PART 4

Annual Performance Statements
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Statement

I, Dr Steven Kennedy PSM, the accountable authority for the Department of Infrastructure, Transport, Cities and Regional Development during the 2018–19 reporting period, present the 2018–19 performance statements of the department, as required under section 39(1)(a) of the Public Governance, Performance and Accountability Act 2013 (PGPA Act).

These statements report our performance in 2018–19, including results against the measures in our 2018–19 Corporate Plan and Portfolio Budget Statements, and broad analysis against our purposes.

In my opinion, these Annual Performance Statements are based on properly maintained records, accurately reflect performance results against departmental purposes and comply with sub-section 39(2) of the PGPA Act.

Dr Steven Kennedy PSM

August 2019
Analysis of performance against our purposes

In 2018–19 our purposes were to:

- support economic growth through transport
- make travel safer
- increase transport access
- support regional development, cities and local communities
- provide good governance in the territories

Over the last 12 months the department pursued these purposes by implementing eight Budget programs that deliver four outcomes on behalf of the Australian Government.

In 2018–19 the Australian Bureau of Statistics released the first ever Australian Transport Economic Account. This shows that in 2015–16 total transport activity contributed $122.3 billion to the Australian economy, representing 7.4 per cent of GDP. Looking forward, this will be an important data source to assess performance against our purpose of supporting economic growth through transport. More detailed performance information relating to this purpose is provided through reporting on Outcomes 1 and 2 at pages 61–100 of the Annual Performance Statements.

The department is also working to improve data to measure our performance against our purposes of making travel safer and increasing transport access. Our performance results suggest aviation access has improved through air services arrangements and regional and remote airports, but data for 2018–19 is not yet available or conclusive for surface transport sectors. More detailed performance information on making travel safer and increasing transport access is presented through Outcomes 1 and 2 at pages 61–100.

During the year we delivered the government’s regional development, local government and cities programs to support economic and employment growth in communities across Australia. The department met the 2018–19 targets for performance measures relating to employment and economic growth in our cities and regions. Information relating to the purpose of supporting regional development, local communities and cities is across Outcomes 1 and 3 at pages 61–71 and 101–121 respectively.

Through the services to territories program in 2018–19, the department made sure that people in the external territories and Jervis Bay Territory could access essential infrastructure and services, and that they were supported by an appropriate legal and governance framework. More detailed performance information relating to this purpose is at Outcome 4 at pages 122–127 of the Annual Performance Statements.
Addressing climate risk and resilience

Climate risk and resilience
The department contributes to the government’s agenda to support climate resilience by working to address transport sector emissions. This includes:

- aviation emissions through the International Civil Aviation Organization
- maritime emissions through the International Maritime Organization
- exploring options to reduce road vehicle emissions, increase uptake of low and zero emission vehicles, and contributing to the government’s hydrogen strategy

The department is partnering with other Commonwealth agencies to investigate the tools and information needed by both the public and private sector to assess climate and disaster risk, using the freight network as a pilot study. In 2018–19 the department engaged relevant freight industry and government stakeholders to participate in the pilot study, including two workshops on freight resilience.

The Cities Program also supports climate resilience through a range of initiatives including seven projects funded through:

- the Australian Government’s Smart Cities and Suburbs Program
- a range of commitments in partnership with local, state and territory governments through City Deals

A key example is a joint Australian and Northern Territory government investment in a CSIRO Darwin Urban Living Lab. This will test, monitor and evaluate improvements in Darwin’s liveability, sustainability and resilience to foster improved tropical living.

Sustainable Development Goals
The department contributes to achieving the United Nations Sustainable Development Goals (SDG) by helping to coordinate:

- SDG 9 – Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation
- SDG 11 – Make cities and human settlements inclusive, safe, resilient and sustainable
The department also contributes to SDG 3, 13 and 14 through the programs listed below.

<table>
<thead>
<tr>
<th>SDG</th>
<th>Department actions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Lead coordination</strong></td>
<td></td>
</tr>
<tr>
<td>SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation</td>
<td>• $100 billion, 10 year infrastructure plan [Infrastructure Investment Program]</td>
</tr>
<tr>
<td>SDG 11: Make cities and human settlements inclusive, safe, resilient and sustainable</td>
<td>Ongoing initiatives including: • City Deals • $50 million under the Smart Cities and Suburbs program • regional grants programs</td>
</tr>
<tr>
<td><strong>Contribute to coordination</strong></td>
<td></td>
</tr>
<tr>
<td>SDG 3: Ensure healthy lives and promote well-being for all at all ages</td>
<td>• road safety initiatives (road safety programs) • Infrastructure Investment Program</td>
</tr>
<tr>
<td>SDG 13: Take urgent action to combat climate change and its impacts</td>
<td>• Aviation and maritime initiatives related to lower greenhouse gas emissions (air transport and surface transport programs)</td>
</tr>
<tr>
<td>SDG 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development</td>
<td>• Support to reduce marine pollution through the International Maritime Organization (surface transport program)</td>
</tr>
</tbody>
</table>
Summary: 2018–19 performance statements

Table 4.1 provides a consolidated traffic light summary of the department’s results against each performance measure. More detailed performance results are provided for each measure by Outcome, as well as an analysis on how the department in achieving its purposes.

The department set targets against purpose-level measures above what we could achieve alone. This recognises the contributions of:

- other Australian Government departments and agencies
- state, territory and local government agencies
- industry

In line with our 2018–19 Corporate Plan, the Annual Performance Statements address how the department has managed program risks by analysing each purpose. Additional information about the department’s risk management and capability development during 2018–19 can be found in Part 3 of this report.

Traffic light summary key

<table>
<thead>
<tr>
<th>Description</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>The 2018–19 result met the target</td>
<td>met</td>
</tr>
<tr>
<td>The performance information cannot be reported on at this time</td>
<td>not available</td>
</tr>
<tr>
<td><em>(This may be due to data availability or performance information is being developed to improve performance, however our activities are contributing to progress against the target)</em></td>
<td></td>
</tr>
<tr>
<td>The 2018–19 result did not meet the target</td>
<td>not met</td>
</tr>
</tbody>
</table>
## Table 4.1 Traffic-light summary of results

<table>
<thead>
<tr>
<th>Measure</th>
<th>2018–19 result</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Outcome 1</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Program 1.1 – Infrastructure Investment</strong></td>
<td></td>
</tr>
<tr>
<td>1. Volume of freight</td>
<td></td>
</tr>
<tr>
<td>2. Expected travel time savings arising from road projects in the infrastructure investment program receiving $400 million or more in Australian Government funding</td>
<td></td>
</tr>
<tr>
<td>3. Community understanding of road funding issues</td>
<td></td>
</tr>
<tr>
<td>4. Number of road fatalities</td>
<td></td>
</tr>
<tr>
<td>5. Serious injuries due to road crashes</td>
<td></td>
</tr>
<tr>
<td>6. Number of rail fatalities</td>
<td></td>
</tr>
<tr>
<td>7. Expected number of jobs supported over the life of projects from infrastructure investment and regional development projects underway during the financial year (based on proponent reported data)</td>
<td></td>
</tr>
<tr>
<td><strong>Outcome 2</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Program 2.2 – Surface Transport</strong></td>
<td></td>
</tr>
<tr>
<td>8. Volume of freight</td>
<td></td>
</tr>
<tr>
<td>9. Transport CO\textsubscript{2} equivalent emissions</td>
<td></td>
</tr>
<tr>
<td>10. Number of road fatalities</td>
<td></td>
</tr>
<tr>
<td>11. Serious injuries due to road crashes</td>
<td></td>
</tr>
<tr>
<td>12. Number of rail fatalities</td>
<td></td>
</tr>
<tr>
<td>Number of maritime transport fatalities (excluding fatalities on non-trading vessels, for example, fishing and recreational)</td>
<td></td>
</tr>
<tr>
<td><strong>Program 2.3 – Road Safety</strong></td>
<td></td>
</tr>
<tr>
<td>13. Number of road fatalities</td>
<td></td>
</tr>
<tr>
<td>14. Serious injuries due to road crashes</td>
<td></td>
</tr>
<tr>
<td><strong>Program 2.4 – Air Transport</strong></td>
<td></td>
</tr>
<tr>
<td>15. Volume of freight</td>
<td></td>
</tr>
<tr>
<td>16. Transport CO\textsubscript{2} equivalent emissions</td>
<td></td>
</tr>
<tr>
<td>17. Passenger movements, aviation sector</td>
<td></td>
</tr>
<tr>
<td>18. Number of aviation fatalities</td>
<td></td>
</tr>
<tr>
<td>19. Level of aviation capacity (passenger and freight) available to major city airports under Australia’s air services arrangements</td>
<td></td>
</tr>
<tr>
<td>20. Level of aviation capacity (passenger and freight) available in international aviation markets under Australia’s air services arrangements</td>
<td></td>
</tr>
<tr>
<td>21. Opportunities available to Australian airlines in international aviation markets</td>
<td></td>
</tr>
<tr>
<td>22. Number of remote communities that receive support from the department for aerodrome infrastructure projects and air services</td>
<td></td>
</tr>
<tr>
<td>Jobs supported by Western Sydney International (Nancy-Bird Walton) Airport</td>
<td></td>
</tr>
<tr>
<td>Measure</td>
<td>2018–19 result</td>
</tr>
<tr>
<td>---------</td>
<td>----------------</td>
</tr>
<tr>
<td><strong>Outcome 3</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Program 3.1 – Regional Development</strong></td>
<td></td>
</tr>
<tr>
<td>23. Number of employed persons outside capital cities</td>
<td>✔</td>
</tr>
<tr>
<td>24. Real disposable income for low and middle income households outside capital cities</td>
<td>✔</td>
</tr>
<tr>
<td>25. Expected number of jobs supported over the life of projects from infrastructure investment and regional development projects underway during the financial year (based on proponent reported data)</td>
<td>✔</td>
</tr>
<tr>
<td>26. Increase in water available (ML) through water infrastructure projects funded</td>
<td>✔</td>
</tr>
<tr>
<td><strong>Program 3.2 – Local government</strong></td>
<td></td>
</tr>
<tr>
<td>27. Financial assistance provided to support equitable levels of service by local government bodies</td>
<td>✔</td>
</tr>
<tr>
<td><strong>Program 3.3 – Cities</strong></td>
<td></td>
</tr>
<tr>
<td>28. Enhanced coordination of investment in Australian cities</td>
<td>✔</td>
</tr>
<tr>
<td>29. Employment growth in cities</td>
<td>✔</td>
</tr>
<tr>
<td>30. GDPs for Australia’s capital cities</td>
<td>✔</td>
</tr>
<tr>
<td>Number of projects receiving funding through Smart Cities and Suburbs program</td>
<td>✔</td>
</tr>
<tr>
<td><strong>Outcome 4</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Program 4.1 – Services to territories</strong></td>
<td></td>
</tr>
<tr>
<td>31. Communities in the external territories and the Jervis Bay Territory have comparable services and essential infrastructure to mainland Australia</td>
<td>✔</td>
</tr>
<tr>
<td>32. Legal and governance frameworks in the external territories and the Jervis Bay Territory are appropriate for the protection and wellbeing of the communities</td>
<td>✔</td>
</tr>
</tbody>
</table>
Outcome 1

Improved infrastructure across Australia through investment in and coordination of transport and other infrastructure.

The department contributes to Outcome 1 by effectively managing the government’s infrastructure investment to deliver:
- road and rail commitments
- land transport sub-programs
- strategic advice on policy issues
- partnerships and collaboration with local jurisdictions, states and territory governments
- policy reform

During 2018–19 the department’s divisions helped improve infrastructure across Australia by facilitating investment to support efficiency, access and safety of Australia’s land transport infrastructure. This strengthens the Australian economy by:
- improving connectivity for communities and freight
- helping to create and deliver jobs
- improving living standards and building opportunities across Australia

Program 1.1 — Infrastructure Investment

The Infrastructure Investment Program supports economic growth, makes travel safer, increases transport access and supports regional development. It increases the efficiency, productivity, sustainability and safety of Australia’s land transport infrastructure through programs and policies that meet our national freight challenge, and improve community connectivity and access.

In 2018–19 the Australian Government provided more than $4.6 billion through the Infrastructure Investment Program. This is being invested in more than 900 major road and rail projects, and more than 24,000 smaller projects across Australia. Since 2013–14, 288 investment projects have been completed and more than 280 major transport projects are underway to improve efficiency, productivity and connectivity.
Key activities and achievements for 2018–19

Through the Infrastructure Investment Program the department:

- provided policy advice to support government investment decisions, including on potential projects and infrastructure delivery
- managed delivery of infrastructure projects and programs, including by working with state, territory and local governments
- worked with state, territory and local governments, and industry to reform land transport investment and charging arrangements

The department advised our ministers to support informed decision-making on implementation and future priorities for infrastructure investment. By providing policy advice and managing the Australian Government’s infrastructure investment programs, the department is ensuring our transport systems are productive and able to respond to growing freight and commuter needs.

To support this, we continued to develop a robust evidence base which draws on our analysis of:

- transport network modelling
- Infrastructure Australia’s Infrastructure Priority List
- state and territory government infrastructure planning strategies
- consultation with state and territory governments

Alternative funding and financing approaches were also explored to optimise the impact of public investment in infrastructure. This included working with the Infrastructure and Project Financing Agency to identify major projects for innovative funding and financing mechanisms. The department’s relationships with portfolio bodies, state, territory and local government officials, and freight industry participants are key to improving the efficiency and productivity of Australia’s transport systems.

Transport and Infrastructure Council

The Transport and Infrastructure Council brings together:

- Commonwealth, state and territory transport and infrastructure ministers
- the Australian Local Government Association

The council met twice in 2018–19 to progress longer-term reforms, support sustainable transport funding and improve transport access, safety and productivity. The department supports delivery of activities under the council’s strategic work program. In 2018–19 the department led work on a number of council priorities including:

- managing transport and heavy vehicle road reform (see more below)
- implementing initiatives under the National Road Safety Strategy, and the National Policy Framework for Land Transport Technology (see Outcome 2)
- establishing a National Freight and Supply Chain Strategy and Action Plan (see Outcome 2)

The council also oversees an asset register to help improve road investment through nationally consistent data that informs life cycle asset management. Data on the standard of our roads (including condition and usage) helps the department drive reforms that will foster an efficient, sustainable, competitive, safe and secure transport system. This data is shared among road managers as well as with the public.
Heavy vehicle road reform

Heavy vehicle road reform is being progressed by governments through the Transport and Infrastructure Council. This work is creating stronger links between road usage, road-related charges, and services for road users. Reforming heavy vehicle charging and investment arrangements will enable road managers to deliver the level of services needed to meet the growing national freight task and improve roads for industry.

