 615</b>	213 028
<b>Commonwealth authorities:</b>			
Airservices Australia	100%	<b>379 163</b>	432 570
Albury Wodonga Development Corporation	99%	<b>98 940</b>	121 851
Australian Maritime Safety Authority	100%	<b>64 617</b>	62 171
Australian National Rail Commission	100%	<b>517 729</b>	198 583
Civil Aviation Safety Authority	100%	<b>18 670</b>	24 523
Federal Airports Corporation	100%	<b>2 699 262</b>	1 317 808
National Road Transport Commission	35%	<b>200</b>	214
<b>Other Companies:</b>			
Qantas		<b>477</b>	2 795
		<b>4 060 638</b>	<b>2 367 774</b>

<u>Note 14E - Accrued Revenue - Administered</u>		
Interest	<b>2 606</b>	4 528
Other	<b>5 405</b>	8 157
	<b>8 011</b>	<b>12 684</b>

**Note 15 - Non-financial Assets**

Note 15A - Land and Buildings

Freehold land - at 30 June 1996 valuation	<b>123</b>	123
Buildings on freehold land - at 30 June 1996 valuation	<b>178</b>	178
Less: accumulated depreciation	<b>(29)</b>	-
	<b>149</b>	178
Total Land and Buildings	<b>272</b>	<b>301</b>

<b>1996-97</b>	1995-96
<b>\$'000</b>	\$'000

Note 15B - Land and Buildings - Administered

Land - at 30 June 1995 valuation	<b>32 700</b>	32 700
Land - at 30 June 1997 valuation	<b>1 260</b>	5 616
Buildings on freehold land - at cost	<b>660</b>	805
Total Land and Buildings	<b>34 620</b>	39 121

The revaluation of Land as at 30 June 1997 was completed by independent valuer Michael Dyson A.V.L.E. (Val). A revaluation decrement of \$6 995 934 was charged to the statement of Administered Revenues and Expenses.

Note 15C - Infrastructure, Plant and Equipment

Computers, Plant and Equipment - at cost	<b>19 926</b>	23 320
Less: accumulated depreciation	<b>(12 892)</b>	(12 799)
	<b>7 034</b>	10 521
Leasehold improvements - at cost	<b>16 857</b>	16 503
Less: accumulated amortisation	<b>(13 908)</b>	(11 646)
	<b>2 949</b>	4 857
Total Infrastructure, plant and equipment	<b>9 983</b>	<b>15 378</b>
Intangibles	<b>2 608</b>	2 964
Less: accumulated amortisation	<b>(2 050)</b>	(1 813)
	<b>559</b>	1 150

Note 15D - Infrastructure, Plant and Equipment - Administered

Computers, Plant and Equipment - at cost	<b>32</b>	4
Less: accumulated depreciation	<b>(2)</b>	(0)
	<b>30</b>	4
Intangibles - work in progress	<b>298</b>	-
Total Infrastructure, Plant and Equipment	<b>328</b>	4

Note - 15E Analysis of Property, Plant, Equipment and Intangibles

TABLE A

Movement Summary 1996-97 for all assets irrespective of valuation basis

Item	Land	Buildings	Total land and buildings	Other infrastructure, plant & equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Gross value as at 1 July 1996</b>	123	178	301	39 823	2 964	43 088
Additions	-	-	-	1 026	410	1 436
Revaluations	-	-	-	-	-	-
Disposals	-	-	-	(3 494)	-	(3 494)
Other movements	-	-	-	(572)	(766)	(1 338)
<b>Gross value as at 30 June 1997</b>	123	178	301	36 783	2 608	39 693
<b>Accumulated Depreciation/ Amortisation as at 1 July 1996</b>	-	-	-	24 445	1 813	26 258
Depreciation/amortisation charge for assets held 1 July 1996	-	29	29	2 553	163	2 774
Depreciation/amortisation charge for additions	-	-	-	55	74	129
Adjustment for revaluations	-	-	-	-	-	-
Adjustment for disposals	-	-	-	(2 476)	-	(2 476)
Adjustment for other movements	-	-	-	2 224	-	2 224
<b>Accumulated Depreciation/ Amortisation as at 30 June 1997</b>	-	29	29	26 801	2 050	28 879
<b>Net book value as at 30 June 1997</b>	123	149	272	9 983	559	10 814
<b>Net book value as at 1 July 1996</b>	123	178	301	15 378	1 150	16 829

Note - 15E Analysis of Property, Plant, Equipment and Intangibles  
(continued)

Table B  
Summary of balances of assets at valuation as at 30 June 1997

<b>Item</b>	<b>Land</b>	<b>Buildings</b>	<b>Total land and buildings</b>	<b>Other infra-structure, plant &amp; equipment</b>	<b>Intangibles</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>As at 30 June 1997</b>						
Gross value	123	178	301	-	-	301
Accumulated depreciation/ amortisation	-	29	29	-	-	29
Other movements	-	-	-	-	-	-
<b>Net book value</b>	<b>123</b>	<b>149</b>	<b>272</b>	<b>-</b>	<b>-</b>	<b>272</b>
<b>As at 30 June 1996</b>						
Gross value	123	178	301	-	-	301
Accumulated depreciation/ amortisation	-	-	-	-	-	-
Other movements	-	-	-	-	-	-
<b>Net book value</b>	<b>123</b>	<b>178</b>	<b>301</b>	<b>-</b>	<b>-</b>	<b>301</b>

Note - 15F Analysis of Property, Plant, Equipment and Intangibles - Administered

TABLE A

Movement Summary 1996-97 for all assets irrespective of valuation basis

Item	Land	Buildings	Total land and buildings	Other infrastructure, plant & equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$000'	\$'000
<b>Gross value as at 1 July 1996</b>	38 317	805	39 122	4	-	39 126
Additions	2 640	-	2 640	27	298	2 965
Revaluations	(6 996)	-	(6 996)	-	-	(6 996)
Disposals	-	(145)	(145)	-	-	(145)
Other movements	-	-	-	-	-	-
<b>Gross value as at 30 June 1997</b>	<b>33 960</b>	<b>660</b>	<b>34 620</b>	<b>32</b>	<b>298</b>	<b>34 950</b>
<b>Accumulated Depreciation/Amortisation as at 1 July 1996</b>	-	-	-	-	-	-
Depreciation/amortisation charge for assets held 1 July 1996	-	-	-	-	-	-
Depreciation/amortisation charge for additions	-	-	-	1	-	1
Adjustment for revaluations	-	-	-	-	-	-
Adjustment for disposals	-	-	-	-	-	-
Adjustment for other movements	-	-	-	-	-	-
<b>Accumulated Depreciation/Amortisation as at 30 June 1997</b>	-	-	-	2	-	2
<b>Net book value as at 30 June 1997</b>	<b>33 960</b>	<b>660</b>	<b>34 620</b>	<b>30</b>	<b>298</b>	<b>34 948</b>
<b>Net book value as at 1 July 1996</b>	<b>38 317</b>	<b>805</b>	<b>39 122</b>	<b>4</b>	<b>-</b>	<b>39 126</b>

Note - 15F Analysis of Property, Plant, Equipment and Intangibles - Administered  
(continued)

Table B  
Summary of balances of assets at valuation as at 30 June 1997

Item	Land	Buildings	Total land and buildings	Other infrastructure, plant & equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 30 June 1997</b>						
Gross value	33 960	-	33 960	-	-	33 960
Accumulated depreciation/ amortisation	-	-	-	-	-	-
Other movements	-	-	-	-	-	-
<b>Net book value</b>	<b>33 960</b>	<b>-</b>	<b>33 960</b>	<b>-</b>	<b>-</b>	<b>33 960</b>
<b>As at 30 June 1996</b>						
Gross value	38 317	-	38 317	-	-	38 317
Accumulated depreciation/ amortisation	-	-	-	-	-	-
Other movements	-	-	-	-	-	-
<b>Net book value</b>	<b>38 317</b>	<b>-</b>	<b>38 317</b>	<b>-</b>	<b>-</b>	<b>38 317</b>

	<b>1996-97</b>	1995-96
	<b>\$'000</b>	\$'000
<u>Note 15G - Inventories</u>		
Finished goods	<u>27</u>	21
Inventories not held for sale		
Stores	<u>329</u>	348
	<u><u>355</u></u>	<u>368</u>

<u>Note 15H - Inventories - Administered</u>		
Inventories not held for sale	<u>350</u>	590

Note 15I - Other

Prepayments paid	<u><u>2 315</u></u>	1 873
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<u>Note 15J - Other - Administered</u>		
Prepayments paid	<u>235</u>	2 635

**1996-97**      1995-96  
**\$'000**          \$'000

**Note 16 - Cash Flow Reconciliation**

Note 16A - Cash Flow Reconciliation

Reconciliation of net cost of services to net cash provided by operating activities:

Net Cost of Services - gain/(loss)	<b>(86 066)</b>	(86 328)
Revenues from Government	<b>93 037</b>	84 584
Restructuring	-	(1 319)
Resources received free of charge	<b>167</b>	162
Depreciation/Amortisation	<b>4 958</b>	3 821
(Profit)/Loss on sale of non-current assets	<b>523</b>	267
Assets write down	<b>165</b>	37
Asset Adjustments	<b>1 305</b>	336
Transfers from provisions	<b>(13)</b>	-
Changes in assets and liabilities		
Decrease (increase) in receivables	<b>(5 831)</b>	15
Decrease (increase) in inventories	<b>13</b>	(81)
Decrease (increase) in other assets	<b>(443)</b>	(644)
(Decrease) increase in other debt	<b>(693)</b>	-
(Decrease) increase in payables	<b>(259)</b>	(590)
(Decrease) increase in employee provisions	<b>(5 936)</b>	2 794
(Decrease) increase in other payables	<b>0</b>	33
Net cash provided by operating activities	<b>927</b>	3 087

Note 16B - Cashflow Reconciliation - Administered

Reconciliation of net change in administered assets to net cash provided by operating activities:

Net change in administered assets - gain/(loss)	<b>(44 771)</b>	n/a
Write back multi year grant liability	<b>440 740</b>	n/a
Initial recognition of loan to CPA	<b>(346 013)</b>	n/a
Depreciation	<b>1</b>	n/a
Net write down of assets	<b>9 123</b>	n/a
Write back of doubtful debt	<b>(864)</b>	n/a
Profit on sale of property, plant and equipment	<b>(11)</b>	n/a
Changes in assets/liabilities:		
Payables and Provisions	<b>(247 501)</b>	n/a
Non financial assets	<b>2 640</b>	n/a
Financial assets	<b>189 856</b>	n/a
Net cash provided by operating activities	<b>3 200</b>	n/a

	1996-97 Budget \$	1996-97 Actual \$	1995-96 Actual \$
<b>Note 17 - Receipts to the Consolidated Revenue Fund</b>			
Aircraft Noise Levy	33 800 000	<b>38 704 597</b>	22 080 997
Qantas			
Dividend	-	<b>20 258</b>	858 848
Proceeds from Sale	2 745 000	<b>2 365 000</b>	1 460 347 782
Charges for Air Transport Regulatory Services	4 000	<b>1 740</b>	3 145
Federal Airports Corporation (FAC)			
Dividend	14 235 000	<b>23 000 000</b>	19 000 000
Interest	10 590 000	<b>10 531 500</b>	10 267 500
Capital Repayment	50 000 000	<b>51 497 673</b>	-
Civil Aviation Safety Authority (CASA)			
Safety Indemnity Premium	278 000	<b>276 000</b>	183 452
Airservices Australia			
Capital Repayment	49 000 000	<b>49 000 000</b>	-
Interest	660 000	<b>659 750</b>	990 250
Repayments	5 000 000	<b>5 000 000</b>	5 000 000
Dividend	13 600 000	<b>7 150 000</b>	9 000 000
Sale of Forms for Motor Vehicle Compliance Plates	5 842 000	<b>5 948 171</b>	5 840 344
Australian National Railways Commission (ANRC)			
Interest	1 352 000	<b>1 846 467</b>	1 706 722
Repayments	2 120 000	<b>11 220 000</b>	-
Marine Navigation Levy	31 146 000	<b>33 042 190</b>	30 467 583
Marine Navigation (Regulatory Functions) Levy	12 769 000	<b>13 546 203</b>	11 711 880
Australian Maritime Safety Authority			
Interest on Capital Base	1 238 000	<b>978 718</b>	1 652 148
Capital Repayment	11 199 000	<b>11 199 000</b>	4 442 000
International Oil Pollution Compensation Fund Levy	670 000	<b>897 018</b>	670 000
Dividend	-	-	3 045 000
Administration of Part X of the <i>Trade Practices Act 1974</i>	15 000	<b>11 030</b>	18 946
National Railway Network Agreement			
Interest	3 352 000	<b>2 804 142</b>	4 571 036
Repayments	8 697 000	<b>14 310 075</b>	7 711 238
<i>Navigation Act 1912</i>	230 000	<b>296 138</b>	194 436
Protection of the Sea Levy	3 381 000	<b>3 391 804</b>	3 344 469
Railway Agreement (Western Australia)			
Interest	463 000	<b>463 052</b>	484 543
Repayment	378 000	<b>378 372</b>	377 052
Railway Standardisation (NSW and VIC) Agreement			
Interest	146 000	<b>73 061</b>	155 918
Repayments	192 000	<b>95 837</b>	191 674

