

# CHAPTER 2

About Us



## ABOUT US

During 2008–09, the Infrastructure, Transport, Regional Development and Local Government portfolio contributed to the well-being of all Australians by delivering a range of outputs that supported the following three outcomes, which were approved in December 2008, revising those published in the 2008–09 Portfolio Budget Statements (PBS):

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

### Our Minister and Parliamentary Secretaries

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

The Minister for Infrastructure, Transport, Regional Development and Local Government is the Hon Anthony Albanese MP.

On 9 June 2009, the Hon Maxine McKew MP was appointed Parliamentary Secretary for Infrastructure, Transport, Regional Development and Local Government.

Also on 9 June 2009, the Hon Gary Gray AO MP was appointed Parliamentary Secretary for Western and Northern Australia. Prior to this date, Mr Gray held the position of Parliamentary Secretary for Regional Development and Northern Australia.



The Hon  
Anthony Albanese MP  
Minister for  
Infrastructure,  
Transport, Regional  
Development and Local  
Government



The Hon  
Maxine McKew MP  
Parliamentary Secretary  
for Infrastructure,  
Transport, Regional  
Development and Local  
Government



The Hon  
Gary Gray AO MP  
Parliamentary  
Secretary for Western  
and Northern Australia

### About the portfolio

This annual report focuses on the Department of Infrastructure, Transport, Regional Development and Local Government. Information about other portfolio agencies can be obtained from their annual reports and websites. The main Commonwealth authorities and statutory advisory bodies in the portfolio as at 30 June 2009 were:

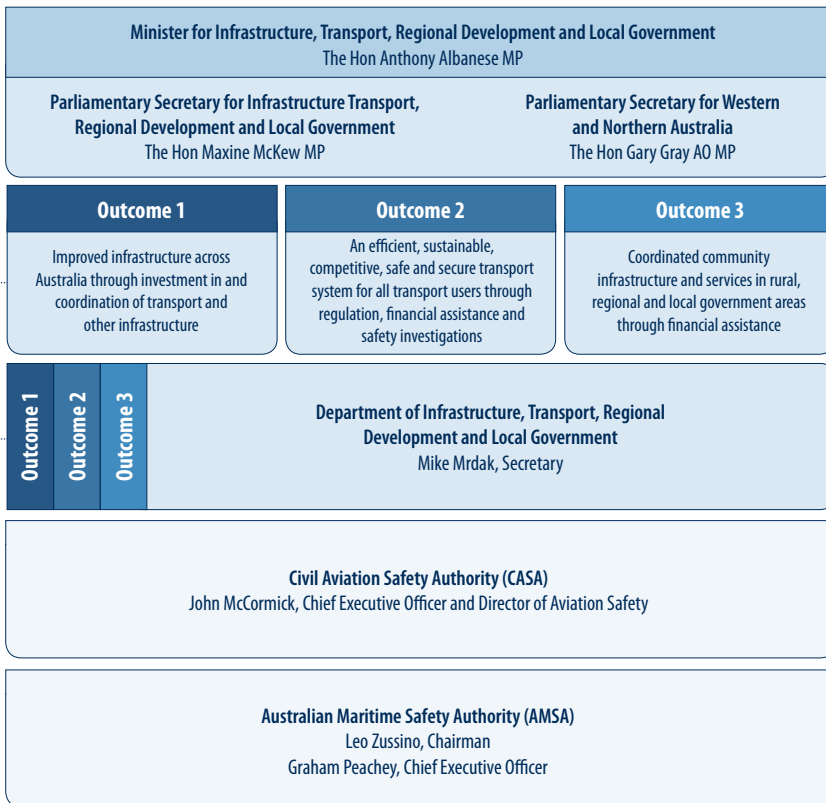
- Australian Maritime Safety Authority (AMSA) <[www.amsa.gov.au](http://www.amsa.gov.au)>;
- Civil Aviation Safety Authority (CASA) <[www.casa.gov.au](http://www.casa.gov.au)>;
- Airservices Australia <[www.airservicesaustralia.com](http://www.airservicesaustralia.com)>; and
- Infrastructure Australia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