Over 2018–19 the department worked with states and territories to:

- secure agreement that the council consider detailed advice in 2019 to support decisions on reform measures
- develop national service level standards for roads
- progress planning for the first two stages of the National Heavy Vehicle Charging Pilot and conduct a business case program trial
- publish updates to the heavy vehicle asset registers and expenditure plans to improve transparency, investment and service delivery for heavy vehicles
### 1. Volume of freight

<table>
<thead>
<tr>
<th>Measure</th>
<th>Target</th>
<th>Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Volume of freight</td>
<td>10-year average to 2016–17 is &gt;603.1btkm</td>
<td>Coastal:</td>
</tr>
<tr>
<td>Previous result</td>
<td>Australian freight volumes have continued to grow with a 10 year average to 2015–16 of 603 billion tonne kilometres (btkm), up 4.5% compared to the previous 10 year rolling average</td>
<td>Road:</td>
</tr>
<tr>
<td>2018–19 result</td>
<td>The total Australian freight task is not available for 2016–17 due to incomplete rail freight data. For other modes: • The 10 year average coastal trading freight task declined from 111.7 billion tonne kilometres (btkm) to 109.7 btkm • The 10 year average road freight task increased from 194.3 btkm to 198.6 btkm • The 10 year average air freight task declined from 0.322 btkm to 0.317 btkm. The rail freight task in 2016–17 would need to be above 175.9 btkm for the total freight task indicator to be met. This is likely given the 2015–16 rail freight task was 413.5 btkm and there has been a continued increase in the rail freight task over the last 10 years</td>
<td>Air:</td>
</tr>
</tbody>
</table>

### 2. Expected travel time savings arising from road projects in the infrastructure investment program receiving $400 million or more in Australian Government funding

<table>
<thead>
<tr>
<th>Measure</th>
<th>Target</th>
<th>Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Expected travel time savings arising from road projects in the infrastructure investment program receiving $400 million or more in Australian Government funding</td>
<td>Reduced travel times</td>
<td>Rail (nine years):</td>
</tr>
<tr>
<td>Previous result</td>
<td>The department relies on project proponents’ advice regarding travel time savings. The department expects reduced travel times to be achieved on projects where travel time savings are identified as an expected benefit of a project, and this is reported to the department—see project described in the analysis below and the activities section of this report for examples of travel time savings</td>
<td></td>
</tr>
<tr>
<td>2018–19 result</td>
<td>The department relies on project proponents’ advice regarding travel time savings. The department expects reduced travel times to be achieved on projects where travel time savings are identified as an expected benefit of a project, and this is reported to the department—see project described in the analysis below and the activities section for examples of travel time savings</td>
<td></td>
</tr>
</tbody>
</table>

### 3. Community understanding of road funding issues

<table>
<thead>
<tr>
<th>Measure</th>
<th>Target</th>
<th>Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>3. Community understanding of road funding issues</td>
<td>Increased proportion compared to previous financial year</td>
<td></td>
</tr>
<tr>
<td>Previous result</td>
<td>Not measured in 2017–18</td>
<td></td>
</tr>
<tr>
<td>2018–19 result</td>
<td>No data available. The department has undertaken research across state and territory government agencies, the transport sector, industry bodies, academics and thought-leaders to help influence community understanding of how Australian roads are funded</td>
<td></td>
</tr>
</tbody>
</table>
## Measure

### 4. Number of road fatalities

| Target | 1,053 or fewer fatalities |

| Trend | In 2017–18 there were 1,222 fatalities: a 14.3% reduction relative to the 2008–10 baseline, which suggests we are not yet on track to achieve the target |

| Previous result | To be on track to achieve the National Road Safety Strategy target, the reduction in fatalities relative to the baseline should be closer to 25% |

| 2018–19 result | In 2018–19 there were 1,214 fatalities: a 15% reduction relative to the 2008–10 baseline. This suggests we are not yet on track to achieve the 30% reduction target |

### 5. Serious injuries due to road crashes

| Target | On track to have source data and establish a baseline by 2019–20 |

| Previous result | The department is partnering with AustRoads and state and territory governments to establish nationally consistent source data on serious road crashes injuries by 2019–20. We are on track to collect and report this data in 2019–20. This will enable us to establish a baseline to monitor progress and inform targets over time |

| 2018–19 result | On track to establish a baseline |

### 6. Number of rail fatalities

| Target | Rail fatalities reduce, relative to 2017–18 baseline |

| Previous result | In 2016–17 there were six fatalities reported by the Office of the National Rail Safety Regulator (excluding suicide and trespass). Data on a 10 year period is not currently available, and as such an assessment against the target set for this measure in 2016–17 cannot be made |

| 2018–19 result | In 2017–18 there were nine fatalities reported by the Office of the National Rail Safety Regulator (excluding suicide and trespass). Data on a 10 year period is not currently available and as such an assessment against the target set for this measure cannot be made |

### 7. Expected number of jobs supported over the life of projects from infrastructure investment and regional development projects underway during the financial year (based on proponent reported data)

| Target | No target set |

| Previous result | By delivering Australian Government funded projects, the department supported both direct and indirect jobs—see case study included in the analysis below |

| 2018–19 result | By delivering Australian Government funded projects, the department continues to support both direct and indirect jobs, however specific data for 2018–19 is unavailable for this measure |
Analysis

Australia’s economic prosperity depends on a strong land transport network that safely and reliably connects people and businesses. Infrastructure investment helps national, regional economic and social development by providing funding to improve the performance of land transport infrastructure. Transport infrastructure connects people to jobs, their homes and their communities. Businesses rely on transport infrastructure to connect to domestic and global export markets and the efficient movement of people and products grows our economy and improves the liveability of our cities and regions.

Volume of freight

Efficient transport networks are crucial to unlocking the productivity gains that will underpin Australia’s future prosperity. The volume of freight is influenced by several factors, including overall economic conditions, industry structure and state government policies. Historically, Australia’s freight task and volume of container traffic has increased proportionally to the overall growth rate of the economy.

The government’s infrastructure investment plan underpins the freight system and its productive capacity. The government invests in rail and road infrastructure and intermodal facilities to reduce transport costs and travel times, and to remove barriers to efficient freight. This includes working with other agencies—including industry, state and territory governments and the national transport regulators to improve freight efficiencies.

An analysis of 90 major projects under the Infrastructure Investment Program found that in just one year these projects contributed 55 million freight hour savings. For example, the Port Botany Rail Line Duplication will deliver higher productivity by increasing its capacity to meet future demand for container transport to and from Port Botany. The duplication is projected to increase the available freight train paths between Botany and the Moorebank intermodal precinct by 50 per cent (from 17.5 per cent in 2016 to 42 per cent beyond 2030), and from 24 to 36 trains a day each way.

These changes mean more freight can be transported to and from the port by rail rather than road, freeing up road capacity, improving road safety and reducing road congestion.

Under the Roads of Strategic Importance initiative, 26 significant freight corridors and specific projects around the country will receive upgrades. Targeting freight routes through this corridor:

- provides a more reliable road network
- improves access for higher capacity vehicles
- better connects regional communities
- facilitates more tourism opportunities

Once completed, these works will ensure that Australia’s key freight roads efficiently connect our regions to ports, airports and other transport hubs.

In 2018–19 the department continued work with state and territory governments to plan, develop, fund and deliver infrastructure projects that result in travel time reductions. Travel time savings lower costs for business by reducing travel times, improving road services reliability, and reducing travel times for commuters and other road users. An analysis of 90 major infrastructure projects suggests that 225 million passenger hours—and 55 million freight and business hours—were saved as a result of these projects in just one year.
For example, the Northern Connector project as part of the North-South Corridor in Adelaide is expected to reduce travel times by up to eight minutes and enable vehicles to avoid six sets of traffic lights. When completed, this infrastructure will facilitate non-stop long distance trips from Gawler in the north to Old Noarlunga in the south. This will reduce travel times, create more efficient and reliable travel and allow commuters to spend more time with their families.

**Community understanding of road funding issues**

The department continued work during 2018–19 to help shape and inform messaging on road infrastructure funding. Communication and research activities undertaken between the department, state and territory government agencies, the transport sector, industry bodies, academics and thought-leaders (via television, print, social media and radio) helps people understand how Australian roads are funded.

The Building Our Future campaign ran between February and April 2019 to highlight the Australian Government’s infrastructure investment. It provided information to the community on infrastructure projects in their region—either planned or underway—through communication materials and the website, which housed over 20,000 searchable projects.

Over 2018–19 the department engaged with heavy vehicle operators and the community through the National Heavy Vehicle Charging Pilot and the Business Case Program for Location-Specific Heavy Vehicle Charging Trials. Engagement with industry and all levels of government was conducted through market research projects, ongoing working groups, workshops, face to face meetings and online communication to help stakeholders understand road funding issues.

**Road fatalities and serious injuries due to road crashes**

The government’s investment in road projects is saving lives. Analysis suggests that 2,230 fewer accidents occurred in a single year as a result of the Australian Government’s investment in 90 major infrastructure projects. For example, since the start of the Pacific Highway upgrade, fatal crashes have more than halved—down from more than 40 each year to less than 20 a year. In 2018 there were nine fatalities in the calendar year. Future upgrades are expected to continue improving safety and further reduce the number of fatal and casualty crashes on the highway.

The Black Spot Program is reducing the risk of accidents by targeting locations where serious crashes have occurred. The program funds safety measures such as traffic signals, roundabouts, turning lanes, safety barriers and lighting at locations with a history of at least three casualty crashes in five years. Over 2,100 projects were approved between 2013 and 2019. It is estimated that these projects will save around 250 lives and prevent more than 12,500 injury crashes over 10 years.

The main cause of accidents on the Midland Highway in Tasmania is loss of control. Most are single vehicle accidents, with some resulting in fatalities. Sixty per cent of the highway’s fatalities are head-on crashes. The Australian Government is investing $400 million to improve safety on the highway and establish a minimum 3 Star AusRAP Safety Rating across the length of the corridor. This will be achieved by installing flexible barriers, widening shoulders, removing roadside hazards, upgrading intersections, realigning tight curves, and duplicating and providing additional overtaking lanes and rest areas.
The government commitment to reducing the number of deaths and serious injuries on our roads includes the strengthened safety arrangements for all road funded projects in the National Partnership Agreement on Land Transport Infrastructure Projects that commenced on 1 July 2019.

**Number of rail fatalities**

Rail is the safest mode of land transport in Australia. Australian Government investment in passenger and freight rail is an investment in strong safety outcomes.

In 2018–19 the government’s investment in rail infrastructure included:
- implementing state and territory rail commitments from the 2018–19 Budget
- overseeing delivery of the Melbourne to Brisbane inland rail
- identifying opportunities to maximise the benefits of inland rail for industry and local communities during construction and operations
- overseeing the Melbourne Airport Rail Link preliminary business case
- progressing national rail policy reform to ensure efficient and effective investment and markets
- completing urban rail plans for Sydney, Melbourne, Brisbane, Perth and Adelaide

**Supporting jobs over the life of infrastructure investment projects**

The government’s infrastructure investment supports direct and indirect jobs for Australians during the construction phase of these major projects, and over the longer-term. More than 50,000 jobs have been supported by infrastructure investment since 2013–14.

This investment is resulting in higher levels of participation for Indigenous suppliers and workers. The Great Northern Highway Upgrade—Maggie Creek to Wyndham in Western Australia, incorporated Indigenous employment of 50 per cent during the construction phase, exceeding the initial target of 45 per cent. Local Indigenous businesses were engaged to supply labour, traffic control, site preparation and accommodation. This created about 40 jobs in the east Kimberley.

The METRONET Stage One program is the single largest public transport investment in Perth’s history. It will add significant additional capacity to the city’s public transport network, including about 72 kilometres of new passenger rail and up to 18 new stations. METRONET will support Perth’s projected population growth of 1.5 million by 2050 by providing around 17,000 full-time direct and indirect jobs during the stage one construction works.

From 1 July 2019 a new Indigenous employment and supplier-use infrastructure framework will apply to new road and rail construction projects receiving $7.5 million or more in Australian Government contributions, and in some circumstances for projects below $7.5 million with strong potential to support Indigenous participation.
CASE STUDY

20-YEAR PLAN FOR A FASTER RAIL NETWORK

The Australian Government is aligning future population growth with long term infrastructure investment through its 20-year rail plan to boost major regional centres and take the pressure off our largest capital cities.

The government’s broader planning policy identified the need to better distribute population growth outside our largest capital cities. The 20-Year Faster Rail Plan was developed by the Inland Rail and Rail Policy Division to support this objective by creating a network of connected cities and encouraging population growth in key regional centres. The plan aims to:

- reduce congestion in our largest cities and improve access to jobs and services
- improve access to affordable housing
- deliver other lifestyle benefits and amenity in regional centres, enabling regional economic growth

The government is already investing $20 million in three faster rail business cases for Sydney to Newcastle, Melbourne to Greater Shepparton, and Brisbane to the regions of Moreton Bay and the Sunshine Coast. This work has been led by the Inland Rail and Rail Policy Division.

Building on this first step, the 20-Year Faster Rail Plan will provide the change needed to deliver a network of cities connected by faster rail. This includes:

- a $2 billion commitment to help deliver faster rail on the nationally significant Melbourne to Geelong commuter corridor
- building a pipeline of potential future projects by preparing business cases for faster rail in priority corridors including Sydney to Wollongong, Sydney to Parkes (via Bathurst and Orange), Melbourne to Traralgon, Melbourne to Albury-Wodonga and Brisbane to the Gold Coast

The Inland Rail and Rail Policy Division within the department helped establish the new National Faster Rail Agency. This is working with state and territory governments and private sector proponents to implement the 20-Year Faster Rail Plan. The agency is supported by an expert panel which will advise on and inform project identification and delivery, service requirements and operating standards.
CASE STUDY

INDIGENOUS EMPLOYMENT AND SUPPLIER-USE INFRASTRUCTURE FRAMEWORK

Indigenous job-seekers and businesses will have more opportunities to participate in government-funded land transport infrastructure projects through the Australian Government’s Indigenous Infrastructure Framework introduced on 1 July 2019.

The initiative is underpinned by the National Partnership Agreement (NPA) on Land Transport Infrastructure Projects. State and territory governments receiving Commonwealth funding through the Infrastructure Investment Program will develop an Indigenous Participation Plan for each project. These plans must include:

- a participation target which reflects the local Indigenous working age population and comprises either—or both—an employment component and supplier-use component
- an outline for engagement with relevant Indigenous stakeholders, and supply-side support providers (skill and training organisations)
- a strategy for public reporting on performance to promote transparency and accountability

Indigenous Participation Plans and targets must be agreed with the Australian Government’s Infrastructure Minister before funding can be approved and released.