	1996-97 Budget \$	<b>1996-97 Actual \$</b>	1995-96 Actual \$
<b>Note 17 - Receipts to the Consolidated Revenue Fund (Continued)</b>			
<i>Interstate Road Transport Act 1985</i>			
Registration Charges	12 000 000	<b>20 071 009</b>	28 943 175
Fines	250 000	<b>88 245</b>	290 430
Albury Wodonga - Sale of Assets	18 006 000	<b>14 300 000</b>	-
Decentralisation Development Loans			
Interest	20 000	<b>95 705</b>	77 934
Repayments	89 000	<b>89 236</b>	592 241
Emerald Hill - Purchase of Land			
Interest	127 000	<b>126 589</b>	144 050
Repayments	205 000	<b>205 418</b>	205 418
Growth Centres - Municipal Works			
Interest	326 000	<b>279 524</b>	371 562
Repayments	246 000	<b>1 538 808</b>	234 840
Sewerage Agreements pursuant to <i>Urban and Regional Development (Financial Assistance) Act 1974</i> (All States)			
Interest	14 947 000	<b>13 283 876</b>	15 115 306
Repayments	2 808 000	<b>53 549 662</b>	2 568 852
Miscellaneous	2 925 000	<b>582 967</b>	1 472 290
Departmental			
ATS/CST Subsidies	-	<b>9 970</b>	44 690
Section 35 of the <i>Audit Act 1901</i> to be credited to Running Costs Division 650	1 214 000	<b>1 145 614</b>	783 299
	<b>316 265 000</b>	<b>394 074 419</b>	1 655 161 050

## Note 18 - Expenditure from Special Appropriations

### Special Appropriations

<i>Interstate Road Transport Act 1985</i>	12 000 000	<b>19 915 737</b>	28 966 003
<i>Australian Land Transport Development Act 1988</i>	839 453 000	<b>839 453 000</b>	833 940 000
<i>Aviation Fuel Revenues (Special Appropriation) Act 1988</i>	50 302 000	<b>57 248 558</b>	75 414 809
<i>Ships (Capital Grants) Act 1987</i>	10 000 000	<b>9 191 715</b>	31 113 799
<i>International Shipping Grants Act 1995</i>	19 000 000	<b>17 666 474</b>	-
Payment of Levies to the Australian Maritime Safety Authority	47 296 000	<b>49 848 692</b>	45 272 694
International Oil Pollution Compensation Fund Levy	670 000	<b>897 018</b>	670 000
Petroleum Products Freight Subsidy	3 000 000	<b>3 142 300</b>	1 213 550
	<b>981 721 000</b>	<b>997 363 494</b>	1 016 590 855

	1996-97 Appropriation \$	<b>1996-97 Actual \$</b>	1995-96 Actual \$
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**Note 19 - Expenditure from Annual Appropriations**

ORDINARY ANNUAL SERVICES OF GOVERNMENT

APPROPRIATION ACTS No's 1 & 3 1996-97

Division 650 - ADMINISTRATIVE

1	Running Costs	93 071 584	<b>87 222 767</b>	100 512 699
2	Other Services			
	01. Free or concessional fares	5 400 000	<b>5 399 096</b>	5 467 894
	02. Tasmanian Freight Equalisation Scheme	41 700 000	<b>41 199 999</b>	42 672 754
	03. Search and Rescue	1 780 000	<b>1 608 005</b>	1 395 755
	04. Air services - subsidy	1 262 000	<b>1 261 999</b>	1 263 407
	05. Compensation and legal expenses	1 538 000	<b>1 120 923</b>	1 269 382
	06. Establishment of and payment to the National Road Transport Commission	1 309 000	<b>1 238 996</b>	1 240 000
	07. Road safety improvement package	6 106 000	<b>6 009 197</b>	4 228 072
	08. Regional Economic Development	10 360 000	<b>10 353 891</b>	15 973 198
	09. Regional Development Infrastructure Project	27 478 000	<b>19 357 014</b>	12 058 717
	10. National Urban Development Program	172 000	<b>170 630</b>	1 373 084
	11. Integrated Local Area Planning - Coastal Management	53 000	<b>36 000</b>	321 162
	Survey work - Alice Springs-Darwin Rail Link	-	-	1 123 000
	Better Urban Design	-	-	4 687 150
	Greenhouse - Urban Public Transport	-	-	20 889
3	Grants and Contributions			
	01. Contribution to the Organisation for Economic Cooperation and Development - Road Transport Research Program	55 000	<b>27 463</b>	32 356
	02. International Civil Aviation Organisation - Contribution	1 188 000	<b>1 047 298</b>	1 161 873

Division 651 - AUSTRALIAN NATIONAL RAILWAYS COMMISSION

1	For expenditure under the <i>Australian National Railways Commission Act 1983</i>	30 142 000	<b>30 142 000</b>	74 340 000
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Division 652 - AUSTRALIAN MARITIME SAFETY AUTHORITY

1	For expenditure under the <i>Australian Maritime Safety Authority Act 1990</i>	8 796 000	<b>8 796 000</b>	9 146 739
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Division 653 - CIVIL AVIATION SAFETY AUTHORITY

1	For expenditure under the <i>Civil Aviation Act 1988</i>	23 081 000	<b>23 081 000</b>	40 521 000
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	1996-97 Appropriation \$	<b>1996-97 Actual \$</b>	1995-96 Actual \$
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**Note 19 Expenditure from Annual Appropriations (continued)**

Division 655 - AIRSERVICES AUSTRALIA

1	For expenditure under the <i>Air Services Act 1995</i>	9 218 000	<b>9 218 000</b>	9 073 000
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**Total - Appropriation Acts No. 1 and 3**

		262 709 584	<b>247 290 278</b>	327 882 131
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Represented by :

Annual Appropriation

- Act No. 1

258 248 000

- Act No. 3

3 306 000

- Section 35

1 155 584

		262 709 584	<b>247 290 278</b>	327 882 131
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OTHER SERVICES OF GOVERNMENT  
 APPROPRIATION ACTS No's 2 & 4 1996-97  
 Division 970 CAPITAL WORKS AND SERVICES

1 Acquisitions, Buildings, Works and Equipment

01.	Second Sydney Airport land acquisition and works	8 150 000	<b>152 500</b>	2 103 703
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02.	Implementation of Noise Amelioration program for Sydney Airport	83 150 000	<b>49 026 262</b>	62 516 000
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03.	Road Vehicle Certification Scheme	1 393 000	<b>318 483</b>	
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04.	Contributions towards the development of runway extensions at Adelaide Airport	28 000 000	-	-
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	Contributions towards the development of Badgerys Creek Airport	-	-	783 671
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	Funding for transport infrastructure	-	-	16 363 932
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	Standardisation of Grain Branch Lines in South Australia	-	-	5 000 000
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	Departmental computer equipment	-	-	362 691
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2	Equity, Advances and Loans			
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01.	National Rail Corporation - Equity contribution	6 100 000	<b>6 100 000</b>	22 300 000
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02.	Australian National Railways Commission - Advance	9 100 000	<b>9 100 000</b>	-
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3	Murray-Darling Basin Commission - For expenditure under the <i>Murray-Darling Basin Act 1993</i>			
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	Regional Development	-	-	2 957 000
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	1996-97 Appropriation \$	<b>1996-97 Actual \$</b>	1995-96 Actual \$
<b>Note 19 Expenditure from Annual Appropriations (continued)</b>			
Division 971 PAYMENTS TO OR FOR THE STATES, THE NORTHERN TERRITORY AND THE AUSTRALIAN CAPITAL TERRITORY			
02. Tasmania - Compensation in respect of Bass Strait passenger service	366 000	<b>366 000</b>	371 103
03. Payment to SA for remediation of land at the Islington Railyards	2 000 000	<b>250 000</b>	-
04. Bass Strait Passenger Vehicle Equalisation Scheme	7 500 000	<b>8 402 615</b>	-
05. Better Cities - Mark I	50 000 000	<b>49 744 456</b>	120 128 978
06. Better Cities - Mark II	2 597 000	<b>2 556 189</b>	20 000 000
07. Northern Territory Indigenous Health Infrastructure	5 000 000	<b>5 000 000</b>	-
08. Payment of amounts equal to penalties resulting from prosecutions under the <i>Interstate Road Transport Act 1985</i>	250 000	<b>88 245</b>	290 430
Payments to WA for sewerage and water quality	-	-	435 000
Northern Territory - Construction and maintenance of strategic roads on Aboriginal Land	-	-	5 200 000
Division 972 OTHER SERVICES			
01. Sydney West Airport - expenses for rental properties	1 000 000	<b>196 630</b>	-
02. Environmental impact studies for selection of Sydney Airport site	12 000 000	<b>5 641 741</b>	-
03. ANRC - Restructuring of ANRC	347 400 000	<b>332 500 000</b>	-
04. Regional Assistance - Impact of ANRC restructuring	10 000 000	<b>10 000 000</b>	-
05. Bass Strait Passenger Vehicle Equalisation Scheme	-	<b>880</b>	-
New Homes for old	-	-	299 670
<b>Total - Appropriation Acts No. 2 and 4</b>	<b>574 006 000</b>	<b>479 444 000</b>	<b>259 112 177</b>
Represented by :			
Annual Appropriation			
- Act No. 2	209 626 000}	<b>479 444 000</b>	259 112 177
- Act No. 4	364 380 000}		
- Advance to the Minister for Finance	904 880}		
	<b>574 910 880</b>	<b>479 444 000</b>	<b>259 112 177</b>

1996-97 Budget \$	<b>1996-97 Actual \$</b>	1995-96 Actual \$
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**Note 20 -Receipts and Expenditure of the Trust Fund**

**Group 1 - Moneys Held in Trust for Persons and Authorities other than the Commonwealth**

SERVICES FOR OTHER GOVERNMENT  
AND NON-DEPARTMENTAL BODIES

Legal Authority - *Audit Act 1901*, section 60  
Purpose - receipt of moneys temporarily held in trust for other persons.

Opening Balance	553 949	<b>553 949</b>	637 992
Receipts	516 000	<b>457 715</b>	731 191
Expenditure	(516 000)	<b>(409 900)</b>	(815 233)
Closing Balance	553 949	<b>601 765</b>	553 949

OTHER TRUST MONEYS - DEPARTMENT  
OF TRANSPORT AND REGIONAL  
DEVELOPMENT

Legal Authority - *Audit Act 1901*, section 60  
Purpose - receipt of moneys temporarily held in trust for other persons

Opening Balance	-	-	-
Receipts	20 000	<b>257 137</b>	-
Expenditure	(20 000)	<b>(256 061)</b>	-
Closing Balance	-	<b>1 076</b>	-

	1996-97 Budget \$	<b>1996-97 Actual \$</b>	1995-96 Actual \$
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**Note 20 - Receipt and Expenditure of the Trust Fund (continued)**

**Group 3 - Other Monies Held in Trust to meet Future Expenditure**

FEDERAL OFFICE OF ROAD SAFETY RESEARCH AND PUBLIC EDUCATION

Legal Authority - *Audit Act 1901*, section 60

Purpose - to accept funds from public and private sector sources towards the cost of particular projects.

Opening Balance	-	-	-
Receipts	-	<b>540 648</b>	-
Expenditure	-	<b>(139 248)</b>	-
Closing Balance	-	<b>401 400</b>	-

INTERSTATE ROAD TRANSPORT TRUST FUND

Legal Authority - *Interstate Road Transport Act 1985*

Purpose - to provide for payments to the states or territories for the maintenance and upkeep of roads from registration charges received from vehicles engaged in interstate trade and commerce

Opening Balance	-	-	-
Receipts - Transfer from Special Appropriation	12 000 000	<b>19 915 737</b>	28 966 003
Expenditure - Payments to the states & territories	(12 000 000)	<b>(19 915 737)</b>	(28 966 003)
Closing Balance	-	-	-

AUSTRALIAN LAND TRANSPORT DEVELOPMENT TRUST FUND

Legal Authority - *Australian Land Transport Development Act 1988*

Purpose - to provide assistance to the states & territories for road upgrading and maintenance including funding for urban public transport and mainline rail projects and land transport research

Opening Balance	-	-	-
Receipts - Transfer from Special Appropriation	839 453 000	<b>839 453 000</b>	833 940 000
Expenditure -			
National Highways	(803 453 000)	<b>(801 954 400)</b>	(833 471 552)
Land Transport Research	-	<b>(1 498 600)</b>	(468 448)
Road Safety Research and Public Education	-	-	-
Black Spot Program	(36 000 000)	<b>(36 000 000)</b>	-
Total Expenditure	(839 453 000)	<b>(839 453 000)</b>	(833 940 000)
Closing Balance	-	-	-

**1996-97**      1995-96

**Note 21 - Executive Remuneration**

The number of executive officers who received or were due to receive fixed remuneration of \$100,000 or more:

	<b>Number</b>	Number
\$100,000 to 110,000	<b>12</b>	1
\$110,001 to 120,000	<b>7</b>	18
\$120,001 to 130,000	<b>1</b>	1
\$130,001 to 140,000	<b>8</b>	8
\$140,001 to 150,000	-	-
\$150,001 to 160,000 *	<b>2</b>	-
\$160,001 to 170,000 *	<b>1</b>	1
\$200,001 to 210,000 *	<b>1</b>	-
\$210,001 to 220,000 *	<b>3</b>	-
\$290,001 to \$300,000 *	<b>1</b>	-

The aggregate amount of fixed remuneration of executive officers shown above was: **\$3 372 360**    \$3 490 901

The aggregate amount of performance pay paid during the year to executive officers shown above was: **\$94 048**    \$169 293

In accordance with the Guidelines, 1996-97 remuneration of executives has been disclosed on a 'designated office or position occupied during the reporting period' (1995-96 comparative figures are disclosed on a 'person' basis). Those remuneration bands indicated by '\*' include redundancy payments made to a designated office or position occupied during the reporting period.

**\$'000**      \$'000

**Note 22 - 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:

Department of Transport and Regional Development	<b>123</b>	116
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No other services were provided by the Auditor-General.

**Note 23 - Act of Grace Payments and Waivers**

No Act of Grace payments were made during the reporting period

-                      -

Two waivers of amounts owing to the Commonwealth were made pursuant to subsection 70C(2) of the *Audit Act 1901* in relation to loans under the *Urban and Regional Development (Financial Assistance) Act 1974*

**\$1 428 231**    \$1 428 231

**Note 24 - Average Staffing Levels**

Average staffing levels by program and in total were as follows:

	<b>Number</b>	Number
Program 1: Aviation	<b>272</b>	233
Program 2: Land Transport	<b>189</b>	178
Program 3: Maritime	<b>68</b>	61
Program 4: Regional Development	<b>91</b>	215
Program 5: Corporate	<b>172</b>	336
	<b>792</b>	1 023

# **APPENDIXES**

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## **APPENDIX 1: *FREEDOM OF INFORMATION ACT* 1982 SECTION 8 STATEMENT**

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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 which are used in making decisions which affect members of the public.