Other bodies and corporations in the portfolio include:

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

Three portfolio agencies, including the Department of Infrastructure, Transport, Regional Development and Local Government, belong to the general government sector. On 19 February 2009 agency-unique outcomes were approved for CASA and AMSA and these were subsequently published in the 2009–10 PBS. A complete list of portfolio bodies, including agencies which are outside the general government sector, appear at Appendix J.

**Figure 2.1 Portfolio agencies in the general government sector, as at 30 June 2009**



## About the department

### Who we are

The Department of Infrastructure, Transport, Regional Development and Local Government provides a range of infrastructure, transport, regional and local government services and information to, and in partnership with, government, industry and the broader community.

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

### How we make a difference

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

The Department administers approximately \$8.6 billion a year across a number of major business lines, as illustrated in Figure 2.2, noting that the Corporate Services division and the Bureau of Infrastructure, Transport and Regional Economics provide vital support to business divisions by delivering essential business services and research for all outputs. For more information about the results we have achieved against the performance indicators that were published in the 2008–09 PBS, see our report on performance (chapters 3, 4, 5 and 6).

Figure 2.2 Departmental outcome and output structure as at 30 June 2009

Outcome	Output Group	Output	Division or Office	More info
<b>Outcome 1</b> Improved infrastructure across Australia through investment in and coordination of transport and other infrastructure	1.1 Infrastructure investment	1.1.1 Infrastructure investment policy and programs	Nation Building—Infrastructure Investment and Infrastructure and Surface Transport Policy	page 19
		1.1.2 <sup>1</sup> Infrastructure investment coordination	Office of the Infrastructure Coordinator and Nation Building – Infrastructure Investment	pages 33 and 105
<b>Outcome 2</b> An efficient, sustainable, competitive, safe and secure transport system for all transport users through regulation, financial assistance and safety investigations	2.1 Transport safety investigations	2.1.1 Transport safety investigations	Australian Transport Safety Bureau	page 37
	2.2 Transport security	2.2.1 Transport security policy, programs and regulation	Office of Transport Security and Office of the Inspector of Transport Security	page 44
	2.3 Transport systems	2.3.1 Surface transport policy, programs and regulation	Infrastructure and Surface Transport Policy and National Transport Strategy	page 57
		2.3.2 Road safety and vehicle policy, programs and regulation	Infrastructure and Surface Transport Policy	page 70
		2.3.3 Aviation and airports policy, programs and regulation	Aviation and Airports	page 78
	<b>Outcome 3</b> Coordinated community infrastructure and services in rural, regional and local government areas through financial assistance	3.1 Regional development	3.1.1 Regional development policy and programs	Local Government and Regional Development
3.2 Local government		3.2.1 Local government policy and programs	Local Government and Regional Development and Office of Northern Australia	page 95

1 Output 1.1.2 is delivered through the work undertaken by the Office of the Infrastructure Coordinator in support of Infrastructure Australia and the Nation Building—Infrastructure Investment division.

## Changes in the outcome and output structure since the last report

The three outcomes were revised during the 2008–09 reporting period.

The Department's three outcomes, as published in the 2008–09 Portfolio Budget Statements (PBS) were:

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

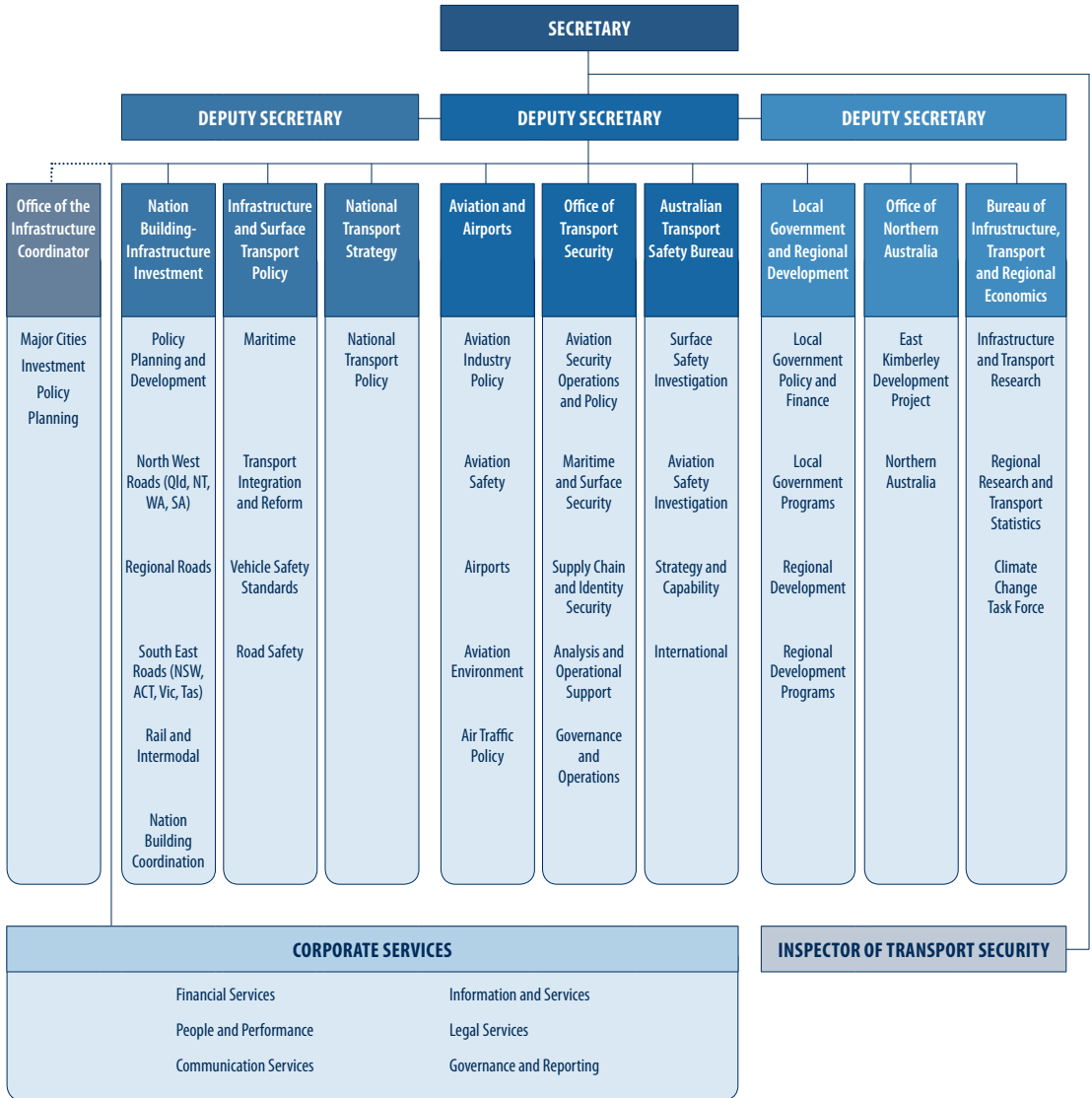
As a consequence of the Operation Sunlight Outcome Statement Review<sup>1</sup>, the Department's Outcomes Statements were revised, and on 17 December 2008 the Minister for Finance and Deregulation, the Hon Lindsay Tanner MP approved the following outcomes for the Department:

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

The revised outcomes were first published in the 2009–10 PBS. However, the underpinning output and program structure is otherwise unchanged from that published in the 2008–09 PBS with the exception of minor modifications to two key performance indicators (refer to Appendix K) and changes to a number of administered programs which have been footnoted where applicable throughout this report.