The Indigenous Infrastructure Framework applies to new road and rail construction projects receiving $7.5 million or more in Commonwealth funding, and some projects under $7.5 million, where there is a high Indigenous population to support Indigenous participation. The framework applies to all projects under the Roads of Strategic Importance in Northern Australia.

The Department of Infrastructure, Transport, Cities and Regional Development devised the Indigenous Infrastructure Framework in consultation with:

- state and territory governments
- industry and Indigenous stakeholders
- the Prime Minister’s Indigenous Advisory Council
- Indigenous representative bodies
- peak land councils
- employment intermediaries
- Indigenous businesses

The NPA and the Indigenous Infrastructure Framework are five year agreements commencing 1 July 2019 through to 30 June 2024.
CASE STUDY

INDIGENOUS PARTICIPATION IN CONSTRUCTION ALONG INLAND RAIL

In addition to the NPA enhancements, the Infrastructure Investment program supports Indigenous participation through the Inland Rail project. The 1700 kilometre corridor traversed by inland rail covers many diverse communities, but the project has been able to maintain a local or place-specific emphasis by separating into 13 different smaller projects.

Indigenous employment and supply chain development is a focus for each of these smaller projects. In 2018, stakeholder ministers made clear the Australian Government’s expectations on Indigenous outcomes for the Parkes to Narromine section of the project—the first section to be constructed—and its commitment to advancing the Closing the Gap targets.

In June this year, INlink—the contractor for the Parkes to Narromine construction—reported that:

- 105 Indigenous people had worked on Inland Rail (about 17 per cent of the workforce)
- 61 of these workers were local—about 10 per cent of the total workforce—including six construction apprenticeships
- in total, about 15 per cent of local supplier contract commitments were with Indigenous businesses

The training, skills development, qualifications and supply chain capacity will add resilience to those local communities. As well as the rail line, it is this human capital development that will be Inland Rail’s long-term legacy.

The department will use the learnings from this project to inform place-based policy for future stages of the rail’s construction.

It is also critical that the government engages with landowners and community members to mitigate individual impacts. Local information supports better design, reduces impacts and creates opportunities. To make this happen, department staff in Albury-Wodonga, Dubbo, Moree and Toowoomba are providing information on programs and initiatives to help communities and businesses make the most of the opportunity that Inland Rail presents, now, during construction, and in the future when it connects the regions to cities and ports.

The delivery of the Infrastructure Investment Program contributes to Outcome 1 through considered investment in projects that deliver productivity and safety outcomes in both regional and urban areas. The projects implemented as part of these programs provide economic growth through:

- more effective transport networks connecting goods to markets
- direct and indirect job creation

By working with states, territories and other stakeholders, the department is strengthening delivery of the Infrastructure Investment Program.
Outcome 2

An efficient, sustainable, competitive, safe and secure transport system for all transport users through regulation, financial assistance and safety investigations.

In 2018–19 the department’s contribution to Outcome 2 was through three Budget programs:

- Surface Transport (Program 2.2)
- Road Safety (Program 2.3)
- Air Transport (Program 2.4)

The department contributes to this outcome by managing these programs to deliver:

- strategic advice on policy issues
- effective regulation and policy reform
- partnerships and collaboration with local jurisdictions, states and territory governments, international organisations and industry bodies
- effective administration of government investment

Program 2.2 — Surface Transport

Road, rail, maritime and air transport are critical to connect people with their jobs, communities and essential services. They’re also crucial in connecting Australian communities and industry with their markets, both domestically and internationally. The department facilitates increased access and reduces the number and severity of safety incidents across all transport modes by managing the government’s infrastructure investment, surface transport and air transport Budget programs.

The Surface Transport Program supports economic growth, makes travel safer and increases transport access. It does this by delivering programs, policies and regulation for efficient, sustainable, safer and better-connected road, rail and maritime sectors.

Key activities and achievements for 2018–19

Through the Surface Transport Program the department:

- progressed reforms to regulate importation and first provision of vehicles in Australia through the Road Vehicle Standards legislation
- supported the Transport and Infrastructure Council’s strategic work program to sustain national transport reform momentum
- developed options to improve sustainability of road and maritime transport, especially for noxious emissions and new technologies
achieved better public transport access for people with disability by administering the Disability Standards for Accessible Public Transport 2002 under the Disability Discrimination Act 1992

worked with national transport regulators to ensure regulation is fit for purpose and proportionate to the risks being managed, and that regulatory systems are continuously improved

**Encouraging new transport technologies**

In 2018–19 the department also worked with state and territory governments to encourage the trial and adoption of emerging transport technologies.

In October 2018, the government established the Office of Future Transport Technology. The office is responsible for leading and coordinating Australian Government work to prepare Australia for emerging transport technology. This includes leading policy development on automated vehicles and cooperative intelligent transport systems.

By collaborating with other Australian Government agencies on cross-portfolio issues, the office also aims to address challenges in cyber security, critical infrastructure resilience, consumer and competition issues, future workforce and skills needs. This is in addition to:

- working with states and territories to support the Transport and Infrastructure Council by implementing of the National Policy Framework for Land Transport Technology
- engaging with state and territory and international colleagues to ensure domestic and international approaches are consistent
- enabling industry innovation by identifying options to remove regulatory barriers where appropriate, and supporting research, trials, investment and commercialisation
- consulting with the community to understand expectations and communicate opportunities

Key activities undertaken in 2018–19 include:

- developing memorandum of understanding with the Michigan Government
- participating in domestic and international forums
- working closely with the National Transport Commission and states and territories on regulatory reform to support the safe deployment of automated vehicle technology
National freight and supply chain strategy

The Transport and Infrastructure Council committed to developing a national freight and supply chain strategy and action plan for consideration at its first meeting on 2 August 2019.

Work to progress this was undertaken throughout 2018–19 including:
- undertaking extensive consultations to build on the industry-led 2018 Inquiry into National Freight and Supply Chain Priorities
- hosting more than 127 meetings in 2017 and 2018, with 1,377 participants from industry, academia, regional development agencies and all tiers of government

We also commissioned a freight data requirements study from the iMOVE Cooperative Research Centre. The final report—released on 28 March 2019—identified the data needed for government and industry to improve decision making and planning, and to monitor performance—a high priority for industry.

The 2019–20 Budget announced funding to design new freight measures. These are intended to improve:
- heavy vehicle access to local roads
- availability and sharing of freight data
- investment to address pinch points in key freight corridors

The government’s Delivering on Freight brochure released on 6 April 2019 showcased Commonwealth commitments to address industry’s priorities.

National data collection and dissemination plan

The department led development of the National Infrastructure Data Collection and Dissemination Plan, which was released in June 2018.

The plan identifies priority projects to improve the way infrastructure data is collected, shared and used to guide decision making. These projects were progressed and expanded during 2018–19. An example is a Bureau of Infrastructure, Transport and Regional Economics (BITRE) project using GPS data shared by freight operators to better understand where congestion is affecting freight movements. This project has now progressed from a pilot to the regular collection of road freight telematics based vehicle movement data from select freight service providers.

Improved public transport access for people with a disability

Over the past year the department worked with the Attorney-General’s Department and Australian Human Rights Commission to modernise the accessible public transport standards. As part of this, work also began to develop an equivalent access guide under the Disability Discrimination Act and Transport Standards. This will include feedback from consultations with government, industry and the disability sector before the standards are finalised and released in 2020.

Tasmanian shipping schemes

**Bass Strait Passenger Vehicle Equalisation Scheme**

The department administers the Bass Strait Passenger Vehicle Equalisation Scheme, which is an ongoing and demand driven program. It is designed to reduce the cost of sea travel between
mainland Australia and Tasmania by subsidising eligible passenger vehicles. The rebate for each crossing depends on the vehicle type. In 2018–19 rebates ranged from up to $34 each way for a bicycle, and up to $459 each way for a motor home or eligible passenger vehicle towing a caravan. Cars and buses pay up to $229 each way.

Estimated expenditure for this program in 2018–19 was $49.7 million. The actual cost was $51.3 million. Expenditure varies depending on the number and type of vehicles being shipped.

_Tasmanian Freight Equalisation Scheme_

The department also administers the Tasmanian Freight Equalisation Scheme, which subsidises the cost of shipping eligible non-bulk goods by sea between:

- Tasmania and mainland Australia
- the main island of Tasmania and King Island
- the main island of Tasmania and the Furneaux Group

The scheme provides Tasmanian industries with an equal opportunity to compete, recognising that—unlike their mainland counterparts—Tasmanian shippers aren’t able to transport goods interstate by road or rail.

In 2018–19, 15,238 claims were paid. Estimated expenditure for this program was $172.6 million. The actual cost in 2018–19 was $153.1 million. Expenditure depends on economic variations and the number of claims.

_A regulatory framework for shipping that promotes access_

The department supports the government to maintain an effective regulatory framework for shipping, including coastal freight, Tasmanian transport schemes and international liner cargo to ensure a maritime transport system that is accessible for Australian business.

In 2018–19 the department regulated international liner cargo shipping travelling to and from Australia under Part X of the Competition and Consumer Act 2010. Our regulatory activities include registration of conference agreements and ensuring exporters and importers have continued access to liner cargo shipping services that are regular, and at freight rates that are internationally competitive.

_Tax incentives scheme_

The Stronger Shipping for a Stronger Economy reforms commenced on 1 July 2012 and include the Shipping Reform (Tax Incentives) Act 2012. This provides a mechanism for shipping operators to gain access to a range of tax concessions including an income tax exemption, a refundable tax offset and accelerated depreciation. This encourages ship ownership and ship operations in Australia as well as employment and skilling for Australian seafarers.

Under the Act, certificates are granted at the end of a financial year to applicants who meet the scheme’s requirements. For companies applying for these concessions for the first time, the scheme provides an opportunity to obtain a ‘notice’ during the first year of entry. This means applicants can be sure that the arrangements they propose will meet the requirements of the Act, which reduces pressure on them when compiling their tax returns.
International engagement

International Maritime Organization

Work continued during the year to develop Australia’s international maritime safety and transport policy agenda, including with the International Maritime Organization (IMO). Our engagement reinforced the positive relations that Australia enjoys as an IMO participant.

We worked with international agencies and consulted industry stakeholders on IMO issues related to maritime safety and environment, trade facilitation and international maritime law. In 2018–19 a key focus was the Maritime Environment Committee and the IMO Facilitation Committee, where the department led Australia’s engagement on the ‘single window’ concept, and on implementing the Convention on Facilitation of International Maritime Traffic (FAL Convention).

Contribution

The department administered $321,000 as Australia’s contribution to the IMO in 2018–19. This is to help support an internationally efficient and safe maritime sector. Estimated expenditure for the Australian Government’s contribution was $344,000. A variance of $23,000 was due to a slight decrease in Australia’s forecast tonnage contributions for 2019.

Protection of the Sea (Oil Pollution Compensation Funds) Act 1993

The International Oil Pollution Compensation (IOPC) Funds is administered by the IMO and provides financial compensation for damage resulting from spills of persistent oil from tankers. The department oversees receipts for payments made to the IOPC Funds by Australian importing oil companies. A total of five Australian companies contributed to the fund in 2018. The department administered payments of $303,000 from Australian oil companies for the scheme.

Organisation for Economic Co-operation and Development (OECD) Road Transport contribution

The department administered an annual contribution of $50,000 to the OECD during the year. This supports transport research activities undertaken by the International Transport Forum (ITF). ITF membership means Australia can influence the forum’s forward research work program and promote successful Australian transport policy initiatives. International comparative analysis is also made simpler with access to the ITF’s transport research databases.

The OECD assesses contribution levels for all member countries based on an annual formula. Australia’s contribution for 2018–19 was $50,000—below the budget estimate of $73,000.

Engagement with United Nations transport bodies

The department represented Australia at a number of United Nations transport bodies in 2018–19. This included—for the first time—the Global Forum for Road Traffic Safety (WP.1) which encompasses issues including automated vehicles, driver licensing and registration. The department also represented Australia at the UN Sub-Committee of Experts on the Transport of Dangerous Goods.
World Forum for the Harmonization of Vehicle Regulations (WP.29)

The department represented Australia as a member at WP.29 and as a contracting party to two multilateral treaties on development of road vehicle standards, the 1958 and 1998 Agreements. Consistent with the government’s policy to harmonise Australia’s national vehicle standards (the Australian Design Rules) with international standards, a number of new and amended regulations were adopted by the forum and translated into the Australian Design Rules. This included recognition of overseas vehicle approvals through International Whole Vehicle Type Approval arrangements.
### 8. Volume of freight

<table>
<thead>
<tr>
<th>Measure</th>
<th>Target</th>
<th>Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>8. Volume of freight</strong></td>
<td>10 year average to 2016–17 is &gt;603.1 btkm</td>
<td>Coastal:</td>
</tr>
<tr>
<td>Previous result</td>
<td>Australian freight volumes have continued to grow with a 10 year average to 2015–16 of 603 billion tonne kilometres (btkm), up 4.5% compared to the previous 10 year rolling average</td>
<td>Road:</td>
</tr>
</tbody>
</table>
| 2018–19 result | The total Australian freight task is not available for 2016–17 due to incomplete rail freight data. For other modes:  
• the 10 year average coastal trading freight task declined from 111.7 billion tonne kilometres (btkm) to 109.7 btkm  
• the 10 year average road freight task increased from 194.3 btkm to 198.6 btkm  
• the 10 year average air freight task declined from 0.322 btkm to 0.317 btkm  
The rail freight task in 2016–17 would need to be above 175.9 btkm for the total freight task indicator to be met. This is likely given the 2015–16 rail freight task was 413.5 btkm and there has been a continued increase in the rail freight task over the last 10 years | Air: |

### 9. Transport CO$_2$ equivalent emissions

<table>
<thead>
<tr>
<th>Measure</th>
<th>Target</th>
<th>Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>9. Transport CO$_2$ equivalent emissions</strong></td>
<td>10-year average to 2017–18 is &lt;91,012 gigagrams (10-year average to 2015–16)</td>
<td>Road:</td>
</tr>
<tr>
<td>Previous result</td>
<td>10 year average to 2016–17 was 91,487 gigagrams of CO$_2$ equivalent</td>
<td>Air:</td>
</tr>
<tr>
<td>2018–19 result</td>
<td>Target not met. The 10 year average to 2017–18 was 92,800 gigagrams of CO$_2$ equivalent, up 1.4% compared to the previous 10 year rolling average</td>
<td>Rail (nine years):</td>
</tr>
</tbody>
</table>