Section 8 of the FOI Act requires each agency to publish detailed information about the way it is organised, its powers, the kinds of decisions made, arrangements for public involvement in work of the agency, documents held by the agency and how members of the public can obtain access to these documents.

Information about the major functions of the department, the major issues currently affecting members of the public and the role of the other agencies in the portfolio is set out elsewhere in this report. This appendix supplements that general information to meet the requirements of section 8 of the FOI Act and is correct as at 30 June 1997.

In this statement, particulars of the organisation, functions and powers of the Department are detailed under each program. The programs are: Aviation, Land Transport, Maritime, Regional Development and Corporate Direction and Support.

### **How to get information**

Anyone is entitled to apply for access to documents under the Act. In many cases, however, you may not need to use Freedom of Information.

Various aviation statistical information is available through the Avstats area of the Department, phone (02) 6274 7720.

Publications produced by the Bureau of Transport and Communications Economics are available through the Bureau's Information Services area, phone (02) 6274 6846.

Aircraft Safety Occurrence Reports and other publications produced by the Bureau of Air Safety Investigation are available through the Bureau's Safety Information Section, phone (02) 6274 6520 or (02) 6274 6846.

Incidents at Sea Reports are available through the Marine Incident Investigation Unit, phone (02) 6274 7165.

Current and former employees may gain access to their personnel records by contacting the Director, Employee Services Section on (02) 6274 6991.

For further information, queries or to make a formal request under the Act, contact the Department's FOI Coordinator on (02) 6274 7844.

Although part of the Transport and Regional Development portfolio, several agencies are not part of the Department for the purposes of FOI. These include:

- Airservices Australia
- Albury-Wodonga Development Corporation
- Australian Maritime Safety Authority
- Australian National Railways Commission
- Civil Aviation Safety Authority
- Federal Airports Corporation
- International Air Services Commission
- National Road Transport Commission

The National Rail Corporation is an exempt agency. Contact details for portfolio bodies are in [Appendix 3](#). If you wish to obtain information or documents from these bodies, please approach them direct.

For the purposes of the FOI Act, records of the:

- Bureau of Air Safety Investigation
- Bureau of Transport and Communications Economics
- Seafarers Safety, Rehabilitation and Compensation Authority

are records of the Department. Requests for access to documents of these bodies should be directed to the Department's FOI Coordinator.

## **FOI correspondence**

Correspondence on FOI matters should be addressed to:

The Secretary  
Department of Transport and Regional Development  
GPO Box 594  
Canberra ACT 2601  
Attention: Freedom of Information Coordinator

## **FOI procedures**

The Secretary holds power to grant or refuse access to any document held by the Department. The Secretary has authorised sub-program executive officers to grant and refuse access to documents held by their sub-programs under the FOI Act. Generally, access is provided in the form of copies of documents, however, the Department can provide a reading area for the inspection of documents made available under the FOI Act.

## **Categories of documents**

Records are maintained by the Department in various physical forms including:

- files, which are maintained on a wide range of topics related to the Department's functions. The Records Management Unit maintains details of the files used by the Department;

- computer databases, which are maintained for bulk record-keeping; and
- card indexes, which are generally used for minor record-keeping and in particular indexing reference material.

### **Classes of records**

Records are maintained by the Department in one or more physical forms on the following topics.

#### **Aviation**

- air safety investigation
- international agreements relating to aviation
- international and domestic aviation service issues
- aviation environmental issues
- Sydney Airport Noise Amelioration Program
- aircraft noise levy administration
- aviation infrastructure issues
- Federal Airports Corporation and other airport issues
- Airservices Australia
- Civil Aviation Safety Authority
- aviation security
- public register of international airline tariff filings
- liaison with industry and State government bodies
- departure tax administration (before 1 July 1994)
- international aviation issues
- statistical information on passenger, freight, mail and aircraft movements
- monitoring and economic analysis of the aviation industry
- aviation competition and consumer issues
- second Sydney airport development
- inter-modal issues
- register of available capacity as required under section 49 of the *International Air Services Commission Act 1992*

#### **Land Transport**

- rail matters involving government relations with National Rail and Australian National
- roads legislation and statistics
- Federal Government funding of the National Highway System
- records of project approvals, financial commitment and expenditure under the various roads, land transport and regional development programs

#### **Road Safety**

- road safety statistics including all road fatalities in Australia for selected years since 1980 and crashes resulting in serious injury since 1988
- records of compliance plate approvals

- vehicle standards
- vehicle safety recalls monitored by the Federal Office of Road Safety (FORS)
- vehicle safety investigations conducted by FORS
- road safety research database (contains comprehensive records of road safety research being carried out in Australia)
- records of Australian Design Rules, Conformity of Production Manual, Test Facility Inspection Manual and Single Uniform Test Inspection Manual
- receipts and payments under the Federal Interstate Registration Scheme

### **Maritime**

- international maritime conferences and conventions
- international shipping policy developments
- international shipping services
- register of conference and ocean carrier agreements
- register of designated shipper bodies
- register of non-conference ocean carriers with substantial market power
- register of obligations concerning unfair pricing practices
- marine cargo liability
- maritime training
- shipping industry policy
- shipping legislation
- *Ships (Capital Grants) Act 1987*
- ANL Limited
- Australian Maritime Safety Authority
- coasting trade provisions of the *Navigation Act 1912*
- the waterfront, including stevedoring and port authorities
- shipping and waterfront industry reform; seafarers rehabilitation and compensation, and occupational health and safety in the maritime industry
- International Seafarers (PAYE)
- Tasmanian Freight Equalisation Scheme
- Bass Strait passenger subsidy scheme
- Bass Strait passenger vehicle equalisation scheme
- marine incident investigations

### **Regional Development**

- Regional Development Organisations (RDOs)
- regional economic development strategies
- specific projects which implement the strategies developed for the regions
- assistance to regions with particular infrastructure needs
- establishment of models of best practice for future infrastructure development projects

- partnerships between regional stakeholders, including business, community groups, academic institutions and governments
- Goulburn Valley water management model
- Sunraysia irrigation region land and water management model
- Regional Cadetship
- Sponsored Secondment Scheme
- Regional Advisory Management Committee (RAMC)
- National Urban Development Program
- Better Cities Program
- New Homes for Old Program
- Urban Forests
- Western Australian Sewerage and Water Quality Infrastructure Program
- Rail Reform Transition Program
- Institutional Investor Information Service
- Albury Wodonga Development Corporation legislation and issues

### **Corporate Direction and Support**

- financial management
- legal matters
- parliamentary/ministerial matters
- personnel matters
- contracts and information management

### **Manuals**

In accordance with section 9 of the FOI Act, a list has been compiled of unpublished manuals and other documents used by departmental officers as a guide to procedures and practices to be followed when making decisions or recommendations that affect the public. The list is correct as at 30 June 1997 and is available on request from the FOI Coordinator or any office of the Australian Archives.

### **Freedom of Information inquiries**

During 1996–97, the Department received 47 requests for access to documents under section 15 of the *Freedom of Information Act 1982*. Most of these were requests for documents relating to aircraft accident investigations, the remainder related to vehicle compliance plate approvals, Holsworthy being considered as a site for the second Sydney airport and personal information. Five requests were outstanding from 1995–96.

Responses to 33 requests were finalised. In response to five applications, access was provided to all documents requested. Partial access was granted to 26 requests. Two applicants were refused access. No documents were found relating to the first request and documents sought by the second applicant were exempt. Six applicants withdrew their applications and 13 requests remained current at 30 June 1997. Eight requests for Internal Reviews were received,

one resulting in an application to the Administrative Appeals Tribunal for review.

## Freedom of Information Statistics

<b>Requests received</b>	<b>No</b>
On hand at 1 July 1996	5
Received 1 July 1996–30 June 1997	47
<b>Action on requests</b>	
Access in full	5
Access in part	26
Access refused/no documents located	2
Transferred in whole	0
Withdrawn	6
Current as at 30 June 1997	13
<b>Response time</b>	
0–30 days	20
31–60 days	9
61–90 days	1
91+ days	3
<b>Internal review</b>	
On hand at 1 July 1996	0
Applications received 1 July 1996–30 June 1997	8
Decision affirmed	3
Greater access given	2
Full access given	2
Withdrawn	0
Current as at 30 June 1997	1
<b>Review by Administrative Appeals Tribunal</b>	
Applications	1
Reviews completed	0
Current as at 30 June 1997	1
<b>Fees and charges</b>	
Total application fees collected	\$1510
Total charges notified	\$9761
Total charges collected	\$2996

## **Functions and powers by program and sub-program**

### **Program 1. Aviation**

#### **1.1 Aviation Policy**

##### **Functions**

Aviation Policy is responsible for:

- negotiating and administering international air services arrangements between Australia and other countries;
- formulating and administering policy concerning international air freight and non-scheduled international services;
- developing the post-lease regulating structure for major airports;
- assessing and providing advice on national airport infrastructure planning and development issues, particularly in relation to the regulatory environment for Federal Airports Corporation (FAC) airports, post-lease;
- formulating and administering policy on consumer protection issues in the aviation industry;
- formulating policy and attitudes on Australian participation in international aviation organisations;
- working with foreign governments and through international organisations to remove barriers to trade in aviation products and services;
- monitoring agreements and developments in international aviation, tourism and trade;
- coordinating Commonwealth involvement in the FAC and the Civil Aviation Safety Authority (CASA) and Airservices Australia (AA);
- monitoring deregulation in the airline industry, including entry of new operators; and
- collecting, analysing and publishing international, domestic and general aviation statistics.

#### **1.2 Aviation Operations**

##### **Functions**

Aviation Operations is responsible for:

- developing and implementing strategies to minimise the adverse impact on the environment of aviation-related activities;
- developing aviation security standards, policy and procedures and auditing compliance by aviation industry with these standards;
- advising on the environmental issues, timing and scale of development of the second Sydney airport;
- facilitating implementation of the Government's noise amelioration program at Sydney Airport;
- considering requests for dispensations for operations during the Sydney Curfew;

- providing secretariat and support for the Sydney Airport Community Forum; and
- liaising with airport operators, industry, Airservices Australia (AA), Civil Aviation Safety Authority (CASA), Commonwealth, State and local government agencies in relation to environmental issues.

### **Powers**

The Aviation areas exercise delegated decision making powers and advise the Minister on the exercise of powers, under the:

*Air Accidents (Commonwealth Government Liability) Act 1963*

*Aircraft Noise Levy Act 1995*

*Aircraft Noise Levy Collection Act 1995*

*Air Navigation Act 1920*

*Air Navigation (Charges) Act 1952*

*Airports Act 1996*

*Air Services Act 1995*

*Aviation Fuel Revenues (Special Appropriation) Act 1988*

*Civil Aviation Act 1988*

*Civil Aviation (Carriers Liability) Act 1959*

*Civil Aviation (Damage by Aircraft) Act 1958*

*Civil Aviation Legislation Amendment Act 1995*

*Federal Airports Corporation Act 1986*

*International Air Services Commission Act 1992*

*Sydney Airport Curfew Act 1995*

*Qantas Sale Act 1992*

Air Navigation Regulations

Air Navigation (Aerodrome Curfew) Regulations

Air Navigation (Aerodrome Flight Corridors) Regulations

Air Navigation (Aircraft Engine Emissions) Regulations

Air Navigation (Aircraft Noise) Regulations

Air Navigation (Charges) Regulations

Airports Regulations

Airports (Building Control) Regulations

Airports (Protection of Airspace) Regulations

Airports (Environment Protection) Regulations

Airports (Control of Airspace Activity) Regulations

Civil Aviation (Carriers Liability) Regulations

International Air Services Commission Regulations

## **1.3 Investigating for Safety — Bureau of Air Safety Investigation**

### **Functions**

The Bureau of Air Safety Investigation (BASI) records and investigates details of accidents and incidents involving civil aircraft operations in Australia. It gathers safety information for analysis, undertakes research and prepares

recommendations and reports for dissemination to the industry and the public. BASI also undertakes systemic investigations involving detailed examination of particular aspects of the aviation system and focuses its attention on the proactive use of safety information obtained during investigations.

### **Powers**

To perform the functions of the Bureau, certain officers exercise statutory powers delegated by the Secretary to investigate air safety occurrences and safety deficiencies under Part 2A of the *Air Navigation Act 1920*.

## **Program 2. Land Transport**

### **2.1 Road and Rail Policy Development**

#### **Functions**

The Road and Rail Policy Development Sub-program is responsible for:

- developing and implementing strategies for reforming the Australian rail system, in particular, the development of National Rail and encouraging the States to operate their systems efficiently;
- developing the National Highway System and providing financial assistance to the States and Territories for roads purposes under the *Australian Land Transport Development Act 1988*;
- overseeing Commonwealth involvement in land transport planning and research, including the provision of financial assistance for AUSTROADS and the Australian Road Research Board (ARRB)—Transport Research;
- overseeing the recovery of road costs and road user pricing systems and energy consumption in operating land transport systems;
- monitoring the relationship of land transport to other areas of public policy, such as social justice and the environment; and
- promoting trade in Australian land transport products and services (in cooperation with Austrade).

#### **Powers**

The Sub-program advises the Minister on the exercise of powers under the:

*Australian Land Transport Development Act 1988*

*Australian National Railways Commission Act 1983*

*National Rail Corporation Agreement Act 1992*

*Railways Agreement (SA) Act 1975*

*Railways Agreement (Tasmania) Act 1975*

*Seat of Government Railway Act 1928*

The Sub-program exercises delegated decision-making powers under the legislation listed above for payments from trust funds to the States, the Northern Territory and the Australian Capital Territory for approval of project proposal reports and for approval of compliance with National Highway System design standards.