<sup>1</sup> Operation Sunlight is the government's reform agenda to improve the openness and transparency of public sector budgetary and financial management and to promote good governance practices.

Figure 2.3 Organisational structure as at 30 June 2009



## Meet our executive team



### **Mike Mrdak**

**SECRETARY (from 29 June 2009)**

Mike Mrdak returned to the Department as Secretary from the Commonwealth Infrastructure Coordinator General role in the Department of the Prime Minister and Cabinet. He has extensive prior experience in the Department, most recently as a Deputy Secretary. Mike leads and manages the Department in its policy development, regulatory and program implementation work. He has specific responsibilities as Secretary, many of which are set out in legislation.



### **Michael Taylor AO**

**SECRETARY (to 24 April 2009)**

Until his retirement in April 2009, Michael Taylor AO was the Secretary, having served in that role since October 2004.



### **Lyn O'Connell**

**DEPUTY SECRETARY (from 10 November 2008)**

Lyn O'Connell joined the Department as a Deputy Secretary from the Department of Immigration and Citizenship. Lyn is responsible for infrastructure investment and nation building, infrastructure and surface transport policy and the National Transport Strategy and chairs the Strategic Information Technology and Security Committee.



### **Stephanie Foster**

**DEPUTY SECRETARY (from 10 November 2008)**

Stephanie Foster joined the Department as a Deputy Secretary from the Department of Defence. Stephanie is responsible for local government, regional development, the Office of Northern Australia and the Bureau of Infrastructure, Transport and Regional Economics, and chairs the Audit Committee and the People and Capability Committee.



### **Andrew Tongue**

**DEPUTY SECRETARY (to 17 July 2009)**

Until his transfer to the Department of Families, Housing, Community Services and Indigenous Affairs, Andrew oversaw transport security investigation and safety issues including security regulation of the aviation and maritime sectors. He also represented the Department on several key security committees and chaired the Audit Committee, the People and Capability Committee, and the Departmental Consultative Committee.

## Our governance arrangements

### How we do business

As at 30 June 2009 the Department employed 1,244 people who are located throughout Australia. In accordance with our service charter, we aspire to be:

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

### Governance framework and senior management committees

During 2008–09, senior management committees provided leadership in and coordination of the maintenance of sound governance standards in the Department. Supporting the Secretary in his role as agency head and decision-maker, senior management committees focused on:

- efficiently and effectively managing the Department in accordance with Australian Public Service legislative requirements;
- delivering outputs of a high quality, whilst being timely and contributing to the achievement of the Australian Government's desired outcomes; and
- being open and accountable to its stakeholders in meeting the Department's obligations.

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

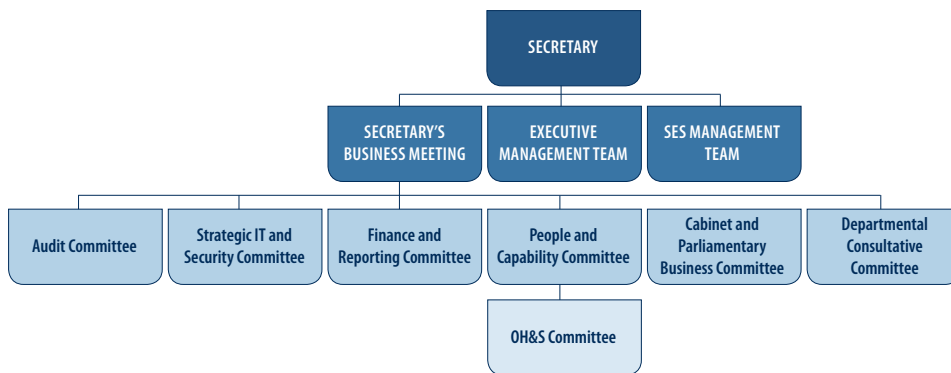
- Secretary's Business Meeting;
- Executive Management Team; and
- Senior Executive Service (SES) Management Team.