### 10. Number of road fatalities

<table>
<thead>
<tr>
<th>Measure</th>
<th>Target</th>
<th>Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>10. Number of road fatalities</strong></td>
<td>1,053 or fewer fatalities</td>
<td>Road:</td>
</tr>
</tbody>
</table>
| Previous result | In 2017–18 there were 1,222 fatalities: a 14.3% reduction relative to the 2008–10 baseline, which suggests we are not yet on track to achieve the target  
To be on track to achieve the National Road Safety Strategy target, the reduction in fatalities relative to the baseline should be closer to 25% | Air: |
| 2018–19 result | In 2018–19 there were 1,214 fatalities: a 15% reduction relative to the 2008–10 baseline. This suggests we are not yet on track to achieve the 30% reduction target | Rail (nine years): |

### 11. Serious injuries due to road crashes

<table>
<thead>
<tr>
<th>Measure</th>
<th>Target</th>
<th>Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>11. Serious injuries due to road crashes</strong></td>
<td>On track to have source data and establish a baseline by 2019–20</td>
<td>Road:</td>
</tr>
<tr>
<td>Previous result</td>
<td>The department is partnering with AustRoads and state and territory governments to establish nationally consistent source data on serious road crashes injuries by 2019–20. We are on track to collect and report this data in 2019–20. This will enable us to establish a baseline to monitor progress and inform targets over time</td>
<td>Air:</td>
</tr>
<tr>
<td>2018–19 result</td>
<td>On track to establish a baseline</td>
<td>Rail (nine years):</td>
</tr>
</tbody>
</table>
### Measure

<table>
<thead>
<tr>
<th>12. Number of rail fatalities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Target</strong></td>
</tr>
<tr>
<td><strong>Previous result</strong></td>
</tr>
<tr>
<td><strong>2018–19 result</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Number of maritime transport fatalities (excluding fatalities on non-trading vessels, for example fishing and recreational)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Target</strong></td>
</tr>
</tbody>
</table>
| **Previous result** | Data on maritime fatalities are only available for 2017, and the previous seven years (that is, from 2010). In 2017, 10 maritime fatalities were recorded  
Over the seven years to 2017, the average number of maritime fatalities was 5.3. This is an increase compared to the average of the previous seven-year period—2010 to 2016—which was 4.1 maritime fatalities  
Data on a 10 year period are not currently available, so an assessment against the target set for this measure in 2016–17 cannot be made |
| **2018–19 result** | Data on maritime fatalities are only available from 2010 to 2018 (nine years). In 2018, two maritime fatalities were recorded  
Over the eight years to 2017, the average number of maritime fatalities was 4.5. This is an increase compared to the average of the previous eight-year period—2010 to 2017—which was 4.4 maritime fatalities  
Data on a 10 year period are not currently available, so an assessment against the target set for this measure cannot be made |

### Analysis

The department continued work during the year to reduce the social and economic impacts of safety incidents, and to improve the long-term sustainability of our freight, road and maritime systems. In doing so, we worked closely with state and territory government officials, regulators, industry and other stakeholders.

### Volume of freight

The department worked with states, territories, other Commonwealth entities and industry to develop a draft strategy and action plan for consideration by governments in August 2019. There was broad support from industry and government on the key elements. The Australian Logistics Council’s 2019 Forum in March affirmed strong industry support for the strategy and high levels of cooperation among all governments to deliver it.
CASE STUDY
OVERSIZE OVERMASS ARRANGEMENTS

A key issue identified through the National Freight and Supply Chain Inquiry was timely permit approvals for restricted-access heavy vehicles. Industry raised concerns that some operators had to wait months for permits allowing them to access the road network.

The Deputy Prime Minister and Minister for Infrastructure, Transport and Regional Development, the Hon Michael McCormack MP, announced on 29 June 2018 that the Australian Government would fund an independent review of oversize overmass (OSOM) vehicle access arrangements. Engineering firm WSP Australia undertook the review and was assisted by a three-member industry expert reference group.

On 9 November 2018 the Transport and Infrastructure Council released the review report. This made 38 recommendations covering a wide range of issues, which reflected the:

- complexity of OSOM vehicle access
- considerable stakeholder engagement that was undertaken (more than 60 separate entities participated in the report's preparation)

On 6 April 2019 the Deputy Prime Minister announced that state and territory transport ministers had agreed that 12 of the review recommendations be implemented to deliver better access for OSOM vehicles. For example, in response to the review, the National Heavy Vehicle Regulator exempted eligible agricultural vehicles and combinations from certain mass and dimension requirements of the Heavy Vehicle National Law. This means farmers don't need access permits when moving vehicles from paddock to paddock at short notice, or in response to seasonal demands, and helps ensure agricultural vehicles can be moved while maintaining safety. The notice also harmonises standards across Australia, simplifying the system for users.

The NHVR Class 1 Agricultural Vehicle Notice will facilitate the movement of agricultural vehicles

The implementation of the OSOM review will benefit operators of OSOM vehicles
Transport CO₂ equivalent emissions

Greenhouse gas emissions from the transport sector continue to trend upwards. This is due to demand for transport services outpacing improvements in fuel efficiency. As a result, the 10-year average CO₂ target was not achieved. The department is working with stakeholders on options to improve road and maritime transport sustainability, including measures to adopt the latest fuel saving and emissions reducing technologies. During the year the department supported both the development of a National Electric Vehicle Strategy and the transport stream of the National Hydrogen Strategy. This will help support the transition to low and zero emission transport.

CASE STUDY
NATIONAL HYDROGEN STRATEGY

The Council of Australian Governments Energy Council established a working group and taskforce to develop the National Hydrogen Strategy. The work is being coordinated and championed through the Office of the Chief Scientist. It includes a transportation stream that is being led by the department and Transport for New South Wales. The strategy will extend to 2030 and focus on hydrogen as an export commodity, with domestic use supporting development of industry knowledge and skills which can also be exported.

Hydrogen fuel cell electric vehicles (FCEVs) have some advantages over battery electric vehicles, including range and payload. FCEVs also have an added benefit in that they remove particulates and reduce local air pollution. These vehicles are not limited to road transport—the technology is also used in ferries and trains in Europe.

The taskforce will soon release a series of issue papers, including a hydrogen for transport paper. Submissions to these papers, continued consultation with industry, and additional research being undertaken by the department will inform the final strategy. BITRE is also undertaking a project to map potential hydrogen refuelling stations for the freight sector.

Supporting new vehicle technologies is important to decarbonise the transport sector. FCEVs have great potential to be part of the technology mix, and the National Hydrogen Strategy is supporting development of future local hydrogen industries, including in the transport sector.
**Road and rail fatalities**

Both the National Heavy Vehicle Regulator and the Office of the National Rail Safety Regulator continued work to harmonise Australia’s rail safety and heavy vehicle safety regulations during the year. This complements the government’s investment in road and rail to deliver greater safety (as outlined in Outcome 1). By implementing more nationally consistent regulatory frameworks, the regulators are making it easier for industry to comply, particularly those businesses undertaking cross border operations. The department worked with national rail and heavy vehicle regulators during the year to facilitate changes that will deliver productivity improvements. Examples include:

- our leadership of the Heavy Vehicle Strategy Group to support more effective compliance and enforcement, as well as permit granting arrangements
- work to promote the changes to heavy vehicle chain of responsibility laws
- support for the Office of the National Rail Safety Regulator

The department administered $3.9 million to the National Heavy Vehicle Regulator in 2018–19 for its Heavy Vehicle Safety Initiative. This aims to improve safety outcomes for drivers and the communities they operate within. The initiative is a competitive, rounds-based program. The National Heavy Vehicle Regulator has invited submissions for funding each year since 2016–17. Round 3 of the program was implemented in 2018–19 and the Transport and Infrastructure Council agreed to fund 14 projects.

The Office of the National Rail Safety Regulator is responsible for regulatory oversight of rail safety in every Australian state and territory. In 2018–19 we worked with the regulator and state and territory governments to review fatigue risk management arrangements under the Rail Safety National Law and to progress legislative changes to drug and alcohol testing requirements.

**Serious injuries due to road crashes**

The National Road Safety Strategy (NRSS) 2011–2020 is a joint initiative of the Australian, state and territory governments and is based firmly on the Safe System approach. This involves a holistic view of the road transport system and the interactions among roads and roadsides, travel speeds, vehicles and road users. It:

- recognises human error
- requires the system to be more forgiving
- accepts that crashes are less likely, but when they do happen, the result is not death or serious injury

During the year BITRE continued to collect and publish data on road deaths and crashes. This data is used to:

- track progress against the NRSS fatality targets
- inform policy development
- ensure the community has access to information
The number of road crash deaths in Australia has declined over recent decades, from a high of 3,798 in 1970 to a low of 1,151 in 2014. Following stronger progress in the early years of the current NRSS, the number of deaths in 2018–19 represents only modest progress and it is now unlikely that the 30 per cent reduction target will be met.

In December 2018 the department established a Road Safety Taskforce to:

- review national road safety governance arrangements as recommended by the inquiry into the National Road Safety Strategy 2011–2020
- reinvigorate the road safety relationship between the Australian Government, states, territories and the Australian Local Government Association

In March and April 2019 the department helped develop a series of road safety proposals for the 2019–20 Budget. This resulted in new road safety measures for next financial year and includes establishing:

- an Office of Road Safety
- a road safety awareness and enablers fund
- a road safety innovation fund
- additional funding for heavy vehicle safety initiatives
- funding for a further two years of keys2drive
- funding for the Australian Road Research Board to help local governments better understand their road networks

Our achievements in 2018–19 demonstrate our ongoing commitment to deliver a safe road transport system and respond to slowing progress against the NRSS. The work completed during 2018–19 positions the department to lead development of the next road safety strategy and to achieve a vision of zero road deaths by 2050.

**Maritime safety**

The department worked with the Australian Maritime Safety Authority (AMSA) during the year to help implement new Commonwealth service delivery arrangements agreed through the Transport and Infrastructure Council. The arrangements will improve the safety of domestic commercial vessels and are due to come into force from 1 July 2018.

We also worked with states and the Northern Territory to finalise arrangements for a joint $112 million funding package to help the industry transition to full cost recovery.
CASE STUDY
AUSTRALIAN TRANSPORT ASSESSMENT AND PLANNING GUIDELINES

The Australian Transport Assessment and Planning (ATAP) Guidelines provide a comprehensive framework for planning, assessing and developing transport systems and related initiatives. They are endorsed by all Australian jurisdictions through the Transport and Infrastructure Council and are published on the ATAP website (www.atap.gov.au). They are closely aligned with the Infrastructure Australia Assessment Framework.

The department supported development of the guidelines in its capacity as chair of the ATAP steering committee. This comprises expert representatives from each Australian jurisdiction, Austroads, Infrastructure Australia, and the New Zealand Government. It also provides the committee secretariat.

Guidance progressed during the year includes wider economic benefits and willingness to pay. Flood resilience initiatives, and an economic appraisal were also completed.

The guidelines are being used extensively. About 9,400 visitors accessed the website over 2018–19. About 20,000 page views were recorded each month.

Program 2.3 — Road Safety

The Road Safety Program contributes to our purpose of making travel safer. It does this by coordinating a national strategic approach to improving road safety and working to make vehicles safer for all road users.

Road safety is influenced by pressures on our freight, road passenger vehicle, rail and maritime transport systems. It is linked to Program 1.1 Infrastructure Investment, and Program 2.2 Surface Transport. Together these deliver:

- road safety outcomes
- a national strategic approach to improving road safety
- initiatives to make vehicles safer for all road users
Key activities and achievements for 2018–19

Through the Road Safety Program the department:

- implemented reforms to the Motor Vehicle Standards Act 1989 to reduce regulatory costs and provide a choice of vehicles that meet safety, environmental, energy saving and anti-theft expectations
- developed and implemented vehicle standards, and managed compliance and enforcement activities
- improved road safety outcomes through government spending on infrastructure

Vehicle standards

Reforms to the Motor Vehicle Standards Act 1989

Under the Motor Vehicle Standards Act 1989, all vehicles—either newly manufactured in Australia or imported as new or used vehicles—are required to comply with the national vehicle standards (the Australian Design Rules (ADR)) or concessional requirements before they can be supplied to the market. This improves road safety for all road users.

On 27 November 2018 the Road Vehicle Standards package of Bills passed through Parliament and received Royal Assent on 10 December 2018.

The Road Vehicle Standards Rules 2019 were subsequently made by the Deputy Prime Minister on 13 February 2019. The reforms introduced in the legislation are expected to save businesses more than $20 million a year in regulatory compliance costs. In 2018–19 the department established the Road Vehicle Standards Act (RVSA) Implementation Consultation Framework to facilitate Road Vehicle Standards legislation through a targeted consultation process. The department met with industry stakeholders and in-service regulations under the framework in August 2018, November 2018 and March 2019 to discuss, develop and resolve issues related to administering the legislation.

Standards development and implementation

The department continued developing and implementing the ADRs during the year, including to harmonise delivery of both safety and environmental outcomes to international approaches. Regulation that is based on internationally agreed standards provides consumers with access to the safest vehicles from the global market, at the lowest cost. It’s important that Australia helps develop international vehicle standards and assesses them for implementation in Australia in-line with international timetables. Work is underway on vehicle safety actions under the National Road Safety Action Plan 2018–2020. This includes autonomous emergency braking for light and heavy vehicles as well as improvements to crash protection for cars and light commercial vehicles. Ten new ADRs were introduced during the year to align with the new international arrangements for approving vehicles that came into force in April 2019.
To implement the standards, the department issues approvals and licences for new vehicles. In 2018–19 this included 2,902 vehicle certification type approvals and amendments (with 625 being approvals for new vehicle models). We also issued 6,459 Registered Automotive Workshop Scheme (RAWS) import approvals and 6,286 RAWS used vehicle plate approvals. Further, 9,848 vehicle import applications were assessed under the concessional arrangements of the Motor Vehicle Standards Act 1989.

**Compliance and enforcement activities**

The department undertakes a risk-based program of activities to monitor, identify and address non-compliance and promote vehicle safety outcomes.

Our 2018–19 compliance and enforcement program was based on the published Compliance and Enforcement Strategy and our risk based approach. Implementation of the Road Vehicle Standards Act 2018 provided an increased focus on stakeholder engagement. As part of its implementation, a program of compliance and enforcement activities was delivered under the Act.