## **2.2 Federal Office of Road Safety**

The Federal Office of Road Safety comprises the Motor Transport and the Road User Branches.

### **Functions**

The Federal Office of Road Safety:

- coordinates and promotes road safety strategies on a national basis in conjunction with the National Road Transport Commission and the Australian Advisory Committee on Road Trauma;
- formulates national policies and proposals for vehicle safety, vehicle emissions and noise, vehicle fuel efficiency in relation to ecologically sustainable development and greenhouse issues, road user and traffic standards and procedures, and transport of dangerous goods and explosives by road and rail;
- carries out the research and development leading to Australian Design Rules for safety, emission and noise for all new vehicles, and the administration of these rules which are made under the *Motor Vehicle Standards Act 1989*;
- manages vehicle safety investigation and recall function under the *Trade Practices Act 1974* (under delegation from the Attorney-General);
- conducts and sponsors road safety research programs;
- plans, coordinates and carries out national road safety education and publicity programs; and
- monitors road transport industry matters, including the structure, operations and regulation of the industry, and the administration of the Federal Interstate Registration Scheme.

### **Powers**

To perform the functions of the Office, certain officers exercise delegated powers and advise the Minister on the exercise of his powers, under the:

*Motor Vehicle Standards Act 1989*

*Explosives Act 1961*

*Australian Land Transport Development Act 1988*

*Trade Practices Act 1974*

*Interstate Road Transport Act 1985*

## **Program 3. Maritime**

### **3.1 Maritime**

#### **Functions**

The Maritime Sub-program is responsible for:

- developing policy advice on international and domestic shipping issues and shore-based maritime services;

- overseeing the operation of ANL Ltd, the Australian Maritime Safety Authority and the Seafarers Safety, Rehabilitation and Compensation Authority (Seacare) and providing administrative support to Seacare;
- administering regulatory arrangements governing international liner shipping and coastal shipping;
- administering programs of financial assistance for Australian ship owners (*Ships (Capital Grants) Act 1987*);
- participating in international maritime forums;
- administering Bass Strait assistance programs—the Tasmanian Freight Equalisation Scheme (TFES)—under which assistance is paid to shippers, the Passenger Ship Subsidy Scheme and the Bass Strait Passenger Vehicle Equalisation Scheme; and
- investigating marine incidents associated with the operation of ships.

### **Powers**

To perform the functions of the Sub-program, certain officers exercise delegated decision-making powers and advise the Minister on the exercise of powers, under the:

*Navigation Act 1912*

Part X of the *Trade Practices Act 1974*

*Ships (Capital Grants) Act 1987*

*Seafarers Rehabilitation and Compensation Act 1992*

*International Shipping (Australian-resident Seafarers) Grants Act 1995.*

## **Program 4. Regional Development**

### **4.1 Regional Development**

The Regional Development Sub-program comprises the Regional Affairs Unit and the Regional and Urban Program Management Section.

### **Functions**

The Regional Affairs Unit provides policy advice on a whole-of-government basis on issues impacting on regional Australia. The unit reports to the Director of the Bureau of Transport and Communications Economics. The Regional and Urban Program Management Section manages ongoing commitments entered into under former regional and urban programs. The Section reports to the First Assistant Secretary in the Land Transport Policy Division.

### **Powers**

No statutory powers are exercised by the Sub-program.

## **Program 5. Corporate Direction and Support**

### **5.1 Executive**

The Executive comprises the Secretary and the Deputy Secretary.

## **Function**

The Executive has overall responsibility for the Department's strategic management and operations.

## **5.2 Management Support and Advice**

Corporate comprises Finance and Services, Legal and Coordination, People and Technology, the Trade Coordination Group and Internal Audit. The Internal Audit Function itself is an independent one which is responsible to the Secretary through the Planning, Evaluation and Audit Committee (PEAC).

### **Functions**

The Sub-program:

- provides financial policy and management advice, including the monitoring of financial performance across the Department;
- develops and implements policies, procedures and systems on effective personnel management in the Department;
- provides advice and assistance on legislative development and other legal issues;
- provides advice to the Minister, Secretary and senior officers of the Department on matters needing cross-program coordination and policy development; and
- provides support services in the areas of supply, accommodation and office services, property planning and management and information services and systems.

### **Powers**

To perform the functions of Corporate, certain officers exercise delegated powers under the:

*Public Service Act 1922* and associated legislation

*Audit Act 1901*

*Archives Act 1983*

*Freedom of Information Act 1982*

## **5.3 Research — Bureau of Transport and Communications Economics**

### **Functions**

The Bureau of Transport and Communications Economics (BTCE) is a centre for applied economic research within the Department. It investigates the efficiency and growth of the transport and communications industries and the development of effective transport and communications policies.

### **Powers**

No statutory powers are exercised by BTCE.

## **Councils, committees and other bodies for outside participation and public involvement**

### **Australian Transport Council**

The Australian Transport Council (ATC) is a ministerial forum for Commonwealth, State and Territory consultations and advice to governments on the coordination and integration of all transport policy issues at a national level.

ATC also incorporates meetings of the Ministerial Council for Road Transport (MCRT). This arrangement preserves the integrity of the National Road Transport Commission (NRTC) legislation governing its operation and that of the MCRT.

ACT comprises Commonwealth, State, Territory and New Zealand ministers with responsibility for transport, roads and marine and ports matters. The Papua-New Guinea Minister for Transport and Works and the Australian Local Government Association have formal observer status on the council.

ATC is supported by the Standing Committee on Transport and the NRTC which provides advice to ministers on the MCRT element of the council's agenda.

ATC met three times during 1996–97.

### **Standing Committee on Transport**

Established in December 1984, the Standing Committee on Transport (SCOT) has responsibility for formulating and managing the strategic agenda, as determined by ATC, which includes multi-modal, inter-modal and modal policy issues as well as operational and technical issues of national importance. SCOT is also responsible for coordinating ATC business.

SCOT comprises a representative of each ATC minister, generally at head of department or agency level. The Chief Executive Officer, Australian Local Government Association, is an observer.

SCOT met twice during 1996–97.

### **Marine and Ports Group**

The Marine and Ports Group (MPG) advises ministers, through the Standing Committee on Transport, on matters arising from the work of its technical committees and on policy issues relevant to the marine and ports area.

MPG comprises representatives from Commonwealth, State, Northern Territory and New Zealand Governments and the Association of Australian Ports and Marine Authorities. Meetings are generally held twice a year and chaired by a senior officer from the Commonwealth.

MPG met four times during 1996–97 to consider a range of matters, including a review of maritime safety arrangements in Australia, maritime reform, port charging and environmental issues affecting ports and other maritime interests.

### **AUSTROADS Incorporated**

AUSTROADS the national association of road and traffic authorities in Australia, aims to promote national uniformity and harmony, to avoid unnecessary duplication and to support identification and application of world best practice in the management of Australia's roads. The Department is one of 11 members of AUSTROADS which includes the Australian Local Government Association and Transit New Zealand.

AUSTROADS operates through four programs—Road System Management, Road Use Management, Technology and Environment and Road Safety. The program manager for Road Safety is a senior departmental officer. Several other departmental officers are involved in a variety of AUSTROADS liaison and working groups.

In 1996–97 the Commonwealth contributed \$1 307 200 to AUSTROADS' budget of \$5.3 million. Of this \$107 200 was for the Commonwealth's membership contribution and \$1.2 million for the national strategic research program.

Activities undertaken during 1996–97 included progress on the electronic interchange of registration and licensing information (NEVDIS); publishing of a second round of data for the National Performance Indicators of the Road System and Road Authorities; continued work on registration and licensing to assist the NRTC develop national regulations for heavy vehicles; further work on improving and harmonising project and program evaluation and analysis; review of methods for pavement testing, design and construction incorporating local and overseas works and major projects on the role, economic and social contribution and impacts of roads and road transport on the wider community.

AUSTROADS key project for 1996–97 was the *Roads in the Community* project and was released by the Minister in April 1997. The report provides a comprehensive review of the state of the Australian road system and how well it serves community needs.

### **National Road Safety Strategy Implementation Taskforce**

The task force was set up by the Australian Transport Council (ATC) to develop, implement and review the National Road Safety Strategy. The task force reports direct to ATC on national developments in strategic road safety policy.

The task force comprises senior road safety officials from the Commonwealth, State and Territory Governments, as well as representatives from major local government associations, health and enforcement agencies, road and motor vehicle industry bodies, motorist associations, user and community groups.

The task force is responsible for implementing and reviewing the National Road Safety Strategy and the associated National Action Plan. The task force met twice during 1996–97.

### **Road Safety Strategy Panel**

The Road Safety Strategy Panel was established in June 1997 by combining the National Road Safety Strategy Implementation Taskforce and the AUSTROADS Road Safety Panel following streamlining recommendations made by the Australian Transport Council in May 1997.

The panel reports to the Australian Transport Council through the AUSTROADS Council, on national developments and priorities in strategic road safety research and policy.

The panel comprises senior road safety officials from the Commonwealth, State and Territory Governments, as well as representatives from major local government associations, health and enforcement agencies, road and motor vehicle industry bodies, motorist associations, user and community groups.

The panel is responsible for implementing and reviewing the National Road Safety Strategy and Action Plans and developing and administering projects to enhance road safety and the transfer of best practice under the AUSTROADS Road Safety Program.

The panel convened for the first time in June 1997.

### **Federal Office of Road Safety Advisory Panel**

The Minister established an Advisory Panel for the Federal Office of Road Safety (FORS), as part of his commitment to fostering partnerships and collaborative arrangements with stakeholders. This panel is to provide key stakeholders with an opportunity to provide feedback to FORS on industry developments and service delivery.

The panel members include representatives from the Road Transport Forum, the Federal Chamber of Automotive Industries, the Australian Automobile Association, the National Road Transport Commission, the Police Enforcement Forum, the Pedestrian Council of Australia, the Australian Medical Association and the Australian Advisory Committee on Road Trauma.

The first meeting of the FORS Advisory Panel was held in June 1997 in Canberra. Meetings will be held twice yearly.

### **Australian Advisory Committee on Road Trauma**

The Australian Advisory Committee on Road Trauma (AACRT) has been in operation since October 1995. It is a body of health and transport experts whose charter is to provide strategic advice to the Federal Government on transport and health issues to reduce road trauma.

The committee includes experts in road safety, the management and treatment of road trauma, enforcement, public health and communications. AACRT is chaired by Dr Michael Henderson, a leading consultant on health and road safety who has been involved in road safety for 25 years.

AACRT aims to bridge health and road safety issues across the health and transport portfolios and seeks to address major current and emerging issues

which have been identified by the committee as having the most potential to reduce road trauma.

In the 1996–97 financial year AACRT:

- hosted a major national summit dealing with the problems of drink driving recidivism and high blood alcohol content drink drivers. This was successful in placing drink driving recidivism on the public agenda and provided the impetus for a trial of new drink driving countermeasures in South Australia, with a view to new legislation following the trial; and
- sponsored the conduct of a rural trauma workshop in Alice Springs for rural and remote health workers. A video resource from the workshop has been developed and is available to rural and remote healthworkers nationally.

AACRT is currently pursuing ways to extend the scope of activities resulting from the Drink Driving Recidivism Summit. Plans are also underway for a major conference on Road Safety in the Workplace, to be held late in 1997.

### **Technical Liaison Group**

The Technical Liaison Group (TLG) was established in 1993 under the new arrangements with the National Road Transport Commission for developing Australian Design Rules for motor vehicles and trailers. TLG provided a key part of the broad-based consultative arrangements for developing and amending design rules. The group discusses vehicle design, construction and operational requirements in the interests of national uniformity and road safety.

New or amended design rules are progressed through single issue working groups with membership on the basis of specific expertise.

Membership includes approximately 30 representatives from State and Territory Governments, manufacturers, industry associations, road user groups and the New Zealand Land Transport Safety Authority.

In 1996–97 the group met twice.

### **ARRB Transport Research**

ARRB Transport Research Ltd (ARRB-TR), the principal centre for transport technical research in Australia, is a non-profit public company. Membership comprises the Department, State and Territory road and road transport agencies and the Australian Local Government Association. ARRB-TR has six directors, one of whom is a senior officer from the Department. Two of the directors are appointed from the private sector.

On 1 July 1995 the organisation changed its name from the Australian Road Research Board (ARRB) to ARRB-TR. The new title more accurately reflects its wider transport research activities, which involve various modes.

ARRB-TR undertakes projects for Commonwealth, State and Territory road and road transport authorities, and for external clients on a contract basis. ARRB-TR's budget for 1996–97 was \$14.4 million. This amount included \$1.9 million for the national interest service contract, of which the Commonwealth provided \$780 000.

### **Road Engineering Association of Asia and Australasia**

The Road Engineering Association of Asia and Australasia (REAAA) develops professional and commercial links within and between countries in the Asia-Pacific Region, and involves 26 nations within that region.

The association's objectives are to:

- promote the science and practice of road engineering;
- distribute technical information to its members;
- exchange ideas; and
- conduct and encourage research.

REAAA also aims to encourage cooperation with other relevant national and international organisations. The Department is a member of REAAA's Australian Chapter.

## **OECD Road Transport Research Program**

The OECD provides the major focus for international liaison and coordination in road and road transport research through its Road Transport Research Program (RTRP). The program's research also takes into account the impacts of intermodal aspects on the road transport system as a whole.

The RTRP has two main fields of activity:

- international research and policy assessments of road and road transport issues to provide scientific support for decisions by member governments and international governmental organisations; and
- technology transfer and information exchange through two databases: the International Road Research Documentation scheme and the International Road Traffic and Accident Database.

The Department manages Australia's involvement in the work of the RTRP.

Australia is leading a major OECD project involving research into the impact of different heavy vehicle suspension systems on roads and bridges. The Dynamic Interaction between Vehicle and Infrastructure Experiment (DIVINE) project is expected to be completed in October 1996.