The supporting committees that focus on specific areas of organisational management and decision-making were reviewed in 2008–09. The resulting committee structure is as follows:

- Audit Committee;
- Strategic Information Technology and Security Committee;
- Finance and Reporting Committee;
- People and Capability Committee (includes the OH&S Committee);
- Cabinet and Parliamentary Business Committee; and
- Departmental Consultative Committee.

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

Figure 2.4 Governance committee framework in place during 2008–09



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

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

- receive briefings from Executive Directors on key issues for each business division;
- consider proposals and receive updates on issues relevant to all areas of the Department, such as financial and human resource management;
- receive advice from the Secretary's Business meeting; and
- provide the Secretary with an opportunity to communicate key messages to Executive Directors.

All Senior Executive Service employees are required to demonstrate leadership in departmental governance and planning through participation in monthly Senior Executive Service Management Team meetings.

### Audit Committee

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

In accordance with its charter, the committee:

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

Throughout 2008–09, the Chair of the Audit Committee was Deputy Secretary Andrew Tongue. Departmental representatives, John Angley and Carolyn McNally, were appointed as members on 26 September 2008 to ensure that the program delivery areas of the Department were represented on the committee. In order for the committee to consider the increasing and diverse range of issues that the Department had to manage during the year, the Secretary made further changes to its composition resulting in the appointment of Paul Retter and Michael Sutton, who brought a policy and regulatory perspective to the committee. This resulted in an increase from six to nine members.

**Table 2.1** Audit Committee membership and meetings to 30 June 2009

Member	Role	Number of meetings eligible to attend	Number of meetings attended
Andrew Tongue	Chair	7	5
David Banham	Member	7	7
Leslie Riggs (to 26 September 2008)	Member	2	1
Carolyn McNally (from 26 September 2008)	Member	5	4
John Angley (from 26 September 2008)	Member	5	5
Paul Retter (from 17 December 2008)	Member	4	3
Michael Sutton (from 17 December 2008)	Member	4	4
Paul McGrath	Independent	7	6
Joh Barker	Independent	7	7
Jenny Morison	Independent	7	5
Paul Wood (for 4 July 2008 meeting)	Temporary appointment	1	1

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

### Other committees

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

- The Strategic Information Technology and Security Committee develops a common vision for the Department's information technology requirements; oversees the Department's data requirements and determines data collection priorities; recommends information technology and security funding priorities to the Secretary; recommends appropriate information and protective security policies to the Secretary; and provides a forum for information technology and security issues to be raised and discussed.
- The Finance and Reporting Committee oversees the Department's Budget process; considers the Department's monthly financial reports; recommends budget priorities to the Secretary; oversees the development of the Department's Annual Report; considers and recommends to the Secretary non-IT capital investment proposals; and provides a forum for finance and reporting issues to be raised and discussed.
- The People and Capability Committee considers strategic capability building issues and direction for the Department; provides a forum for people management issues to be raised and discussed; considers and recommends capability-building funding priorities to the Secretary; and fosters relationships between divisions achieving a cohesive, shared approach to enhancing people management in the Department.
- The Occupational Health and Safety (OH&S) Committee is a sub-committee of the People and Capability Committee. The OH&S committee considers OH&S strategy, policy and performance matters with the aim of continually improving the Department's health and safety environment.
- The Cabinet and Parliamentary Business Committee oversees the Department's parliamentary business; oversees the Department's Cabinet coordination; coordinates the Department's participation in, and responses to, Senate Estimates and other parliamentary committees; and considers and recommends legislation priorities to the Secretary.
- The Departmental Consultative Committee is the main forum for ensuring that the views of employees are taken into account in the operation and implementation of the Department's Collective Agreement 2006–09.