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**CASE STUDY**

**MAKING MOTORCYCLE TRAVEL SAFER**

A small motorcycle supplier was prosecuted during the year for offences under the Motor Vehicle Standards Act 1989. The department administers the Act to regulate the design, manufacture, importation and first supply to the market of new road vehicles. Our role is to ensure an acceptable level of safety, theft protection and emissions, and to monitor activities so companies comply with their obligations.

In early 2016 the department was approached by state police and the Australian Border Force seeking information on the motorcycle supplier’s imports. In June 2016 the department suspended all of the company's approvals—it was concerned about the company's quality control and record keeping practices, and its motorcycles didn't comply with the Australian Design Rules. These suspensions were lifted over the following two years after the company demonstrated:

- significant improvements in its practices
- willingness and capability to comply
- the announcement of recalls to rectify non-compliant motorcycles

The department’s vehicle safety standards inspectors audited the company’s premises and motorcycles in December 2017. Evidence was also provided by two state police forces which enabled the Commonwealth to charge the company with nine offences under the Motor Vehicle Standards Act, including failing to comply with conditions of a type approval and failing to comply with conditions of an import approval.

In March 2019 the company was convicted and the court applied a penalty of $25,000. The application of enforcement responses—both the suspension of approvals and prosecution—helped protect the community and deter future non-compliance.

Insights from this case supports implementation of enhanced enforcement responses available under the new Road Vehicle Standards Act 2018.
Coordinating a national approach

As part of our work to support the National Road Safety Strategy, the department managed an Austroads project during the year to develop a national serious injury data series. The result is a baseline serious injury outcome series that is supporting longer term comparisons and evaluation. The department also led an internal road safety coordination group to ensure infrastructure investment, data, vehicle standards, heavy vehicle safety, work on autonomous and electric vehicles, and road safety policy aligns. An independent inquiry into the National Road Safety Strategy was completed in late 2018.

In 2018–19 a National Drug Driving Working Group was established by the department with police, government road authorities and key policy makers. The group’s report *Australia’s second generational approach to roadside drug testing* was released in October 2018. It reinforces Australia as a world leader in roadside drug testing to deter drug driving. The group meets twice a year to address the report’s recommendations.

Australasian New Car Assessment Program (ANCAP)

The department administered $1.3 million in funding for ANCAP during the year. This is an independent vehicle safety advocate that provides safety ratings out of five stars for new light vehicle models. This includes passenger vehicles, SUVs and light commercial vehicles entering the Australian market. The ratings are determined using defined criteria from the results of a range of assessments, including vehicle crash tests. ANCAP has made a valuable contribution to vehicle safety since its inception in 1993, and plays a significant role in encouraging consumers to buy safer vehicles. The Australian Government has provided $11.1 million (GST exclusive) to ANCAP since May 2010. It will provide a further $5.3 million over four years to 2022–23 ($1.3 million a year) to continue its work.
Performance results

<table>
<thead>
<tr>
<th>Measure</th>
</tr>
</thead>
<tbody>
<tr>
<td>13. Number of road fatalities</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Target</th>
<th>1,053 or fewer fatalities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Previous result</td>
<td>In 2017–18 there were 1,222 fatalities: a 14.3% reduction relative to the 2008–2010 baseline, which suggests we are not yet on track to achieve the target. To be on track to achieve the National Road Safety Strategy target, the reduction in fatalities relative to the baseline should be closer to 25%</td>
</tr>
<tr>
<td>2018–19 result</td>
<td>In 2018–19 there were 1,214 fatalities: a 15% reduction relative to the 2008–2010 baseline. This suggests we are not yet on track to achieve the 30% reduction target</td>
</tr>
</tbody>
</table>

| 14. Serious injuries due to road crashes |

<table>
<thead>
<tr>
<th>Target</th>
<th>On track to have source data and establish a baseline by 2019–20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Previous result</td>
<td>The department partnered with AustRoads and state and territory governments to establish nationally consistent source data on serious road crashes injuries by 2019–20. In 2017–18, we were on track to collect and report this data enabling us to establish a baseline to monitor progress and inform targets over time</td>
</tr>
<tr>
<td>2018–19 result</td>
<td>On track to establish a baseline</td>
</tr>
</tbody>
</table>

Analysis

Our aim is to ensure Australia has an efficient, sustainable, competitive, safe and secure transport system. The road safety program and associated measures are designed to contribute directly to a safe transport system.

The National Road Safety Strategy 2011–2020 is a joint initiative of the Australian, state and territory governments based on the Safe System approach. This involves a holistic view of the road transport system and the interactions among roads and roadsides, travel speeds, vehicles and road users. It recognises human error and requires the system to be more forgiving so that crashes are less likely, and—when they do happen—the result is not death or serious injury.

During the year BITRE continued to collect and publish data on road deaths and crashes that is used to track progress against the National Road Safety Strategy fatality targets, and to inform policy development and the community. The number of road crash deaths in Australia has declined over recent decades, from a high of 3,798 in 1970 to a low of 1,151 in 2014. Following stronger progress in the early years of the current National Road Safety Strategy, the number of deaths in 2018–19 represents only modest progress and it is now unlikely that the 30 per cent reduction target will be met.

In December 2018 the department established a road safety taskforce to review national road safety governance arrangements as recommended by the Inquiry into the National Road Safety Strategy 2011–2020. The taskforce strengthened the road safety relationship between the Australian Government, states, territories and the Australian Local Government Association by developing a draft implementation plan that will help address shared recommendations from the inquiry. This plan will form the basis of the next National Road Safety Strategy.
The 2019–20 Budget included a number of new road safety measures for next financial year, including:

- establishing an Office of Road Safety
- a road safety awareness and enablers fund
- a road safety innovation fund
- additional funding for heavy vehicle safety initiatives
- funding for a further two years for the Indian Ocean territories
- funding for the Australian Road Research Board to help local governments better understand their road networks, and ultimately, support safer roads for all Australians.

Our activities in 2018–19 demonstrate the government’s commitment to achieving a safe road transport system and responding to slowing progress against the National Road Safety Strategy. The work completed during 2018–19 positions us to develop the next road safety strategy and to achieve the vision of zero road deaths by 2050.

CASE STUDY

ROAD SAFETY TASKFORCE

The department establishes taskforces to address discrete, short term projects which need rapid policy development. In December 2018 the department established a taskforce to review national road safety governance arrangements and to reinvigorate the road safety relationship between the Australian Government, states, territories and the Australian Local Government Association. This was an initiative recommended by the Inquiry into the National Road Safety Strategy 2011–2020.

In the half year of its operation, the taskforce reviewed national road safety governance arrangements and drafted an implementation plan with recommendations for multiple levels of government. These will be considered by the Council of Australian Governments’ Transport and Infrastructure Council in August 2019.

The taskforce facilitated a national discussion on road safety through a road safety strategy working group which included representatives from transport agencies in each state and territory, and the Australian Local Government Association. It also established a Commonwealth level inter-departmental committee to canvass a cross portfolio approach to road safety.

The taskforce ended on 30 June 2019 but has set a pathway for the new Office of Road Safety.
Program 2.4 — Air Transport

The Air Transport Program makes travel safer by ensuring the aviation industry operates within a clear and robust safety, planning and environmental regulatory framework.

All Australians benefit from air transport programs that make travel safer by ensuring the aviation industry:

- operates within a clear and robust safety, planning and environmental regulatory framework
- supports economic growth by improving transport efficiency and sustainability
- connects people, communities, businesses and markets by improving transport access

By delivering on these purposes, the Air Transport Program contributes to the outcome of an efficient, sustainable, competitive and safe transport system for all transport users.

Key activities and achievements for 2018–19

Through the Air Transport Program the department:

- supported ongoing infrastructure investment at federally leased airports
- progressed the International Civil Aviation Organization’s Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA)
- progressed key elements of the National Airport Safeguarding Framework
- reviewed and progressed future airspace protection arrangements
- provided policy advice to support aviation industry competitiveness, and aviation safety
- contributed to whole of government activities to redress per and poly-fluoroalkyl substances contamination, and managed legacy and containment at federally-leased airports
- provided advice and made a submission to the Productivity Commission’s inquiry into the economic regulation of airports
- worked with Commonwealth and state government agencies on strategies for remotely piloted aircraft systems (drones)
- maintained legislative governance and reporting requirements for Australian Government aviation safety agencies
- managed regional and remote aviation access programs to support aerodrome infrastructure and air services to areas that are not commercially viable
- participated in international air services negotiations and aviation safety capacity building with Australia’s near neighbours
- progressed the Western Sydney International (Nancy-Bird Walton) Airport project
Support for aviation infrastructure investment

The department continued work in 2018–19 to ensure airports met projected growth and operated within a clear and robust regulatory framework.

During the year we facilitated more than $1 billion of on-airport infrastructure development across federally leased airports. This included aviation related infrastructure and a diverse range of non-aviation developments. We increased operations at federally leased airports in 2018–19 by facilitating masterplan approvals for Sydney and Melbourne airports, and finalising major development plan approvals for the following airports:

- Canberra (9 Molonglo and 25 Catalina Drive office developments)
- Gold Coast (hotel development)
- Melbourne (Taxiway Zulu)
- Perth (site 6 large format retail outlet – Costco)

We also participated in planning coordination forums with airports, state and local governments at all major capital city airports. This included:

- participating in community aviation consultation groups facilitated by 19 federally leased airports
- ensuring all airports complied with the airport insurance requirements of their lease
- ensuring airport sites complied with their environmental obligations in accordance with the Airport Environmental Regulations and the airport lease requirements
- ensuring there were no major breaches of the Airport (Building Control) Regulations 1996

Airspace protection arrangements

Protecting immediate airspace around airports is essential to ensuring and maintaining a safe operating environment and to providing for future growth. The department, working with other government and stakeholder aviation agencies, coordinated consideration and approval of controlled activities at and around federal airports.

For example a comprehensive airspace planning and design process for the Western Sydney International airport is being undertaken, with ongoing community consultation and a focus on minimising flights over residential areas. Designing and finalising flight paths is a big, complex task that takes years to complete. The airspace design will use international best-practice to optimise flight paths on the basis of safety, efficiency, capacity, noise and environmental conditions, while minimising changes to existing airspace arrangements in the Sydney basin.

The proposed flight paths will be available for public consultation as part of the environmental assessment expected to take place around 2021.
**General Aviation**

Throughout 2018–19 the General Aviation Advisory Network—an industry-led initiative that advises the Deputy Prime Minister on issues related to general aviation—progressed work on its plan for the sector. The network's priorities for the year were:

- articulating a long-term strategic outlook for general aviation in Australia
- considering stakeholder views on how air safety regulation can support general aviation, including through consistent and proportionally responsive administration
- enhancing general aviation industry capability through better workforce planning and access to airspace and infrastructure

**National Airports Safeguarding Advisory Group**

The National Airports Safeguarding Advisory Group (NASAG) includes representatives of:

- Australian, state and territory government planning and transport officials
- Department of Defence
- Civil Aviation Safety Authority (CASA)
- Airservices Australia
- Australian Local Government Association (ALGA)

The group developed the National Airports Safeguarding Framework as a national land use planning initiative to:

- minimise aircraft noise-sensitive developments near airports
- improve community amenity
- improve safety by ensuring aviation safety requirements are recognised in land use planning decisions. This includes guidelines on various safety-related issues to be adopted by jurisdictions

The department worked with NASAG during the year to help implement the agreed framework, including guidelines relating to strategically important helicopter landing sites (Guideline H) and public safety zone guidance for airports (Guideline I).

NASAG also supports the department reviewing implementation progress for the National Airports Safeguarding Framework with input from each jurisdiction, and key stakeholder and industry groups. The review is scheduled for completion before 30 June 2020.
Policy advice to enhance aviation safety and technology

The department provided policy advice on a range of safety-related issues during the year. This included:

- making a new Australian airspace policy statement to:
  - guide CASA on its administration and regulation of Australian-administered airspace
  - outline the government’s airspace policy objectives
  - provide general guidance for other aviation agencies and industry (the new Australian Airspace Policy Statement commenced on 5 October 2018)
- establishing a Remotely Piloted Aircraft Systems inter-departmental meeting to bring together 20 government agencies and develop a whole of government strategy
- holding a roundtable discussion and desktop exercise with airlines, airports, police and other agencies to improve operational responses to the risk of drone incursions at airports
- working to ensure civil and military air traffic management harmonisation
- amending the Civil Aviation Act 1988 to ensure the CASA considers the impacts of costs and the relative environmental risk of the different aviation industry sectors in developing and communicating aviation safety standards
- overseeing the potential application of satellite based augmentation systems to aviation and other modes of transport

In 2018–19 the department worked with CASA on the passage of Civil Aviation Safety Regulations to modernise flight operations, and progressed new regulations relating to aviation firefighting and rescue operations.

Policy advice to enhance industry competitiveness

Informed and considered policy advice was provided to the Australian Government on:

- access to the Australian domestic and international aviation markets
- options to increase transport connectivity

Advice was also provided on ensuring the aviation sector has access to the skills and staff needed to ensure the industry is viable, competitive and safe. This advice informed the four year $4 million Women in Aviation initiative to promote a more diverse and sustainable workforce, and to increase the Australian Government’s combined FEE-HELP loan limit to meet the current cost of aviation training.

The department advised on a range of issues during the year that impacted regional aviation, as well as options and opportunities to further refine the government’s policy approach when negotiating air service arrangements.
CASE STUDY

WOMEN IN AVIATION INITIATIVE

Demand for aviation skills is growing. According to Boeing, the Asia Pacific will need more than 253,000 additional pilots and over 256,000 aviation technicians alone by 2036.

Encouraging more women to pursue aviation as a career is an important part of meeting the demand for the next generation of aviation professionals. It will help ensure that Australia has access to the right skills to meet the region’s growing demand. The large scale growth in the Asia-Pacific and global industry also presents opportunities for Australia’s education and training sectors over the coming decades, as well as the broader aviation sector.

On 1 March 2019 the Deputy Prime Minister hosted a roundtable at the Avalon Airshow with key representatives from industry, education and training providers. The meeting explored ways to promote greater aviation sector diversity and equality by redressing the gender gap in industry careers. Participants discussed a wide range of issues including barriers to women pursuing aviation careers, how industry is dealing with these and how the Australian Government can help to drive meaningful change in the industry.

The $4 million Women in Aviation initiative was announced on 8 March 2019 to encourage more women pursue careers in the aviation sector and redress the severe gender imbalance. The initiative funds programs to engage women and will target school-aged students and their parents. The government will also continue working with industry to encourage greater involvement from women.

This initiative includes supporting and advancing outreach and other grass roots programs across the country to encourage young women working in the sector. Other events and actions will begin in the second half of 2019.