## **Intelligent Transport Systems Australia Inc**

The Department is a member of Intelligent Transport Systems Australia Inc, a joint association of industry, government and academic representatives formed to promote the orderly introduction of intelligent transport systems (ITS) into Australia.

ITS uses advanced communications and computing technology to enhance the efficient movement of passengers and freight with positive environmental impacts.

The key issue for Australia in the application of ITS systems is the development of national standards to promote the inter-operability of ITS across transport modes and between States and Territories. Issues under consideration include standards for electronic toll collection and privacy. The Department is playing an important role in the development of both.

Australia, through the Department, has been instrumental in having ITS included on the APEC agenda and in the establishment of an ITS Special Interest Group within the APEC forum. The APEC Transportation Working Group agreed at its April 1997 meeting in Seattle, to Australia's proposal to hold the inaugural meeting of the Special Interest Group in Berlin during the course of the 4th World Conference on ITS in October 1997. The Department will be playing a key role in organising this meeting.

The Department provided a chairman for several sessions at the Third International Conference of ITS Australia in Brisbane in March 1997. In addition, a senior officer delivered a paper on *Australian Privacy Principles for ITS*.

### **World Road Association (formerly the Permanent International Association of World Road Congresses).**

The World Road Association (WRA) fosters progress in the construction, improvement, maintenance and economic development of roads and encourages the growth of road systems throughout the world.

It facilitates the dissemination of information to its members on the latest road technology developments and holds a world congress every four years.

The Department is the official Australian link with the WRA and is on the Executive of the National World Road Association Committee. Australia has held national government membership of this body since 1924 and is actively involved in many of its technical committees, which examine a range of issues between congresses.

### **Australian Motor Vehicle Certification Board**

The former Australian Transport Advisory Council (ATAC) established this board in 1969 to:

- ensure that vehicles supplied for use in, manufactured in, or imported into, Australia are designed and manufactured to comply with Australian Design Rule (ADR) requirements; and
- coordinate, on a national basis, technical matters related to vehicle registration.

The *Motor Vehicle Standards Act 1989* made ADR compliance a federal responsibility. The board provides a forum to resolve aspects of vehicle certification and administration for both new and in-service vehicles.

The States and Territories are responsible for vehicles in-service, including registration, which complements the responsibility of the Commonwealth for new vehicle standards. The States and Territories are in a position to make a significant contribution to ensuring that the community has vehicles that meet agreed safety standards.

Membership comprises principal State and Territory officials in the motor vehicle safety and regulatory areas, nominated by all governments. It is chaired by an officer of the Department.

### **Advisory Committee on the Transport of Dangerous Goods**

This committee was established in 1970 by ATAC and tasked with developing and coordinating of uniform national requirements for the safe land transport of dangerous goods within Australia.

The committee's primary role is preparing codes and associated guidelines for the safe movement of dangerous goods and explosives. The principal codes are the *Australian Code for the Transport of Dangerous Goods by Road and Rail* and the *Australian Code for the Transport of Explosives by Road and Rail*.

The committee includes representatives from each State and Territory regulatory authority, with representatives of the road and rail transport industry, major dangerous goods manufacturers, air and sea authorities, emergency

responders, employee representatives, and other relevant Commonwealth agencies. The Department chairs the committee and provides secretariat support and policy advice to it and four sub-committees.

*The Australian Code for the Transport of Dangerous Goods by Road and Rail* is in the process of being redrafted into a new regulatory format. The Advisory Committee on the Transport of Dangerous Goods has played a key role in this process. The new code and regulations will be completed by the end of 1997. All Australian States and Territories are enacting legislation to give the new dangerous goods code and regulations legal effect in their jurisdiction. The explosives code now has legal effect in the majority of Australian States and Territories, with all of them recognising the need for national uniformity.

The Advisory Committee for the Transport of Dangerous Goods allows stakeholders within the dangerous goods and explosives industries to provide input into regulations which directly affect their operations.

### **Advisory Committee on Vehicle Emissions and Noise**

This committee reports jointly to the Ministerial Council for Road Transport and the National Environment Protection Council. It was established in February 1982 to examine and advise on issues relating to motor vehicle emissions and noise.

Chair and secretariat duties rotate every two years between environment and transport authorities. Membership comprises one representative each from the Federal Office of Road Safety and the Commonwealth Environment Protection Agency; two representatives from each State and Territory, representing transport and environment functions; and three non-voting members representing the National Health and Medical Research Council, the Department of Primary Industries and Energy and the Department of Industry, Science and Tourism, with responsibility for advice on health, energy and vehicle industry issues.

The committee held one meeting during 1996–97. Issues included the review of emission standards for new petrol and diesel engined vehicles.

### **Vehicle Standards Review Advisory Committee**

The Minister established a Vehicle Standards Review Advisory Committee in January 1997 as part of the Government's overall objective of achieving appropriate vehicle safety and emission standards, taking into account social, economic, environmental health, equity and safety concerns. The role of the committee is to examine the broad policy issues to determine the relevance of the current vehicle safety standards and ways of reducing the regulatory burden on trade between Australia and New Zealand. This review gives committee members an opportunity to actively participate in the Trans Tasman Mutual Recognition Arrangement process as it relates to vehicle standards.

The advisory committee members include representation from the Federal Chamber of Automotive Industries, the Australian Automobile Association, the Road Transport Forum, the Australian Bus and Coach Association, the Federal Office of Road Safety, New Zealand Land Transport Safety Authority, the

National Road Transport Commission and State and Territory Transport Departments.

The first meeting of the advisory committee was held in Canberra in June 1997. Meetings will be held as necessary, but most likely twice each year.

### **Committee to Advise on Recall and Safety**

The Federal Office of Road Safety provides technical and administrative support to the Committee to Advise on Recall and Safety (CARS) in examining alleged unsafe vehicle parts, accessories and unsafe practices, including appropriate means of overcoming demonstrated safety problems. CARS membership includes representatives of government, industry and road user (consumer) groups.

### **Motorcycle Safety Consultative Committee**

The Motorcycle Safety Consultative Committee is established by the Federal Government to consider a range of issues in national motorcycle safety. Its membership comprises officials of the Federal Office of Road Safety and representatives from the motorcycle rider community, the motorcycle industry and other interest groups.

The committee normally meets twice a year in Canberra.

### **Transport Trade Industry Consultative Committee**

The Transport Trade Industry Consultative Committee (TTICC) is a consultative mechanism established by the Department through which the views of industry and government (both Commonwealth and State) are sought on matters related Australia's approach to work in APEC. The TTICC is also active in regard to other transport trade related issues such as the growing bilateral relationship between Australia and Indonesia and in the area of integrated logistics.

### **APEC Transportation Working Group**

The Transportation Working Group (TPT-WG) has as its goal the promotion of an efficient and integrated region-wide transportation system that will enhance regional growth and economic inter-relationships for the common good of APEC economies. The TPT-WG meets twice a year, the last (eleventh) meeting having been held in Seattle, in April 1997. The twelfth meeting is scheduled for Chinese Taipei in September 1997.

Australia is represented at each TPT-WG meeting by a delegation comprising regulatory agencies, industry representatives and departmental officers.

Work projects are aimed at:

- facilitating the harmonisation, coordination and transparency of transport policies and standards;
- promoting the efficient use of existing infrastructure through the application of appropriate trade and transport facilitation techniques;
- promoting a more competitive transportation operating environment;
- promoting transport system safety and security; and

- promoting the application of information technology systems in the region and appropriate standards.

### **Second APEC Transportation Ministerial Meeting**

The second APEC Transportation Ministerial Meeting was held in Victoria, Canada, from 22–24 June 1997. The Minister for Transport and Regional Development, the Hon. John Sharp MP, attended the meeting with a delegation of over 20 industry representatives and 12 government officials.

The meeting established the priorities that will form the basis of future work in implementing the APEC goals of free and trade and investment in the transport sector.

The ministerial meeting supported several Australian initiatives:

- endorsement by ministers of the model Mutual Recognition Arrangement for Automotive Product;
- development of a model Air Freight Agreement; and
- development of a common framework of standards for the application of intelligent transport systems (ITS) to vehicle identification, safety, location and tolling.

Progressing of these and other initiatives and priorities from the ministerial meeting will be the task of the TPT-WG.

### **Australia-Indonesian Bilateral Relationship**

Australia and Indonesia are continuing to develop a strong bilateral relationship on transport matters which builds on the 1995 Memorandum of Understanding between Australia and Indonesia on transport sector cooperation. The relationship is being used by both countries to strengthen practical business sector cooperation on transport opportunities. Key activities during the year included participation by the Minister for Transport and Regional Development in the Australia–Indonesia Ministerial Forum in Jakarta in November and the visit by the Indonesian Minister for Communications to Australia in December 1997. Comprehensive annual bilateral discussions among senior Australian and Indonesian departmental officials, as well as representatives of the States/Territories and Indonesian regional administrations, were held in Ambon in September 1996. The next bilateral discussions are scheduled to be held in October 1997 in Perth.

### **Australia-Indonesia Development Area (AIDA)**

As a result of an initiative between the Minister for Transport and Regional Development and the Indonesian Minister for Communications, a Contact Group on the development of transport in and between Eastern Indonesia and Northern Australia was held in November 1996. There was a significant private sector representation at this meeting, and the meeting produced a comprehensive listing of initiatives which may be taken by the Indonesian Government to increase the commercial attractiveness of investing in transport projects in the eastern part of Indonesia. Following the launch of AIDA in April 1997, the work of the contact group has now been incorporated into the AIDA

Transportation Working Group. A Coordinating Executive of senior Australian and Indonesian departmental officials has been established to oversee and coordinate the activities of the working group, which will continue to be largely industry-driven. The next meeting of the working group is scheduled to be held in Lombok on 25–26 August 1997.

### **Supermarket to Asia Council, Transport and Logistics Working Group**

The Supermarket to Asia Council was established in September 1996 by the Prime Minister for the purpose of increasing the export of agri-food products to Asia. The council established a series of working groups to develop an action plan to facilitate a growth in agri-food exports. The Transport and Logistics Working Group is one of these working groups. The working group is chaired by the Minister and comprises senior people from the transport providers and agri-food exporters industries.

The working group will finalise its work during July 1997.

### **Australian Science and Technology Council Shipping Partnership**

The Australian Science and Technology Council Shipping Partnership was formed in May 1995 to examine the science, technology and skills required for an innovative Australian sea transport system in the future. The partnership worked as a committee and comprised members from industry as well as Commonwealth government departments (Defence, Industry, Science and Tourism, and Transport and Regional Development) each of which contributed an equal share of costs.

### **Tradegate ECA—Logistics Management Working Group**

The Government established the National Consultative Group on Transport Electronic Data Interchange (EDI) in November 1992 to coordinate and accelerate the application of EDI in transport and related trading sectors. The group operated for four years and its functions were then merged into the Tradegate ECA Logistics Management Working Group in February 1997. The working group is chaired by the Department's Deputy Secretary, Mr John Bowdler, with membership drawn from industry, relevant government agencies and Tradegate ECA.

### **International Maritime Organisation (IMO)—and its committees**

The Convention establishing the International Maritime Organisation was adopted on 6 March 1948 by the United Nations Maritime Conference which was convened in Geneva on 19 February 1948. The Convention, then known as the Convention on the Inter-Government Maritime Consultative Organisation, entered into force on 17 March 1958. The new organisation was inaugurated on 6 January 1959 when the assembly held its first session. The name of the organisation was changed to the International Maritime Organisation in accordance with an amendment to the Convention which entered into force on 22 May 1982.

The purposes of the Organisation are 'to provide machinery for co-operation among Governments in the field of governmental regulation and practices relating to technical matters of all kinds affecting shipping engaged in international trade; to encourage and facilitate the general adoption of the highest practicable standards in matters concerning maritime safety, efficiency of navigation and prevention and control of marine pollution from ships'. The organisation is also empowered to deal with administrative and legal matters related to these purposes. The organisation has 2155 members states and two associate members.

The organisation consists of an assembly, a council and five main committees; the Maritime Safety Committee, Marine Environment Protection Committee, Legal Committee, Technical Cooperation Committee and a Facilitation Committee. The Department participates in the assembly, council and a number of the committees. Depending on the nature of the issues under consideration the Department seeks the views of industry and other stakeholders. Industry representatives and peak bodies also attend to assist Australian delegations to IMO Committee and Sub-committee meetings where the issues under consideration require that participation.

#### **Tasmanian Freight Equalisation Scheme (TFES) Review Authority**

The TFES Review Authority was established under ministerial Directions for the operation of the Tasmanian Freight Equalisation Scheme. The scheme has existed in its current form since September 1985, at which time the authority was also established. The authority consists of three members appointed by the Minister. The authority's role is to review administrative decisions made under the ministerial directions (at the request of any person affected by a decision) and, at the request of the Minister or Secretary of the Department, to provide an advisory opinion on any matter relating to the administration of the scheme, or interpretation of the ministerial directions. In carrying out its functions the authority may seek views from industry and other stakeholders, and has done so in many of its reviews.

#### **National Plan Advisory Committee (NPAC)**

The National Plan Advisory Committee was established in 1993 to provide assistance and advice to the AMSA Board in the development and implementation of programs under the National Plan to Combat Pollution of the Sea by Oil. Membership of the Committee includes representative of relevant Commonwealth departments and agencies including the Department of Transport and Regional Development, State/Northern Territory maritime agencies and industry.

#### **OECD Maritime Transport Committee**

The major role of the committee is to serve as a forum for dialogue, consultation and harmonisation of maritime policy between OECD member countries. The committee has defined the principles of maritime policy which govern the way the industry operates and ensures that they are adhered to. These principles are based on liberalism: free access of fleets to international traffic, free and fair competition on shipping markets, no discrimination, and

priority for multilateral dispute settlement. These principles are contained in the OECD Council Recommendation of 13 February, 1987. Since the 25 OECD member countries account for two-thirds of world-wide imports and exports, the principles thus established may be considered as universally applicable, and the committee seeks to secure their observance by non-member maritime nations.