Attendees at the Women in Aviation Roundtable
International engagement

International Civil Aviation Organization—contribution

The department, and our aviation agencies, continued to play key leadership, coordination and participatory roles in the International Civil Aviation Organization (ICAO) as a Part One ICAO Council member and through engagement in committees, panels and study groups.

Key areas of focus for Australia in 2018–19 were aviation safety, air navigation, aviation environment, and aviation security and facilitation. The major ICAO international aviation safety and air navigation event in 2018–19 was the Air Navigation Conference held in Montreal, Canada in October 2018. Australia presented five, and co-sponsored another five, working papers with all 10 proposals supported at the conference and with nine directly taken up in the conference recommendations.

Australia’s papers covered:
- prioritising ICAO resourcing in the Asia-Pacific
- supporting the recommendations of the Universal Safety Oversight Audit Program Taskforce
- harmonising System Wide Information Management
- the Global Aviation Safety Oversight System concept
- implementing a targeted risk assessment approach for ICAO Standards and Recommended Practices

The department administered $2.3 million as the Australian Government’s contribution to ICAO in 2018–19.

Driving growth in international airline activity

The department engaged with important markets throughout 2018–19 to drive growth in international airline activity. In December 2018 we participated in the ICAO Air Services Negotiations Conference (ICAN 2018) in Nairobi, Kenya. This included formal air services negotiations and informal discussions with 18 economies.

International aviation agreements

The department aims to ensure businesses and consumers have access to competitive international air services in line with market requirements. During the year work continued with Australia’s bilateral partners to negotiate new—and liberalise existing—air services agreements.

In 2018–19 the department also settled new or updated air services arrangements with 13 countries. New arrangements were established with Guyana and Rwanda. Revised air services arrangements were settled with Ethiopia, Fiji, Jordan, Kazakhstan, Oman, the Philippines, Scandinavian countries (Denmark, Norway and Sweden), Sri Lanka and the United Kingdom. The arrangements will provide opportunities for both Australian and overseas airlines and improve air connectivity with these countries.
### Performance results

#### Measure

**15. Volume of freight**

<table>
<thead>
<tr>
<th>Measure</th>
<th>Target</th>
<th>Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>10 year average to 2016–17 is &gt;603.1btkm</td>
<td></td>
</tr>
</tbody>
</table>

**Previous result**

Australian freight volumes have continued to grow with a 10 year average to 2015–16 of 603 billion tonne kilometres (btkm), up 4.5% compared to the previous 10 year rolling average.

**2018–19 result**

The total Australian freight task is not available for 2016–17 due to incomplete rail freight data. For other modes:

- The 10 year average coastal trading freight task declined from 111.7 billion tonne kilometres (btkm) to 109.7 btkm
- The 10 year average road freight task increased from 194.3 btkm to 198.6 btkm
- The 10 year average air freight task declined from 0.322 btkm to 0.317 btkm

The rail freight task in 2016–17 would need to be above 175.9 btkm for the total freight task indicator to be met. This is likely given the 2015–16 rail freight task was 413.5 btkm and there has been a continued increase in the rail freight task over the last 10 years.

#### 16. Transport CO\(_2\) equivalent emissions

<table>
<thead>
<tr>
<th>Measure</th>
<th>Target</th>
<th>Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>10-year average to 2017–18 is &lt;91,487 gigagrams (10-year average to 2016–17)</td>
<td></td>
</tr>
</tbody>
</table>

**Previous result**

10 year average to 2016–17 was 91,487 gigagrams of CO\(_2\) equivalent.

**2018–19 result**

Target not met. The 10 year average to 2017–18 was 92,800 gigagrams of CO\(_2\) equivalent, up 1.4% compared to the previous 10 year rolling average.

#### 17. Passenger movements, aviation sector

<table>
<thead>
<tr>
<th>Measure</th>
<th>Target</th>
<th>Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Increased 10 year rolling average</td>
<td></td>
</tr>
</tbody>
</table>

**Previous result**

- 10 year average to 2017–18 was 88.0 million total passenger movements, up 3.4%
- 10 year average to 2017–18 was 56.2 million domestic passenger movements, up 2.1%
- 10 year average to 2017–18 was 31.8 million international passenger movements, up 5.8%

**2018–19 result**

Data not yet available.
### Measure

#### 18. Number of aviation fatalities

<table>
<thead>
<tr>
<th>Target</th>
<th>10 year average to 2017 is &lt;33.6 fatalities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Previous result</td>
<td>The average number of aviation fatalities for the 10 years to end of 2017 was 33.6, which was a decrease compared to the 10 years to end of 2016</td>
</tr>
<tr>
<td>2018–19 result</td>
<td>The average number of aviation fatalities for the 10 years to end of 2018 was 31.3, which was a 6.8% decrease compared to the 10 years to end of 2017</td>
</tr>
</tbody>
</table>

#### 19. Level of aviation capacity (passenger and freight) available to major city airports under Australia’s air services arrangements

<table>
<thead>
<tr>
<th>Target</th>
<th>Increased compared to previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Previous result</td>
<td>By expanding commercial opportunities for airlines in new and existing markets, new and updated air services arrangements increase the level of capacity at major city airports and the level of available capacity in international aviation markets. New and updated arrangements also increase opportunities for Australian airlines to serve the respective market, either using their own aircraft or through cooperative commercial arrangements with foreign airlines (for example, code share). In 2017–18 there were 107 air services arrangements in place, an increase compared to 2016–17 when there were 103 arrangements. During 2017–18 eight existing arrangements were updated, four new arrangements were made, and two air services agreements were signed. Five of the updated/new arrangements resulted in increased aviation capacity for both Australian and foreign airlines at Sydney, Melbourne, Brisbane and Perth airports.</td>
</tr>
<tr>
<td>2018–19 result</td>
<td>By expanding commercial opportunities for airlines in new and existing markets, new and updated air services arrangements increase the level of capacity at major city airports and the level of available capacity in international aviation markets. New and updated arrangements also increase opportunities for Australian airlines to serve the respective market, either using their own aircraft or through cooperative commercial arrangements with foreign airlines (for example, code share). During 2018–19, 11 existing arrangements were updated, two new arrangements were made, and one air services agreement was signed.</td>
</tr>
</tbody>
</table>

#### 20. Level of aviation capacity (passenger and freight) available in international aviation markets under Australia’s air services arrangements

<table>
<thead>
<tr>
<th>Target</th>
<th>Increased compared to previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Previous result</td>
<td>By expanding commercial opportunities for airlines in new and existing markets, new and updated air services arrangements increase the level of capacity at major city airports and the level of available capacity in international aviation markets. New and updated arrangements also increase opportunities for Australian airlines to serve the respective market, either using their own aircraft or through cooperative commercial arrangements with foreign airlines (for example, code share). In 2017–18 there were 107 air services arrangements in place, an increase compared to 2016–17 when there were 103 arrangements. During 2017–18 eight existing arrangements were updated, four new arrangements were made, and two air services agreements were signed. Five of the updated/new arrangements resulted in increased aviation capacity for both Australian and foreign airlines at Sydney, Melbourne, Brisbane and Perth airports.</td>
</tr>
<tr>
<td>2018–19 result</td>
<td>Target met. See result above at measure 19</td>
</tr>
</tbody>
</table>
### Measure

#### 21. Opportunities available to Australian airlines in international aviation markets

<table>
<thead>
<tr>
<th>Target</th>
<th>Increased compared to previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Previous result</td>
<td>By expanding commercial opportunities for airlines in new and existing markets, new and updated air services arrangements increase the level of capacity at major city airports and the level of available capacity in international aviation markets. New and updated arrangements also increase opportunities for Australian airlines to serve the respective market, either using their own aircraft or through cooperative commercial arrangements with foreign airlines (for example, code share). In 2017–18 there were 107 air services arrangements in place, an increase compared to 2016–17 when there were 103 arrangements. During 2017–18 eight existing arrangements were updated, four new arrangements were made, and two air services agreements were signed. Five of the updated/new arrangements resulted in increased aviation capacity for both Australian and foreign airlines at Sydney, Melbourne, Brisbane and Perth airports.</td>
</tr>
</tbody>
</table>

#### 2018–19 result | Target met. See result above at measure 19 |

#### 22. Number of remote communities that receive support from the department for aerodrome infrastructure projects and air services

<table>
<thead>
<tr>
<th>Target</th>
<th>Maintained or increased compared to previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Previous result</td>
<td>In 2017–18 departmental activities guaranteed aviation services to 266 remote communities, maintaining service levels compared to 2016–17.</td>
</tr>
</tbody>
</table>

#### 2018–19 result | In 2018–19, departmental activities guaranteed aviation services to 266 remote communities, maintaining service levels compared to 2017–18. |

### Jobs supported by Western Sydney International (Nancy-Bird Walton) Airport

<table>
<thead>
<tr>
<th>Target</th>
<th>Main construction commencing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Previous result</td>
<td>In 2017–18, WSA Co, a government-owned company, was established to develop and operate the Western Sydney Airport. WSA Co's project schedule shows construction will commence in the second half of the 2018 calendar year. WSA Co currently has about 45 employees and expects to grow to about 75 in total. WSA Co has also engaged a delivery partner and project manager (definition) that will engage around 120 staff. Western Sydney Airport will be a major jobs generator and WSA Co has committed to a package of local employment, diversity and learning workforce targets that will be publicly reported against from 2021.</td>
</tr>
</tbody>
</table>

#### 2018–19 result | Construction of the airport commenced on 24 September 2018 with early earthworks now underway, meeting the target. The Western Sydney airport is set to open in 2026. Early earthworks are expected to be completed by the end of 2019. Main earthworks will begin once the site has been prepared—jobs data is expected to be available then. |
Analysis

Australia’s aviation sector provides an essential service by physically connecting people and businesses to one another and to the rest of the world. This includes by transporting high-value goods quickly to markets and bringing international visitors to the country. In supporting the sector to carry out this vital role, airports are linked intrinsically to the social and economic performance of our country, cities and regions.

Volume of freight

The department administers the regulatory and policy arrangements for aviation to ensure:

- the regulatory environment is appropriate
- it can provide opportunities to ensure commercial entities can maximise economic benefits

For example, the department is seeking liberalised provisions for cargo in Australia’s international air services arrangements to provide network flexibility for airlines and associated commercial opportunities.

Transport CO₂ equivalent emissions

The major aviation contribution towards the portfolio’s transport emissions measure in 2018–19 was implementing Australia’s commitment to the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA). This included assessing the emissions monitoring plans of our three Australian international airlines covered by the scheme—the Qantas Group, the Virgin Group and Tasman Cargo Airlines. CORSIA is a global ICAO initiative to cap international aviation emissions at 2020 levels.

Passenger movements, aviation sector

The department seeks to promote economic growth through transport by administering an aviation environment that has appropriate regulations and airport infrastructure to facilitate commercial opportunities to enhance aviation passenger travel. Passenger movements have continued to increase within this framework both within Australia and to and from international destinations.

Number of aviation fatalities

A new Australian Airspace Policy Statement (AAPS) came into effect on 5 October 2018 and reflects a number of changes from the previous version. These include an additional principle under Clause 8 (Airspace Administration) requiring the consideration of cost implications for all airspace users; and inclusion under the government’s policy objectives in the new AAPS of a clause concerning the operation of remotely piloted aircraft systems and very high altitude aircraft (Clause 36).

Level of aviation capacity (passenger and freight) available to major city airports under Australia’s air services arrangements

In 2018–19 Australia updated or established four international air services arrangements with bilateral partners that increased the aviation capacity available at Australia’s major city airports, both for Australian and foreign airlines. This provides increased opportunities for airlines to expand their network, potential for new routes and additional services for airports, and increased aviation connectivity for passengers.
Level of aviation capacity (passenger and freight) available in international aviation markets under Australia’s air services arrangements

Australia increased aviation capacity in five international markets through bilateral air services negotiations. Stakeholder engagement and market analysis underpinned these talks, creating opportunities for stakeholders to access markets and harness economic benefits.

Opportunities available to Australian airlines in international aviation markets

During 2018–19, 11 of Australia’s bilateral air services arrangements were updated and two new arrangements were established. The liberalisation of these arrangements included additional capacity for Australia and foreign airlines to perform own operated services, but also expanded commercial provisions—such as code share entitlements—to enable airlines to expand their virtual networks through aviation partnerships. These opportunities will provide more flexibility for travellers and increase patronage, as well as support trade and tourism.

Number of remote communities that receive support from the department for aerodrome infrastructure projects and air services

The government helps Australians living in remote areas by providing regular air services to 266 remote communities. These services include deliveries of fresh food, educational materials, medicines and other urgent supplies, as well as access for passengers. The department tenders the services and administers the contractual arrangements including service levels to communities.

Jobs supported by Western Sydney International (Nancy-Bird Walton) Airport

In 2018–19 the workforce contracted to or engaged by WSA Co Limited was about 361.

By June 2019, about 1 million cubic metres of soil had been moved as part of the earthworks that will help lay the foundations for the airport’s construction. To support this progress, the department:

- administered the Airport Plan conditions, acted as proponent for the flight path design and managed biodiversity conservation through offsets
- fulfilled its regulatory and legal compliance responsibility for the airport plan and project deed, including assessing and approving modification processes, construction and environmental management plans, airport site layout approvals and baseline schedules
- provided strategic communication including a hotline, website, newsletters and information sessions to inform and educate stakeholders and the community
- provided shareholder oversight of and developed an effective relationship with WSA Co Limited, and collaborated on planning and developments such as road and rail connections
Outcome 3

Strengthening the sustainability, capacity and diversity of our cities and regional economies including through facilitating local partnerships between all levels of government and local communities; through reforms that stimulate economic growth; and providing grants and financial assistance.

The department contributes to Outcome 3 by effectively managing the government’s investment to deliver:

- strategic policy development and implementation
- administration of grants programs
- partnerships and collaboration with local jurisdictions, state and territory government and Regional Development Australia committees
- water infrastructure, cities, regional development and local government commitments

In 2018–19 this contribution was through three Budget programs:

- Regional Development (Program 3.1)
- Local Government (Program 3.2)
- Cities (Program 3.3)

Program 3.1 — Regional Development

Regional Australia is home to one third of Australians, and accounts for about 30 per cent of GDP. The Regional Development Program contributes economic growth and stronger regional communities with grants to create job opportunities across Australia. The department partners with all levels of government to deliver its commitments and administers investment to support regional diversity, growth and resilience.

Where possible, the number of jobs expected to be created is reported as a lag indicator for regional growth to highlight the program’s contribution to increasing jobs, as well as low and middle income outside Australia’s capital cities.