In representing Australia on the Committee, the Department seeks the views of industry where appropriate.

### **Australian Maritime Network (AMN)**

The AMN was established as a result of discussions on the future of the Australian maritime industry by the members of Shipping 'Task Force 2000' formed following the Aus-Ship '94 Seminar. The AMN is chaired by the Hon. Peter Morris MP.

The AMN is a voluntary group of people representing service providers, users and government. Members of the AMN work to enhance communications and information sharing while promoting the maritime industry to the general community. The Department is a participant.

### **National Marine Safety Committee**

The National Marine Safety Committee (NMSC), comprising the heads of Australian maritime safety agencies, was established in March 1997 with the agreement of all governments. The secretariat is based in New South Wales and will operate on an interim basis for two years.

The NMSC has principal responsibility for development of standards and arrangements to provide for consistent regulatory and operational marine safety practices across Australia. It is also responsible for coordinating implementation of the national marine safety strategy.

### **Sydney Airport Community Forum**

The Sydney Airport Community Forum was established by the Minister in July 1996 to replace the Sydney Airport Community Consultative Committee which was formed in June 1995. The forum comprises Commonwealth, State, local government, community and industry representatives from around Sydney Airport and provides advice to the Minister on noise and related environmental problems at the airport.

### **Program Advisory Panel—CASA Review Program**

The Program Advisory Panel, under the Chairmanship of Mr James Kimpton, was established in June 1996 to oversee an industry-driven examination of aviation safety regulations and the role of the Civil Aviation Safety Authority (CASA).

Reporting to this panel, which provides monthly reports to the Minister, are the Regulatory Framework Program Committee and the Regulatory Role Program Committee.

The Regulatory Framework Program Committee is responsible for reviewing the Civil Aviation Regulations and orders to make them less complex, more user friendly and harmonised with international standards.

The Regulatory Role Program Committee will examine the role of CASA to ensure it delivers the most effective and objective air safety regime.

Membership of the committees comprise industry and CASA representatives. The Department has observer status on the committee.

### **Ministerial Working Group on Regional Affairs**

The Ministerial Working Group on Regional Affairs (MWGRA) was established to ensure that the needs and performance of regional Australia are understood by the Commonwealth Government and addressed in an effective way. In doing so, the MWGRA encourages coordination between portfolios and the avoidance of duplication. The Department provides administrative and policy support to the Minister for Transport and Regional Development and to the Ministerial Working Group in achieving its objectives.

### **Commonwealth–State Ministerial Meeting for Regional Development**

The Commonwealth–State Ministerial Meeting for Regional Development is a ministerial forum for Commonwealth, State and Territory consultation and advice to governments on the coordination of regional policy issues at a national level. The Department provides secretariat support to the meeting.

## APPENDIX 2: INFORMATION AVAILABLE ON REQUEST

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The following information is available to any person on request. The material will be provided within five working days of a request being received in the Department.

- Portfolio legislation
- reports of statutory authorities
- reports of non-statutory bodies
- Government companies
- equal employment opportunity
- staff training
- interchange program
- claims and losses
- purchasing
- payment of accounts
- consultancy services
- fraud control
- reports by Auditor-General
- inquiries by parliamentary committees
- decisions by courts and tribunals
- privacy provisions
- environmental matters
- property usage
- business regulations
- departmental publications issued
- discretionary grants

Enquiries should be made to:

Christine Pratt  
Freedom of Information Coordinator  
Department of Transport  
and Regional Development  
GPO Box 594  
Canberra ACT 2601

Tel: (02) 6274 7844  
Fax: (02) 6274 6775  
E-mail: [cpratt@email.dot.gov.au](mailto:cpratt@email.dot.gov.au)

## APPENDIX 3: DEPARTMENTAL AND PORTFOLIO ADDRESSES

### Department of Transport and Regional Development

Myuna Complex (Todd, Trace, Drakeford and Cox Buildings) Cnr Northbourne Avenue and Cooyong Street Canberra ACT 2600	GPO Box 594 Canberra ACT 2601	Tel: (02) 6274 7111 Telex: 62018 Fax: (02) 6257 2505 Internet: <a href="http://www.dot.gov.au">http://www.dot.gov.au</a>
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### Other Offices

#### Bureau of Air Safety Investigation

26 Mort Street Braddon ACT 2612	PO Box 967 Civic Square ACT 2608	Tel: 1800 020 616 Fax: (02) 6247 3117
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#### Bureau of Air Safety Investigation Regional Offices

##### Brisbane

Level 12 Australia House 363 Adelaide Street Brisbane Qld 4000	PO Box 10024 Brisbane Adelaide Street Qld 4000	Tel: 1800 011 034 Fax: (07) 3832 1386
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##### Sydney

Level 7, BT Tower 1 Market Street Sydney NSW 2000	PO Box Q78 Queen Victoria Building Sydney NSW 2000	Tel: 1800 011 034 Fax: (02) 9283 1679
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##### Melbourne

Level 2, Building 3 6 Riverside Quay Southbank Vic 3006	No PO Box address	Tel: 1800 011 034 Fax: (03) 9685 3611
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##### Perth

Suite 2, Pastoral House 277-279 Great Eastern Highway	PO Box 327 Belmont WA 6104	Tel: 1800 011 034 Fax: (08) 9479 1550
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Belmont WA 6104

## Aviation Security Regional Offices

### Brisbane

Level 12 Adelaide House 363 Adelaide Street Brisbane Qld 4000	PO Box 10243 Brisbane Adelaide Street Qld 4000	Tel: (07) 3838 9999 Fax: (07) 3838 9991
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### Sydney

Level 7, BT Tower 1 Market Street Sydney NSW 2000	PO Box Q78 Queen Vic Building NSW 1230	Tel: (02) 9283 1665 Fax: (02) 9283 1702
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### Melbourne

Level 3, Building 3 6 Riverside Quay Southbank Vic 3006	No PO Box address	Tel: (03) 9685 3620 Fax: (03) 9685 3586
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### Adelaide

12th Floor, Capita Building 10–20 Pulteney Street Adelaide SA 5000	PO Box 538 Adelaide SA 5001	Tel: (08) 8228 6800 Fax: (08) 8228 6803
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### Perth

Control Tower Complex Perth International Airport Newburn WA 6104	PO Box 385 Cloverdale WA 6105	Tel: (08) 9477 1234 Fax: (08) 9477 1069
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### Maritime

#### Sydney (Maritime Policy Liaison Office)

Level 7, BT Tower 1 Market Street Sydney NSW 2000	PO Box Q78 Queen Victoria Building Sydney NSW 2000	Tel: (02) 9283 1650 Fax: (02) 9283 1679
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#### Hobart (Tasmanian Freight Equalisation Scheme)

Ground Floor	GPO Box 1269N	Tel: (03) 6233 0300
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MBF Building  
25 Argyle Street  
Hobart Tas 7000

Hobart Tas 7001

Fax: (02) 6231 0897

## **Government Business Enterprises, Statutory Authorities and other bodies**

### **Airservices Australia**

Alan Woods Building  
25 Constitution Avenue  
Canberra ACT 2601

GPO Box 367  
Canberra ACT 2601

National dialling no.  
0133 550  
Tel: (02) 6268 4111  
Telex: 62221  
Fax: (02) 6268 5683

### **Civil Aviation Safety Authority**

CASA Building  
Cnr Northbourne Avenue  
and Barry Drive  
Canberra ACT 2600

GPO Box 2005  
Canberra ACT 2601

Tel: 131 757  
Fax: (02) 6217 1050

### **Federal Airports Corporation**

Level 2  
2a Lord Street  
Botany NSW 2019

Locked Bag 28  
Botany NSW 2019

Tel: (02) 9207 7777  
Fax: (02) 9316 5606

### **International Air Services Commission**

ACIL House  
103-105 Northbourne  
Avenue  
Turner ACT 2612

GPO Box 630  
Canberra ACT 2601

Tel: (02) 6267 1100  
Fax: (02) 6267 1111  
(02) 6267 1112

### **ANL Ltd**

432 St Kilda Road  
Melbourne Vic 3004

GPO Box 2238T  
Melbourne Vic 3001

Tel: (03) 9869 5555  
Telex: AA 130584  
Fax: (03) 9869 5319

### **Australian Maritime Safety Authority**

Benjamin Offices  
Belconnen ACT 2617

PO Box 1108  
Belconnen ACT 2616

Tel: (02) 6279 5000  
Fax: (02) 6279 5858

**Seafarers Safety, Rehabilitation and Compensation Authority**

Level 3, Drakeford Building 72 Northbourne Avenue Canberra ACT 2600	GPO Box 594 Canberra ACT 2601	Tel: (02) 6274 7661 Fax: (02) 6274 6699
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**Australian National Railways Commission**

Australian National House 1 Richmond Road Keswick SA 5035	GPO Box 1743 Adelaide SA 5001	Tel: (08) 8217 4111 Fax: (08) 8217 4602
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**National Rail Corporation**

Level 5, Perth House 85 George Street Parramatta NSW 2150	PO Box 1419 Parramatta NSW 2124	Tel: (02) 9685 2555 Fax: (02) 9687 1804
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**National Road Transport Commission**

Level 5 326 William Street Melbourne Vic 3000	PO Box 13105 Law Courts Melbourne Vic 8010	Tel: (03) 9321 8444 Fax: (03) 9326 8964
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**Albury–Wodonga Development Corporation**

620 Macauley Street Albury NSW 2640	PO Box 913 Albury NSW 2640	Tel:(060) 23 8000 Fax: (060) 23 8099
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## APPENDIX 4: STAFFING OVERVIEW

### Staff

Actual permanent and temporary, full-time and part-time staff at 30 June 1997

Permanent				Temporary				Total
Full-time		Part-time		Full-time		Part-time		
M	F	M	F	M	F	M	F	
440	242	6	19	10	4	–	1	722

Actual staff<sup>1</sup> by classification group and location at 30 June 1997

State	SES	SO	ASO 5–6	ASO 1–4	PAO 1– 2	ITO 1–2	PO	TO	ASI	GSO	MISC	Total
ACT	36	238	155	165	2	12	8	7	31	4	14	672
Qld	–	2	4	2	–	–	–	–	5	–	–	13
NSW	–	2	3	1	–	–	–	–	2	–	–	8
Vic	–	1	2	1	–	–	–	–	3	–	–	7
Tas	–	2	3	8	–	–	–	–	–	–	–	13
SA	–	1	1	–	–	–	–	–	–	–	–	2
WA	–	2	2	1	–	–	–	–	2	–	–	7
<b>Total</b>	<b>36</b>	<b>248</b>	<b>170</b>	<b>178</b>	<b>2</b>	<b>12</b>	<b>8</b>	<b>7</b>	<b>43</b>	<b>4</b>	<b>14</b>	<b>722</b>

#### Key:

SES — Senior Executive Service

SO — Senior Officers and equivalent

ASO — Administrative Service Officer

PAO — Public Affairs Officer

PO — Professional Officer

TO — Technical Officer

ASI — Air Safety Investigator

GSO — General Service Officer

Misc — includes Graduate Administrative Assistants and Public Administration Trainees (temporary stream)

<sup>1</sup> Includes permanent and temporary, full-time and part-time staff but excludes inoperatives. Totals by classification group may be skewed slightly upwards as PERSPECT (computerised personnel system) counts two occupants where the usual occupant is on leave and has been replaced by another officer on Higher Duties Allowance. For this table SES officers includes the Secretary.

**EEO groups within salary ranges, permanent actual positions including inoperatives, 30 June 1997**

Salary Range	Men	Women	Total <sup>1</sup>	Staff who have volunteered EEO				
				NESB	NESB 2	ATSI	PWD	Total <sup>2</sup>
\$14 363–26 570	4 50.0%	4 50.0%	8	1 37.5%	–	–	1 12.5%	8 100.0%
\$26 571–30 042	27 45.8%	32 54.2%	59	6 11.8%	6 11.8%	–	2 3.9%	51 86.4%
\$30 043–33 304	24 35.3%	44 64.7%	68	6 9.4%	11 17.2%	1 1.6%	2 3.1%	64 94.1%
\$33 305–37 341	23 37.7%	38 62.3%	61	4 7.1%	6 10.7%	2 3.6%	1 1.8%	56 91.8%
\$37 342–40 675	36 43.9%	46 56.1%	82	8 10.5%	11 14.5%	–	1 1.3%	76 92.7%
\$40 676–47 591	82 64.1%	46 35.9%	128	10 9.0%	9 8.1%	–	3 2.7%	111 86.7%
\$47592–55 170	95 70.4%	40 29.6%	135	5 3.9%	16 12.4%	–	4 3.1%	129 95.6%
\$55 171–66 175	122 86.5%	19 13.5%	141	5 3.8%	11 8.3%	–	2 1.5%	132 93.6%
\$66 176–69 719	17 100.0%	–	17	2 11.8%	–	–	–	17 100.0%
>\$69 719	36 85.7%	6 14.3%	42	1 2.4%	4 9.8%	–	4 9.8%	41 97.6%
<b>Total</b>	<b>466 62.9%</b>	<b>275 37.1%</b>	<b>741</b>	<b>50 7.3%</b>	<b>74 10.8%</b>	<b>3 0.4%</b>	<b>20 2.9%</b>	<b>685 92.4%</b>

Key:

NESB 1 — Non English-speaking background, first generation

NESB 2 — Non English-speaking background, second generation

ATSI — Aboriginal and Torres Strait Islander people

PWD — People with a disability

<sup>1</sup> Total number of permanent actual staff in the Department including inoperatives. Gender percentages relate to this total.

<sup>2</sup> Total number of staff who have volunteered EEO information. Percentages of EEO groups relate to this total.