The government is investing more than $3.7 billion over 10 years (2013–14 to 2022–23) in regional Australian through grants and funding programs. To ensure the investment is effective in its contribution to stronger regional communities, the department updated the program’s performance criteria and targets for 2019–20 to assess the impact of regional investment on jobs and regional growth, as well as the effectiveness of partnerships with government and the private sector to deliver regional development outcomes. This will be demonstrated through new or revised regional programs monitoring and evaluation frameworks to be developed in 2019–20 and a rolling program of regional program evaluations.

In 2018–19 a significant number of regions across Australia were impacted by severe drought, which was followed by devastating floods in some areas. These weather events result in significant economic hardship for farmers and communities, and impact the national economy. For example, the fall in farm production due to drought is estimated to have detracted around 0.25 of a percentage point from real GDP growth in 2018–19. The Regional Development Program contributes to community resilience by investing in water and community infrastructure.
Key activities and achievements for 2018–19

Regional development policy aims to back local communities and capitalise on their distinct opportunities and strengths. We understand the importance of integrating regional views into policy development, and work closely with state, territory and local governments to support regions to realise their economic potential and respond to economic and social differences.

Key regional development policy achievements for 2018–19 included:

- adapting Regional Deals from the successful City Deal model. This has included delivering a program of community consultation and helping to design the Barkly Regional Deal launched in April 2019 (see case study)
- supporting the Strategic Regional Growth Expert Panel established by the Minister for Regional Development to follow up on key issues identified in the Regions at the Ready report. This included consulting with key stakeholders, and undertaking outreach activities in Queensland, South Australia and Western Australia
- delivering the government’s decentralisation agenda to boost regional economies by providing public sector jobs throughout regional Australia. This has included 332 new and relocated jobs, bringing the total to 430 positions that were moved or established outside of Canberra, inner Sydney and inner Melbourne
- coordinating a meeting between the Deputy Prime Minister and the Business Advisory Group of the Joint Commonwealth and Tasmanian Economic Council
- hosting the Trailblazers program with the Australian Broadcasting Corporation and the Foundation for Rural and Regional Renewal
- contributing to the government’s response to the Independent Review of Regional, Rural and Remote Education

Regional Ministerial Budget Statement

The Deputy Prime Minister and the Minister for Regional Development delivered the annual Regional Ministerial Budget Statement as part of the 2019–20 Budget. This outlines the Australian Government’s investment in our regions across all portfolios. For example, Australian Government agencies are required to review and report on their regional staffing footprint annually in the Regional Ministerial Budget Statement.

The 2019–20 Budget included more than 600 initiatives, including more than 200 new measures focused on regional communities to create jobs and support regional economic growth.

Regional evidence base

A key focus for the department is building and maintaining a regional evidence base to track trends, issues and best practice regional development policy to build Australia’s regions. This includes monitoring and analysing data from funded regional programs, and annual updates of the Progress in Australian Regions series to inform communities and influence regional policy decisions. The 2018 edition updated information from previous books and incorporated customised Australian Bureau of Statistics data previously not available to the public.

The government supports the Regional Australia Institute to deliver high quality research for policy makers. In the 2018–19 Budget the government committed $1.2 million over three years for the institute to:

- partner with universities
- produce research on key regional policy issues
- communicate how this research can benefit communities
bridge the gap between government, researchers and communities
inform public debate on issues that affect regional Australia

Building Better Regions Fund

The Building Better Regions Fund (BBRF) helps communities take advantage of economic and regional development opportunities through partnerships with governments and other stakeholders. Local governments and incorporated not-for-profit organisations can apply. Successful projects from Round Two were announced in July 2018. A total of 245 applications (of the 839 that were received) shared grant funding of $212.6 million.

Round Three opened for applications on 27 September and closed on 15 November 2018. A focus of this round was to improve tourism related infrastructure so more people can visit, enjoy and stay in regional Australia. Of 915 applications received, 330 were approved for $204.3 million in funding. The successful projects were announced on 10 March 2019 by the Deputy Prime Minister and Minister for Infrastructure, Transport and Regional Development.

Projects included:
- $10 million to Rockhampton Regional Council for a new Rockhampton art gallery
- $9.5 million to Lightning Ridge Opal and Fossil Centre in New South Wales
- $562,000 to Yarriambiack Shire Council for its new Trading off the Wimmera Mallee Tourist Trails in Warracknabeal, Victoria
- $238,219 to Guide Dogs Victoria for its regional outreach network in Kew, Victoria

Almost 50,000 jobs will have been supported over three rounds of BBRF.

National Stronger Regions Fund

The department administers $179.8 million through the National Stronger Regions Fund for infrastructure projects that deliver economic benefit and address disadvantage. Like the Building Better Regions Fund, National Stronger Regions operates as a competitive grants program. During 2018–19, 136 projects were completed and 83 were underway.

Activities are expected to support more than 10,000 jobs.

Regional Growth Fund

The Regional Growth Fund was established in 2017–18 and supports infrastructure projects that unlock economic opportunities across the regions. The fund provides grants of $10 million or more for transformational projects that support long-term economic growth and create jobs, including in regions undergoing structural adjustment. State and territory governments, local governments, the private sector and not-for-profit organisations can apply for funding.

In 2018–19 the department supported a ministerial panel chaired by the Deputy Prime Minister to assess more than 300 applications. A total of 19 applicants were invited to submit a full business case for further consideration. The result was funding for 15 projects with a total value of $249.2 million. Examples include:
- $28.5 million to Rheinmetall Nioa Munitions Pty Ltd to build a projectile forging plant in Maryborough, Queensland
- $25.0 million for Eurobodalla Shire Council to build a regional aquatic, arts and leisure precinct at Batemans Bay in New South Wales
- $21.8 million for the Shire of Murray to construct the Peel Business Park and the Peel Agri-Innovation Precinct at Nambeelup in Western Australia
$12 million for Simplot Australia Pty Ltd to upgrade a potato processing facility in Ulverstone, Tasmania

884 ongoing jobs are expected to be generated from the 15 Regional Growth Fund projects.

**Community Development Grants Program**

The Community Development Grants Program supports regional and community infrastructure that promotes long-term improvements in the social and economic viability of local communities. Communities across Australia have benefited from funding ranging from $2,000 to $35 million for projects including men's sheds, medical centres, sporting and recreation infrastructure, aquatic centres and aged care facilities.

A total of 1,154 projects are being delivered with a value of $2.5 billion. During 2018–19, 55 projects were completed and a further 119 commenced. In delivering the program, the department is supporting other commitments to deliver regional and community infrastructure.

**Regional Jobs and Investment Package**

The department administered the government’s $222.3 million Regional Jobs and Investment Package during the year, helping to diversify regional economies, stimulate economic growth and deliver sustainable employment. It includes 10 pilot regions in Australia that are experiencing economic slowdown, but that have untapped potential which could lead to new growth and economic diversity. The regions include Bowen Basin, Wide Bay Burnett, Tropical North Queensland, NSW North Coast, NSW South Coast, Geelong, Goulburn Valley, Latrobe Valley, Regional Tasmania and Upper Spencer Gulf.

During 2018–19, 37 projects were completed and 189 were underway. Projects are expected to create more than 12,000 local jobs across the 10 pilot regions.

**Tasmanian Jobs and Growth Package**

The department administered $3.9 million in 2018–19 through the Tasmanian Jobs and Growth Package. This supports growth and employment, and stimulates Tasmania’s economy. The final projects under the package were completed in 2018–19.

**Stronger Communities Programme**

The Stronger Communities Programme supports community organisations and local governments with small capital projects that deliver important social benefits.

In 2018–19 a fourth round of the program was launched with funding of $150,000 available in each of 150 federal electorates. Under this round, Members of Parliament and their community consultation committees could nominate suitable projects for Australian Government funding of between $2,500 and $20,000. Projects were required to be matched in cash or in kind on at least a dollar for dollar basis. A total of 2,271 projects were approved for $21.4 million under round four of the program.

**Regional Development Australia (RDA) committees**

In 2018–19 the department administered $18.3 million for RDA committees.

Significant changes were also introduced to enhance the support we provide these committees:

- a new management framework was implemented which provides direct support for RDA committees through a dedicated departmental liaison officer. These officers work to understand the committee’s priorities and challenges, and help them develop annual business plans based on the Australian Government’s RDA Charter.
liaison officers are also available to help committees progress and achieve planned outcomes.

Streamlined administrative processes are providing greater flexibility for RDAs in how they report their business plans, achieve outcomes and remove unnecessary requirements. This allows committees to focus on delivering community outcomes.

Performance measures have been included in current RDA committee funding agreements. This will be the first year committees will report against these. Information will be included in the committee’s annual reports which are to be provided by 30 September 2019 and used to drive performance improvement across the network.

**Drought support and outreach**

The government is investing in drought recovery and relief, infrastructure and community support to underpin the resilience of our communities.

In 2018–19 the government’s Drought Communities Programme was extended so that 96 Local Government Areas could each receive $1 million in support across New South Wales, Victoria, Queensland, South Australia and Tasmania. This investment was used to fund more than 293 infrastructure projects with the greatest potential to:

- impact regions
- use local resources
- generate economic stimulus to communities facing hardship

The $30 million Drought Community Support Initiative was announced and fully delivered in 2018–19 to provide immediate financial assistance to farmers, farm workers and farm suppliers facing hardship due to drought. Support of up to $3,000 for a household was provided to approximately 10,000 eligible households through the Salvation Army, St Vincent de Paul Society and Rotary Australia World Community Service.

The government committed $15 million between 2018–19 and 2020–21 to the Foundation for Rural and Regional Renewal Tackling Tough Times Together grants program. This is being targeted to community and non-profit groups in drought-affected regions to reduce social isolation, support leadership development, address disadvantage and support local economic renewal. Since receiving Australian Government funding, 104 of these affected communities across Australia have received a share of $2.7 million.

In April 2019 a $5 million grant to the Country Women's Association (CWA) of Australia was announced so the organisation could continue providing financial assistance to farmers and farming families suffering hardship due to drought. The funding must be expended by 30 June 2020 and be used by the CWA to help people meet household expenses, such as school fees and groceries (up to $3,000 for each household).

The department established a Drought Taskforce to deliver these initiatives and support communities. The taskforce also facilitated drought community outreach events in 56 towns, bringing together a range of federal and state government agencies, non-profit groups, rural and agricultural support organisations and mental health providers. The events were held over 13 weeks in New South Wales, Victoria and South Australia and reached 2,160 farmers, farm workers and rural business owners.
CASE STUDY

HEYWIRE — A PLATFORM FOR THE IDEAS AND STORIES OF YOUNG AUSTRALIANS FROM REGIONAL AREAS

The annual Heywire regional youth competition was established in 1998 by the Australian Broadcasting Corporation (ABC) and the Australian Government. The department is a primary Heywire sponsor.

The competition calls on young Australians in regional areas aged between 16 and 22 to share their ideas and experiences. So far, more than 11,000 young people have shared their stories.

In 2019 ABC producers worked with 38 winning entrants to produce stories about their communities to be featured on the ABC’s national networks including ABC Radio, ABC TV and iView.

Heywire’s 2019 videos were finalists in the National Sports Media Awards, with a collection of stories on the importance of sport in regional communities.

Winners travelled to Canberra to attend the annual Heywire Regional Youth Summit, which includes presentation and leadership training, mentoring and network building activities, and media opportunities.

Winners also develop project proposals to improve youth wellbeing in regional Australia, and pitch these to a panel.

In 2016 the department provided further funding to the ABC to expand Heywire with a new Trailblazers program. This will support young people aged 18 to 28 to create innovative projects in regional communities. Trailblazers have an opportunity to attend the Youth Innovation Lab at the Heywire Summit.

Continued...
CASE STUDY continued...

In 2019, Trailblazers supported 16 young leaders to develop nine winning projects, which reflected the diversity of regional Australia, including:

- A long walk through my ancestors’ country connects me with them
- Volunteering in aged care has taught me about inequality
- The impact of drought on my small town
- My mother is my hero
- You don’t have to be a genius to help others
- I’m trying to save my local pool for the benefit of the community
- 249 to go: a day in the shearing shed
- Can art save a town and its animals?

The Trailblazers program received a record number of applicants in 2019 and was heard by a bigger audience through live broadcasts on Triple j Hack and RN Life Matters.

The department also provides funding for Heywire Youth Innovation Grants. These support the up-take of ideas generated at the Heywire Summit. So far, more than 90 projects have been funded to make regional Australia a better place.

The program will continue in 2020. Entries open in July 2019 for the Heywire competition and Trailblazers. Winners will be announced in December 2019 and the next Regional Youth Summit will be held in February 2020.

International representation

The department participates in international forums to share best practice and learn from the experience of other countries. In 2018–19 this included participating in the Regional Development Policy Committee of the Organisation for Economic Co-operation and Development (OECD). As well as attending working group meetings in November 2018 and May 2019, Australia was represented at the fourth ministerial meeting of the committee in Athens in March, when the OECD issued agreed principles for rural and urban development. The department helped develop these principles, which are consistent with Australia’s approach to regional and urban development.
Performance results

<table>
<thead>
<tr>
<th>Measure</th>
<th>Target</th>
<th>Previous result</th>
<th>Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>23. Number of employed persons outside capital cities</td>
<td>Increased compared to previous year</td>
<td>3.88 million persons in 2017, up compared to 2016*</td>
<td>The 2017 previous result published in 2017–18 Annual Report has been subject to change due to Australian Bureau of Statistics revisions</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2018–19 result</td>
<td>3.87 million persons outside capital cities were employed in the calendar year 2018 compared to 3.79 million in the calendar year 2017</td>
</tr>
<tr>
<td>24. Real disposable income for low and middle income households outside capital cities</td>
<td>Increased from 2015–16 to 2017–18</td>
<td>Real disposable incomes were $521 a week in 2015–16 and remain largely unchanged</td>
<td>2018–19 figures are unavailable for this measure. The Australian Bureau of Statistics releases data only once every two years</td>
</tr>
<tr>
<td>25. Expected number of jobs supported over the life of projects, from infrastructure investment and regional development projects underway during the financial year (based on proponent reported data)</td>
<td>No target set</td>
<td>By delivering Australian Government funded projects, the department supported both direct and indirect jobs</td>
<td>By delivering Australian Government funded projects, the department continues to support both direct and indirect jobs, however specific data for 2018–19 is unavailable for this measure</td>
</tr>
<tr>
<td>26. Increase in water available (ML) through water infrastructure projects funded</td>
<td>Water available is increased</td>
<td>In 2017–18 departmental activities guaranteed state and territory government access to concessional loan funding to build approved water infrastructure projects</td>
<td>The program is on track to deliver against the target to increase available water. Construction is underway on seven water infrastructure projects that will increase water availability by 45,000 megalitres</td>
</tr>
</tbody>
</table>

Analysis

*Employment outside capital cities, real disposable income and expected number of jobs supported over life of projects*

All regions operate within a complex national and international economic framework, with many influences. Through our regional policy initiatives and regional programs, the department contributes towards improvements across the above performance measures. Some of our key initiatives delivered in 2018–19 include:

- establishing three pilot Regional Deals in Barkly (Northern Territory), Hinkler (Queensland) and Albury-Wodonga (NSW/Victoria)
delivering a third round of the Building Better Regions Fund, which invested $204.3 million in 330 projects around regional Australia

- supporting 52 Regional Development Australia Committees to drive economic investment in our regions and create more jobs
- supporting economic stimulus and job creation by investing $96 million into the Drought Communities Programme Extension

Our regional funding and grant programs, such as the Building Better Regions Fund, builds confidence, encourages private-sector investment, creates jobs and improves community capability. The Regional Development Australia network supports local communities by identifying investment opportunities as well as helping to deliver regional programs. Individual projects and initiatives support employment and economic activity in regional areas.