### EEO groups within occupational groups, permanent actual positions including Inoperatives, 30 June 1997

Group	Men	Women	Total <sup>1</sup>	Staff who have volunteered EEO				
				NESB 1	NESB 2	ATSI	PWD	Total <sup>2</sup>
SES	33 84.6%	6 15.4%	39	1 2.6%	3 7.9%	–	3 7.9%	38 97.4%
Admin	346 57.2%	259 42.8%	605	41 7.4%	64 11.6%	3 0.5%	14 2.5%	554 91.6%
Prof.	77 91.7%	7 8.3%	84	7 8.5%	6 7.3%	–	3 3.7%	82 97.6%
Tech.	7 87.5%	1 12.5%	8	–	–	–	–	7 87.5%
Trade	1 50.0%	1 50.0%	2	1 100.0%	–	–	–	1 50.0%
Misc.	2 66.7%	1 33.3%	3	–	1 33.3%	–	–	3 100%
<b>Total</b>	<b>466 62.9%</b>	<b>275 37.1%</b>	<b>741</b>	<b>50 7.3%</b>	<b>74 10.8%</b>	<b>3 0.4%</b>	<b>20 2.9%</b>	<b>685 92.4%</b>

**Key:**

NESB 1— Non English-speaking background, first generation

NESB 2—Non English-speaking background, second generation

ATSI—Aboriginal and Torres Strait Islander people

PWD—People with a disability

<sup>1</sup> Total number of permanent actual staff in the Department including inoperatives. Gender percentages relate to this total.

<sup>2</sup> Total number of staff who have volunteered EEO information. Percentages of EEO groups relate to this total.

Note: The SES group includes the Secretary and Deputy Secretary

### Staff development activities

During 1996–97 the Department spent \$1 472 568 on staff development activities. The total number of development days training undertaken by departmental staff was 3138, an average of 3.7 days per staff member. Further information on staff development activities undertaken by departmental staff is available on request.

## SES mobility

### Gains and losses

Nominal Class	Women	Men	Total	Gains		Losses	
				Women	Men	Women	Men
SES B1	5	17	22	–	2	2	6
SES B2	0	8	8	–	–	–	1
SES B3	0	1	1	–	–	–	–
Secretary	0	1	1	–	–	–	–
Total	5	27	32	–	2	2	7

### Performance appraisal

SES performance pay is determined by the Secretary through an appraisal process. The Department follows the arrangements which are set in place under the Australian Public Service Enterprise Agreement 1995–96. The following data relates to performance pay awarded to SES officers. The Department does not operate a performance pay scheme for Senior Officers.

SES Band	Number	Amount paid (\$)
1	28.7	61 590
2 & 3	9.6	32 458

### Consultants engaged and expenditure

In 1996–97, the Department engaged 84 consultants. Of those, 16 did not receive any payments because the contracts were carried over to 1997–98. The total amount paid to consultants during the year was \$10 108 658. Details of individual consultancies are available on request.

## **APPENDIX 5: INDUSTRIAL DEMOCRACY**

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As required under the *Public Service Act 1922*, subsection 22C(10A) the Department operates an Industrial Democracy Plan. The plan promotes industrial consultation and participative management as effective workplace relations. The Departmental Consultative Council (DCC) provides the main forum for regular discussion between management, staff and unions.

The DCC comprises management representatives at senior levels, national union officials and key workplace delegates of the four unions having coverage of staff in the Department. It meets three times each year, with additional meetings scheduled or working parties convened when specific issues arise. Informal meetings of workplace delegates and management also discuss issues as necessary.

During the year the DCC considered issues flowing from the Government's decision to withdraw from the Regional Development Program, the 1997 Corporate Plan, outcomes from the 1996–97 staff survey and participation in the Investors in People scheme.

The Senior Executive responsible for industrial democracy in the Department is the First Assistant Secretary, Corporate. Staffing resources specifically attributed to industrial democracy include SOB (0.1 ASL) and ASO 6 (0.2 ASL). This includes secretariat support for the DCC.

## APPENDIX 6: OCCUPATIONAL HEALTH AND SAFETY

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The Department maintains an Occupational Health and Safety (OH&S) Agreement with unions in accordance with the *Occupational Health and Safety (Commonwealth Employment) Act 1991*. Under the agreement the Health and Safety Committee (HSC) met quarterly and considered a range of OH&S matters including:

- statistics on the Department's performance on illness and injury prevention, compensation and rehabilitation;
- new and ongoing OH&S policies;
- Designated Workgroup arrangements for the Department; and
- proposed changes to the *Safety Rehabilitation and Compensation Act (1988)* as it affects stress injury claims.

The Department continued its strategy of targeted prevention and rehabilitation activity to reduce the incidence and cost of specific higher impact injuries. Target categories included stress injury situations and injuries arising from keyboarding work (occupational overuse). Key elements in the strategy were:

- publishing articles in the departmental newsletter to raise awareness of stress and potential problems and provide information;
- promoting the Department's staff counselling service to both managers and staff as an avenue to address situations involving stress;
- committing OH&S resources to an ongoing individual workstation assessment program to train staff in workstation ergonomics, particularly as they apply to keyboard work; and
- early intervention by the OH&S Adviser to prevent injury and by the Rehabilitation Case Manager to minimise the cost impact when an injury was sustained.

This strategy was effective with only three compensable injuries in the target categories being sustained by departmental staff during 1996–97 compared to six during 1995–96.

Other OH&S related activities during the year included:

- continuing the Department's Screen Based Eyesight Testing Program for staff using computers;
- arranging health and fitness assessments for 30 per cent of staff in late 1996. Health and fitness was promoted through an internal Healthy Lifestyle Awareness Program comprising healthy lifestyle information articles in the departmental newsletter;
- maintaining effective emergency evacuation, first aid and fire safety and prevention structures and facilities;
- maintaining OH&S policies; and
- training staff in OH&S and providing advice to managers and individual staff on OH&S matters.

A total of 11 compensation claims were accepted for staff injuries during 1996–97. Three claims required reports to Comcare under the incident reporting regulations of the *Occupational Health and Safety (Commonwealth Employment) Act 1991*.

## **APPENDIX 7: INTERNAL AND EXTERNAL SCRUTINY**

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### **External audit—reports of the Australian National Audit Office**

The Department's progress in implementing recommendations of Australian National Audit Reports is included in reports provided biannually to the Joint Committee for Public Accounts by the Minister for Finance.

The Auditor-General released one report which related directly to the Department. The report made recommendations on the Building Better Cities Program. The recommendations were implemented to an appropriate extent until the program ceased on 30 June 1997.

The Auditor-General released several reports which were Australian Public Service-wide reviews, or contained references to the Department or Portfolio. No recommendations significantly affected the Department. Further information on Auditor-General's reports is available on request.

### **Internal audit**

Internal audit completed the greater part of the approved Annual Work Plan by 30 June 1997. All outstanding tasks have been commenced and are expected to be completed by August 1997. The section was restructured during the year with the Security Policy function relocated within Corporate and a greater reliance placed on external consultants for the provision of the bulk of internal audit and related services.

### **Fraud control**

The Commonwealth Law Enforcement Board assessed both the Department's Fraud Risk Assessment and the Fraud Control Plan as meeting Commonwealth requirements. The latter was distributed throughout the Department in February 1997. Further details are available on request.

### **Inquiries by Parliamentary committees**

Four reports containing matters relevant to the portfolio were tabled by Parliamentary committees. These were *The Development of Australia's Air Links with Latin America*, *Jet fresh paddock to plate*, *Report on the purchase of the precision aerial delivery system (PADS) by Airservices Australia* and *Report on the Brew report and the continuing role of the Commonwealth in the Australian rail industry*. Further details are available on request.

The Department contributed submissions and/or appeared before two other Committees of Inquiry during the year. Further details are available on request.

### **Comments by the Ombudsman**

During 1996–97 the Ombudsman received 20 complaints (12 oral and eight written) about departmental actions. Of the 19 issues finalised, the Ombudsman's Office exercised its discretion with 11 issues, two were

withdrawn or lapsed, three were resolved in favour or partly in favour of the complainant and three in favour of the Department.

There were no formal reports to the Minister under the provisions of the *Ombudsman Act 1976*. There were no recommendations by the Ombudsman for Act of Grace payments under the *Audit Act 1901*.

### **Decisions by courts and administrative tribunals**

The Department handled the following six significant legal actions affecting its programs:

- The Federal Court rejected an application by three New South Wales councils for a review of decisions relating to the east–west runway at Sydney Airport taken by the Minister for the Environment and the Minister for Transport and Regional Development. Proceedings have commenced in the Federal Court relating to an application on similar issues by Botany Bay City Council.
- The Administrative Appeals Tribunal (AAT) accepted the Lightship Group's application to review the Department's decision to refuse the Lightship Group's operation of an airship in Sydney. The Department has appealed to the Federal Court against the AAT's decision.
- An application has been made to the Supreme Court of Western Australia relating to the Government's decision in December 1991 to impose a tariff of \$12 000 on each used vehicle commercially imported into Australia. Proceedings are at a preliminary stage.
- A supplier of oil pollution control equipment has applied to the Federal Court in relation to decisions made by the Australian Maritime Safety Authority (AMSA) and the Department prior to AMSA's establishment. The application is still in its early stages.

Further details on these actions are available on request.

### **Complaints handling**

The Department does not yet have a formal documented complaints handling process. A more formal process will be developed, however, with the introduction of a Service Charter in 1998.

Examples of complaints handling included:

- The Bass Strait Equalisation Section received two minor complaints, one relating to the Tasmanian Freight Equalisation Scheme (TFES) and one relating to the Bass Strait Passenger Vehicle Equalisation Scheme (BSPVES). These were handled by staff from the Section and the matters resolved.
- The Bureau of Air Safety Investigation (BASI) receives representations, particularly from parties to an aviation safety investigation who consider their situation or circumstances may be misrepresented by the publication of the outcome of the investigation. Interested parties are given the opportunity to examine the draft report of the outcomes of BASI's investigations into aviation accidents and incidents, and register any objection or comment

within a specified time period, usually 28 days. No formal register of these representations is held.

## APPENDIX 8: ADVERTISING AND MARKET RESEARCH

### Program 1: Aviation

#### Media advertising organisations

Cost	Paid to	Reason
\$35 342	Neville Jeffress Advertising	Press advertising inviting community consultation for consideration of a proposed long-term operating plan for Sydney Airport and associated airspace
\$13 451	TMP Worldwide Pty Ltd	Press advertising inviting public comment on a report released by the Minister for Transport and Regional Development on a long-term operating plan for Sydney (Kingsford Smith) Airport and associated airspace
\$77 477	TMP Worldwide Pty Ltd	Press advertising applications for capacity of international air service routes and decisions made on capacity by the International Air Services Commission
\$126 270	<b>Total</b>	

#### Direct mail organisations

Cost	Paid to	Reason
\$1 785	National Mailing and Marketing Pty Ltd	Distribution of Aviation Statistics Survey Forms
\$1 785	<b>Total</b>	

### Program 2: Land Transport

#### Advertising agencies

Cost	Paid to	Reason
\$4 670	Cook, Green & Moore	Production costs for 'Drink Drive' road safety campaign
\$238 052	Sargant Rollins Vranken	Development and production costs for 'Rural Speed' road safety campaign
\$242 722	<b>Total</b>	

**Market research organisations**

<b>Cost</b>	<b>Paid to</b>	<b>Reason</b>
\$37 200	AMR Quantum Harris	Market research to evaluate the 'Speed' road safety campaign
\$30 000	Elliott & Shanahan	Market research to test creative concepts for the 'Rural Speed' road safety campaign
\$42 636	Eureka Strategic Research	Market research to evaluate the Federal Office of Road Safety (FORS) 'Rural Speed' road safety campaign
\$15 414	Stancombe Research	Market research to evaluate the pilot 'Drink Drive' road safety campaign
\$37 566	Taverner Research Company	Market research in a series of national surveys of community attitudes to road safety issues (survey no. 10).
\$35 000	Worthington De Marzio	Market research to evaluate the 1997 'Young Drivers' road safety campaign
\$160 250	<b>Total</b>	

**Direct mail organisations**

<b>Cost</b>	<b>Paid to</b>	<b>Reason</b>
\$66 074	DAS Distribution	Distribution of FORS public education materials
\$18 995	Infant Times Association	Insertion of the FORS brochure 'A Simple Guide to Child Restraints' into gift packs
\$85 069	<b>Total</b>	

**Media advertising organisations**

Cost	Paid to	Reason
\$8 600	ABC Enterprises	Advertisement for the joint ABC/FORS video in the <i>Women's Weekly</i>
\$1 109 241	AIS Media	Media purchase for 'Speed' road safety advertising campaign
\$686 238	AIS Media	Cinema and radio media purchase for the 'Young Drivers' road safety campaign
\$12 680	AIS Media	FORS radio advertisements on 'Truck Radio'
\$202 467	AIS Media	Metropolitan and regional press and convenience advertisements for the road safety 'Drink Drive' campaign
\$805 743	AIS Media	Media purchase on regional cinema and radio for the FORS 'Rural Speed' road safety campaign
\$1 000	Eric Publishing	FORS advertisement in <i>Kidsafe</i> magazine
\$1 988	Neville Jeffress Advertising	Invite applications for the 1996–97 Road Research Grant
\$2 827 957	<b>Total</b>	

**Program 3: Maritime****Media advertising organisations**

Cost	Paid to	Reason
\$127	Australian Government Publishing Service	Declaration of designated Secondary Shipper Body, Australian Prawn Promotion Association Ltd
\$237	Australian Government Publishing Service	Proclamation of part of the <i>Navigation Act 1912</i> which brings the 1989 Salvage Convention into force
\$163	Davies Brothers Limited	Advertising in a Tasmanian country newspaper to announce directions to the departmental site at AGFEST (a rural agricultural fair held each year in Tasmania)
\$3 106	Neville Jeffress Advertising	Review of rates of assistance for Tasmanian Freight Equalisation Scheme
\$12 877	TMP Worldwide Pty Ltd	To inform industry and the public of the commencement of the review of the <i>Australian Maritime Safety Authority Act 1990</i> and the <i>Shipping Registration Act 1981</i>
\$16 510	<b>Total</b>	

## Program 4: Regional Development

### Direct mail organisations

Cost	Paid to	Reason
\$246	Koomarri Pack-n-post	Mailing out of ministerial statement, 'Regional Australia: Leading the Way'. Folding and collating 250 booklets and covering letters
\$246	<b>Total</b>	

## Program 5: Corporate Direction and Support

### Media advertising organisations

Cost	Paid to	Reason
\$22 297	Neville Jeffress Advertising	Press advertising of tenders
\$8 273	TMP Worldwide Pty Ltd	Press advertising of vacant positions within the Department
\$30 570	<b>Total</b>	

## APPENDIX 9: SOCIAL JUSTICE AND EQUITY

### Social justice overview

Examples of activities undertaken by the Department during 1996–97 to enhance social justice, access and equity and development strategies for women included:

- continuing subsidies for air services to remote areas where there are no suitable alternative forms of transport;
- facilitating national consensus on an ‘in-principle’ set of draft disability standards for accessible public transport through the Australian Transport Council;
- a communications campaign targeting Aboriginal people under the National Rural Road Safety Action Plan;
- continuing to provide information on the installation and use of child restraints in a wide range of community languages;
- administering the Tasmanian Freight Equalisation Scheme that aims to alleviate the comparative freight disadvantage of shipping certain non-bulk goods between Tasmania and the mainland;
- maintaining a register of qualified women interested in board appointments;
- administering CSO payments for Australian National Railways Commission’s passenger concessional travel for pensioners;
- fifty per cent Federal Road Safety Black Spot Program funding for treating crash locations in rural areas;
- research into road safety needs of Aboriginal people;
- research into road safety risks faced by females;
- a road trauma treatment workshop for medical and para medical practitioners in rural areas;
- continuing the Sydney Airport Noise Amelioration Program;
- releasing the Sydney Airport Long Term Operating Plan for public comment on 5 February 1997—more than 7500 people responded via written submissions or via a free telephone inquiry line; and
- maintaining the APPOINT database on the membership of boards of portfolio bodies to monitor participation by equal opportunity target groups.

### Equal opportunity in board appointments

Board positions filled by Equal Opportunity target groups were as follows:

Male Aboriginal	–
Female Aboriginal	–
Male Non English Speaking Background	2
Female Non English Speaking Background	–
Male disabled	–
Female disabled	–
TOTAL males	73
TOTAL females	12
<b>TOTAL APPOINTMENTS</b>	<b>85</b>

24 board appointments were made during the year. Of these, one was female.

As the provision of information regarding a person's Equal Opportunity status is voluntary, these statistics reflect—except in the case of the identification of women—only the information volunteered by board appointees.

## **Equal Employment Opportunity**

The Department's new Equal Employment Opportunity (EEO) Plan 'Achieving Equity for our People' was launched in March 1997. The plan has two broad objectives which commit the Department to recruiting the best people from the widest range of applicants and to providing a working environment which is equitable for all.

Prepared in consultation with staff and unions, the plan reaffirms our commitment to EEO principles and builds on the progress made under previous EEO programs.

EEO reports were presented regularly to the Departmental Consultative Council and the People and Organisation Committee. Issues discussed included the development of the new EEO Plan, recruitment and career development of Aboriginal and Torres Strait Islander People and recruitment of members of other EEO target groups. EEO statistical data was also reported in *The State of the Department Report*.

As a result of the evaluation of the former Aboriginal and Torres Strait Islander Recruitment and Career Development Plan, a new policy was developed and launched with the EEO Plan. The policy includes strategies relating to recruitment, career development and cross-cultural awareness. The Department was also represented at meetings of the Government Representatives of Indigenous Personnel.

To assist people to combine work and family responsibilities better, the Department has a 48/52 Variable Leave Without Pay program, extended flex-time provisions, additional leave for family responsibilities, a nursing mother's and parent's room.

The Department nominated the carer's room and the Variable Leave Without Pay Scheme for the 1995–96 Public Service and Merit Protection Commission (PSMPC) Equality Awards in Equal Employment Opportunity in the Australian Public Service (APS). The Department was commended in the Open Category for the establishment of a well-equipped carer's room, the first of its kind in Canberra.

Modifications to the work environment under the principles of reasonable adjustment were undertaken during the year to accommodate people with identified disabilities.

A network of EEO and Harassment Contact Officers is currently being reformed under the requirements of the new EEO Plan. Contact officers provide advice and information as required and assist the EEO coordinator by distributing information and providing feedback on relevant issues. These officers provide a first point of contact for employees seeking assistance.

Two positions have primary responsibility for EEO, the EEO Coordinator and the Senior Executive Responsible for EEO (SEREEO), currently the First Assistant Secretary, Aviation Operations. The new EEO Plan recommends that the role of SEREEO be rotated through sub-program managers.

At the end of June 1997, the Department held EEO data on 92.4 per cent of people. This presents an increase of 3.3 per cent of people who have volunteered EEO data.

Tables in the Staffing Overview at [Appendix 4](#) show gender and designated breakdown for actual permanent staff (including inoperative) by salary groups and occupational groupings.

The representation of all EEO groups in the Department is below the APS average as reported in the 1996 APS staffing statistics report: women 37.1 per cent (APS average 47.6 per cent); non English-speaking background 18.1 per cent (APS average 19.4 per cent); Aboriginal and Torres Strait Islanders 0.4 per cent (APS average 2.7 per cent); and people with disabilities 2.9 per cent (APS average 6.0 per cent).

During 1996–97 there was no change in the percentage of people from non English-speaking background and people with disabilities. However, there was a small decrease in the percentage representation of Aboriginal and Torres Strait Islander people. Efforts to increase the representation of Aboriginal and Torres Strait Islander staff will continue. To achieve the two per cent target by the year 2000, it would require the employment of 12 additional identified Aboriginal and Torres Strait Islander staff, a 400 per cent increase unlikely to be achieved.

There was a decrease of 2.3 per cent in the representation of women in the Department. This decrease in the proportion of women in the Department reflects the relatively high number of women in the former Regional Development Program. As was acknowledged in previous years, there remain difficulties in attracting women to the Department.

## APPENDIX 10: RECONCILIATION OF PROGRAMS AND APPROPRIATION ELEMENTS

Program	A+ Approp Acts No. 1 & 3 (\$'000)	B+ Approp Acts No. 2 & 4 (\$'000)	C+ Special Approps (\$'000)	D= Annotated Approps (a) (\$'000)	E Program Approps (\$'000)	- F Adjustments (b) (\$'000)	= G Program Outlays (\$'000)
<b>AVIATION</b>							
1.1	8 802	—	—	67	8 869	(2 436)	6 433
1.2	7 711	55 017	—	21	62 750	(181)	62 568
1.3	9 802	—	—	119	9 921	(128)	9 793
1.4	1 172	—	—	3	1 174	(3)	1 172
1.5	23 081	—	40 355	—	63 436	—	63 436
1.6	—	—	—	—	—	(51 498)	(51 498)
1.7	9 218	—	16 894	—	26 112	(54 000)	(27 888)
<b>Total</b>	<b>59 786</b>	<b>55 017</b>	<b>57 249</b>	<b>210</b>	<b>172 261</b>	<b>(108 245)</b>	<b>64 016</b>
<b>LAND TRANSPORT</b>							
2.1	2 205	54 450	803 453	—	860 108	(14 784)	845 324
2.2	16 637	407	55 916	234	73 193	(234)	72 959
2.3	30 142	303 500	—	—	333 642	(11 220)	322 422
<b>Total</b>	<b>48 984</b>	<b>358 357</b>	<b>859 369</b>	<b>234</b>	<b>1 266 943</b>	<b>(26 239)</b>	<b>1 240 705</b>
<b>MARITIME</b>							
3.1	48 363	8 769	26 858	7.272	83 998	(92)	83 906
3.2	8 796	—	50 746	—	59 542	(11 199)	48 343
3.3	—	—	—	—	—	—	—
<b>Total</b>	<b>57 159</b>	<b>8 769</b>	<b>77 604</b>	<b>7</b>	<b>143 539</b>	<b>(11 291)</b>	<b>132 248</b>
<b>REGIONAL DEVELOPMENT</b>							
<b>Total</b>	<b>58 878</b>	<b>57 301</b>	<b>3 142</b>	<b>6</b>	<b>119 327</b>	<b>(69 938)</b>	<b>49 389</b>
<b>CORPORATE DIRECTION AND SUPPORT</b>							
5.1	873	—	—	—	873	(2)	871
5.2	12 697	—	—	600	13 298	(634)	12 664
5.3	7 758	—	—	98	7 856	(98)	7 758
<b>Total</b>	<b>21 328</b>	<b>—</b>	<b>—</b>	<b>698</b>	<b>22 026</b>	<b>(734)</b>	<b>21 293</b>
<b>TOTAL</b>	<b>246 135</b>	<b>479 444</b>	<b>997 363</b>	<b>1 156</b>	<b>1 724 098</b>	<b>(216 446)</b>	<b>1 507 652</b>

(a) Annotated Appropriations are a form of special appropriation to allow a department access to the money it earns

(b) Adjustments to derive outlays, including receipts items classified as outlays and net movements in trust account balances

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## **GLOSSARY OF ACRONYMS AND ABBREVIATIONS**

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### **A**

AA	Airservices Australia
AAAI	Association of Australian Aerospace Industries
AACRT	Australian Advisory Committee on Road Trauma
AAT	Administrative Appeals Tribunal
ABA	Australian Broadcasting Authority
ABS	Australian Bureau of Statistics
ACCC	Australian Competition and Consumer Commission
ACEPS	Achieving Cost Effective Personnel Services
ADRs	Australian Design Rules
AIA	Airport Industries Australia
AIDA	Australia–Indonesia Development Area
AMN	Australian Maritime Network
AMSA	Australian Maritime Safety Authority
AN	Australian National Railways Commission
ANL	ANL Limited
ANZECC	Australia and New Zealand Environment and Conservation Council
APEC	Asia Pacific Economic Cooperation
APS	Australian Public Service
APSA	Australian Peak Shippers Association
APSLMAP	APS Labour Market Adjustment Program
ARRB-TR	Australian Road Research Board-Transport Research Limited
ASI	Air Safety Investigator
ASO	Administrative Service Officer
ATA	Aviation Training Australia
ATAC	Australian Transport Advisory Council
ATC	Australian Transport Council
ATSI	Aboriginal and Torres Strait Islander
AUSTROADS	AUSTROADS Incorporated

### **B**

BASI	Bureau of Air Safety Investigation
BSPVES	Bass Strait Passenger Vehicle Equalisation Scheme
BTCE	Bureau of Transport Communications and Economics

### **C**

CAIR	Confidential Aviation Incident Reporting system
CARS	Committee to Advise on Recall and Safety
CASA	Civil Aviation Safety Authority
CPI	Consumer Price Index
CPSU	Community and Public Sector Union

### **D**

DCC	Departmental Consultative Council
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DIVINE	Dynamic Interaction between Vehicle and Infrastructure Equipment
DoCA	Department of Communications and the Arts
<b>E</b>	
EDI	electronic data interchange
EEO	Equal Employment Opportunity
EIS	Environmental Impact Statement
<b>F</b>	
FAC	Federal Airports Corporation
FOI	Freedom of Information
FORS	Federal Office of Road Safety
<b>G</b>	
GAA	Graduate Administrative Assistant
GBE	Government Business Enterprise
GSO	General Service Officer
<b>H</b>	
HORSCOTCI	House of Representatives Standing Committee on Transport Communications and Infrastructure
HSC	Health and Safety Committee
<b>I</b>	
IASC	International Air Services Commission
ICAO	International Civil Aviation Organization
IDP	Industrial Democracy Plan
IGA	Intergovernmental Agreement on Rail Safety
IIIS	Institutional Investor Information Service
liP	Investors in People
IMO	International Maritime Organisation
IT	Information Technology
ITO	Information Technology Officer
ITS	Intelligent Transport Systems
<b>K</b>	
KSA	Kingsford Smith Airport
<b>L</b>	
LPG	Liquefied Petroleum Gas
<b>M</b>	
MAB	Management Advisory Board
MCRT	Ministerial Council for Road Transport
MIIU	Maritime Incident Investigation Unit
MPG	Marine and Ports Group
MRA	Mutual Recognition Arrangement
MTC	Maritime Transport Committee
MWGRA	Ministerial Working Group on Regional Affairs

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**N**

NESB	non English-speaking background
NMSC	National Marine Safety Committee
NPAC	National Plan Advisory Committee
NR	National Rail
NRTC	National Road Transport Commission

**O**

OAS	Office of Asset Sales
OECD	Organisation for Economic Cooperation and Development
OGIT	Office of Government Information Technology
OH&S	Occupational Health and Safety

**P**

P&OC	People and Organisation Committee
PAO	Public Affairs Officer
PAYE	Pay As You Earn
PEAC	Planning, Evaluation and Audit Committee
PO	Professional Officer
PSMPC	Public Service and Merit Protection Commission
PWD	people with a disability

**R**

RAMC	Regional Advisory Management Committee
RAU	Regional Affairs Unit
RDO	Regional Development Organisation
REAAA	Road Engineering Association of Asia and Australasia
RTRP	Road Transport Research Program

**S**

SCOT	Standing Committee on Transport
SES	Senior Executive Service
SO	Senior Officer
SRG	Shipping Reform Group
STS	Standard Telephone Service

**T**

TCAS	traffic collision avoidance systems
TFES	Tasmanian Freight Equalisation Scheme
TLG	Technical Liaison Group
TO	Technical Officer
TPT-WG	APEC Transportation Working Group
TTICC	Transport Trade Industry Consultative Committee
TTMRA	Trans Tasman Mutual Recognition Arrangement

**U**

UN/ECE	United Nations/Economic Commission for Europe
UNCLOS	United Nations Convention on the Law of the Sea

**W**

WRA	World Road Association
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WTO            World Trade Organisation