**CASE STUDY**

**BARKLY REGIONAL DEAL**

The Regional Deals model brings together the three levels of government to address a region’s unique circumstances and challenges, involve local people and realise opportunities that can maximise change and have positive impacts. The Barkly Regional Deal is the first regional deal in Australia.

The Barkly Regional Deal was released on 13 April 2019 following a six month consultation and community engagement process with key stakeholders to understand and reach agreement on the local priorities in the region. From the outset, local leadership drove the idea for the Barkly Regional Deal, and was key during its development. This approach has been maintained as the deal moves into the implementation phase.

Key stakeholders involved in developing the deal included Aboriginal Traditional Owners and community members from the 16 language groups across the region, business leaders, non-government organisations and young people.

Over 200 community members from Tennant Creek and a number of remote communities and Aboriginal homelands were involved in identifying the priorities for the region, including Ali Curing, Alpurrururlam, Epenarra and Mungkata.

The Barkly Regional Deal is a $78.4 million commitment over 10 years between the Australian Government, the Northern Territory Government and the Barkly Regional Council to support the productivity and liveability of the region by stimulating economic growth and improving social outcomes, including reducing overcrowding and improving child safety. The Deal includes:

- $45.4 million from the Australian Government that was announced in the 2019–20 Budget
- $30.0 million from the Northern Territory Government
- $3.0 million from the Barkly Regional Council

Continued...
CASE STUDY continued...

As part of the deal, 28 economic, social and cultural initiatives will be delivered over the next 10 years to address local priorities, including a new $17.9 million weather radar to replace a radar decommissioned in 2015. The new initiatives aim to:

- boost key industries such as tourism, agribusiness and mining
- strengthen community safety
- reduce overcrowding
- expand and upgrade small scale community infrastructure in Tennant Creek and remote communities across the region
- improve school attendance rates
- reactivate local sporting league
- reform government funded/delivered services to improve the effectiveness of existing investment

Co-design and collaboration are critical aspects of the Barkly Regional Deal. A joint government-community Barkly Governance Table was established in February 2019 to oversee implementation of the deal. The governance table consists of 18 members, including senior officials from the three levels of government, Traditional Owners and language group representatives, local business leaders, Aboriginal community organisations, young people and the non-government sector. The governance table will meet six times a year to facilitate inclusive engagement across the Barkly community to ensure the deal results in measurable economic and social outcomes. Traditional Owners and Aboriginal peoples are key stakeholders in the Barkly Regional Deal—and all future Regional Deals—in recognition of their ongoing connection to country as Traditional Owners and custodians of the land.

Residents of the town of Ali Curung, located in the expansive Barkly region about 380km north of Alice Springs, proudly welcome visitors.
Water available through water infrastructure projects funded

Access to secure and affordable water is a key limiting factor in the development of primary industries and communities in regional Australia. The $1.3 billion National Water Infrastructure Development Fund and the $2.0 billion National Water Infrastructure Loan Facility are part of the Australian Government’s commitment to build the water infrastructure of the 21st century. By increasing water supply and enhancing water security, these initiatives support the economic growth of primary industries and communities in rural and regional Australia.

The government has committed nearly $120 million for 50 feasibility studies under the feasibility component of the National Water Infrastructure Development Fund, including $68 million for 18 studies in northern Australia. In 2018–19, 15 feasibility studies were completed, bringing those potential water infrastructure projects closer to being ready for investment decisions by governments and their private sector partners. A new project agreement has been implemented with the states to accommodate more than $48 million announced by the government for seven new feasibility studies.

In 2018–19 construction commenced on four water infrastructure projects bringing the total projects where construction is underway to seven:

- $155.6 million for Northern Adelaide Irrigation Scheme (South Australia)
- $80.6 million South-West Loddon Pipeline (Victoria)
- $60 million Macalister Irrigation District Modernisation Project (Victoria)
- $6.1 million Sunraysia Modernisation Project Phase 2 (Victoria)
- $51.4 million Scottsdale Irrigation Scheme (Tasmania)
- $28.1 million Mareeba-Dimbula Water Supply Scheme (Queensland)
- $11.8 million Nogoa Mackenzie Water Supply Scheme (Queensland)

Once operational, these projects will increase water availability by more than 45,000 mega litres while also stimulating employment opportunities and economic growth in rural and regional Australia. In addition, the Australian Government has committed to build a further 14 water infrastructure projects, bringing the total Commonwealth commitment to $991 million for the 21 projects, with a total construction value of more than $1.98 billion. These projects are projected to deliver more than 225,000 mega litres of water, supporting the growth of primary industries, including irrigated agriculture and rural and regional communities more broadly.

While individual projects and initiatives do support increases in employment or economic activity, it is not possible to draw a direct, causal link between specific interventions and broader, nation-wide economic outcomes in the longer term.

To address pressures resulting from the drought, consideration of projects for the capital component of the National Water Infrastructure Development Fund under a special drought round was also been completed. The government announced $32.8 million for three projects through the special drought round:

- $31.3 million for the $62.6 million Macalister Irrigation Modernisation Phase 2 Project (Victoria)
- $715,000 for the $1.4 million Coolanie Water Scheme (South Australia)
- $790,000 for the $1.6 million Warwick Recycled Water for Agriculture project (Queensland)

These projects will deliver more than 10,000 mega litres in new water to increase water security and drought resilience for farmers and these rural and regional communities.
CASE STUDY
DROUGHT COMMUNITIES PROGRAMME

The department supports drought-affected communities by funding local infrastructure projects to provide more employment opportunities, improve liveability in regional communities and stimulate local economies.

In 2018–19 the Drought Communities Programme provided funding of $96 million to eligible councils to deliver benefits to targeted drought-affected regions of Australia. The program is designed to support local community infrastructure and other drought relief projects for communities impacted by drought, including by boosting local employment and procurement, and addressing social and community needs.

Wakefield Regional Council in South Australia was eligible for a $1.0 million grant, which was used to address four key areas and outcomes considered important by the local community during drought conditions:

- supporting the heart of the community
- promoting the sustainability of the region
- road access improvements for farm machinery and heavy vehicles

Funding was allocated towards the upgrade of facilities at nine local community halls and venues across the region, with an emphasis on improving operational efficiency and the upkeep of venues.

Using the funding, upgrade works were carried out at a number of local sporting facilities, community gyms, pools and playing fields spread across the region. Funds were also provided to local community groups for the upkeep of local historical tourist attractions to boost tourism opportunities.

Wakefield Regional Council also carried out upgrades and improvements on the local road network to allow greater accessibility by trucks and machinery to local farms. As part of this work, road pavements were widened and strengthened to allow access by larger vehicles, problematic intersections were improved and the encroachment of native vegetation was addressed.

Continued...
Overall, the grant provided to Wakefield Regional Council resulted in:

- better community facilities and the opportunity for future economic returns for the council through venue hire from local community events and functions
- lower running costs for venues and local sporting facilities by installing solar power systems and efficient energy and water saving measures
- the ability for local primary producers to access safer and more efficient transport options, effectively increasing production
- employment opportunities for local trades people to carry out all of the works, providing important employment opportunities during the drought
- ongoing opportunities to strengthen community resilience and social ties through events at community facilities and sporting organisations, playing an important role during and after drought

Program 3.2 — Local Government

The Local Government Program is designed to improve the capacity of councils to deliver services to all Australians wherever they live. It is an essential element of local government operational budgets, especially in rural and regional areas.

In 2018–19 the department continued to support the Minister for Local Government by providing advice and briefings on local government issues and policy. This advice supported the minister’s engagement with representatives of some of Australia’s 540 councils and their peak body, the Australian Local Government Association.

Key activities and achievements for 2018–19

Through the Local Government Program the department:

- delivered and managed the Financial Assistance Grant program in line with the Local Government (Financial Assistance) Act 1995. This provides financial assistance to support equitable levels of local government services delivery. In 2018–19 the department administered $2.5 billion through this program
- presented the 34th National Awards for Local Government. This initiative recognises, rewards and promotes the innovative work of local governments and the difference they make to their communities. The awards focus on projects that are relevant to the national agenda. In June 2019 winners were announced across 10 categories
- delivered $60 million through the Supplementary Local Roads Funding for South Australia program. South Australia is responsible for 11.8 per cent of Australia’s local roads and receives 5.5 per cent of total local road funding under the Financial Assistance Grant program. Supplementary funding through the Financial Assistance Grant program and Roads to Recovery program ensures the state receives funding that is appropriate to the level of local road maintenance it requires
Performance results

<table>
<thead>
<tr>
<th>Measure</th>
<th>27. Financial assistance is provided to support equitable levels of services by local government bodies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Target</td>
<td>Financial assistance is provided in accordance with the Local Government (Financial Assistance) Act 1995</td>
</tr>
<tr>
<td>Previous result</td>
<td>$2.4 billion in financial assistance provided to local government bodies in accordance with the Act</td>
</tr>
<tr>
<td>2018–19 result</td>
<td>$2.5 billion in financial assistance was provided to local government bodies in accordance with the Act</td>
</tr>
</tbody>
</table>

Analysis

Financial assistance is provided to support equitable levels of service by local government bodies

The department contributes to this measure by managing the funding provided through the Financial Assistance Grant program for local government bodies. This has been the Commonwealth's primary support mechanism for local government since 1974.

The objective of the program is to provide general purpose funding for all local government bodies, and to improve their capacity to deliver an equitable level of services. Any local governing body recognised as such by their state or territory government is eligible to receive funding. Individual council allocations are made by local government grants commissions in each jurisdiction. Allocations are determined by each jurisdiction's distribution methodology which must be in accordance with the Act and the National Principles, and can also include other elements that impact local government in their jurisdiction.

The department administers the program through jurisdictional agencies that determine individual council allocations. These agencies ensure that funding is allocated in accordance with the Act and associated probity requirements, including full consideration of the National Principles. Managing this funding requires ongoing communication between the department, the Treasury and the Department of Finance to ensure annual indexation is accurate, and that payments are made on schedule.
CASE STUDY

NATIONAL AWARDS FOR LOCAL GOVERNMENT: CITY OF STIRLING’S KALEIDOSCOPE INITIATIVE

The City of Stirling’s Kaleidoscope Initiative won the 2019 National Awards for Local Government.

This initiative is about working in partnership with businesses, immigrant networks, community organisations and governments to ensure that newcomers to the area have access to online information, networking opportunities and mentoring to help them get on their feet faster.

The initiative has already held 18 job-ready workshops with over 350 participants. More than 600 professionals, employers and business leaders have participated in 13 networking and training events.

This innovative approach to empowering and connecting newcomers to the City of Stirling means they feel more confident as members of their local community and as part of Australian society.

The Kaleidoscope Initiative is already expanding through partnerships with other councils.

The 2019 National Awards for Local Government National Award for Excellence is presented to the City of Stirling (CoS) for its Kaleidoscope project in June 2019. L to R – Mayor David O’Loughlin (President, ALGA), Mr Stuart Jardine (CEO, CoS), the Hon Mark Coulton MP (Minister for Regional Services, Decentralisation and Local Government), Ms Sarah Janali (Service lead cultural and diversity and Community, CoS) and Mayor Mark Irwin (Mayor CoS)
Program 3.3 — Cities

The department supports the government in delivering its cities agenda, which aims to make Australia’s cities more productive and liveable. The department’s activities contribute to Outcome 3 by delivering and investing in projects that stimulate economic growth and improve liveability in Australia’s cities. During 2018–19 the department identified projects and initiatives that would drive productivity, improve liveability and facilitate partnerships between all levels of government, the private sector and local communities.

In pursuing these objectives, a number of influencing factors are considered including the impact population and economic growth may have on liveability. The success of the government’s cities agenda is supported by strong relationships with state and territory governments.

Key activities and achievements for 2018–19

Future City Deals

The Australian Government has committed to developing City Deals for Perth and South-East Queensland, as well as announcing its intention to work with the Victorian Government and other stakeholders to progress two City Deals for Melbourne. The department began developing the South East Queensland City Deal in April 2019, and started preparations for the Melbourne City Deals following the federal election in May 2019.

National cities performance framework

The Australian Government’s Smart Cities Plan measures the success of our policies and informs Australians about the trends and changes in our cities.

The online National Cities Performance Framework delivers on that commitment by publishing indicators to help measure the progress of Australia’s cities. The framework:

- supports better policies and interventions to improve outcomes in Australia’s cities
- informs the public about issues and trends facing our cities
- helps governments monitor the progress of City Deals

The first National Cities Performance Framework was launched on 8 December 2017. It measures the progress and performance of Australia’s largest 21 cities plus Western Sydney. It is the first official framework of its kind in Australia and brings together critical data in an easily accessible online format. The dashboard has been viewed over 70,000 times since December 2017. It helps all levels of government, industry and the community to better target, monitor and evaluate cities policy and investments, including through City Deals.

The framework is a dynamic resource and will be updated with new data in 2019. The department will review the framework in 2020, working with governments, industry and the community to improve the dashboard and explore potential new data sources.
CASE STUDY

WESTERN SYDNEY PROJECTS SUPPORTING ECONOMIC GROWTH

The Australian Government is investing $5.3 billion to build the Western Sydney International (Nancy-Bird Walton) Airport, one of the most significant infrastructure projects underway in Australia. Building on the investment in the Western Sydney International airport, the Commonwealth, NSW and eight local governments are also partnering to deliver the 20-year Western Sydney City Deal. This collaboration will improve community infrastructure, liveability and support a new Western Parkland City.

The Western Sydney City Deal is an integrated package of 38 commitments to build the new Western Parkland City, made up of infrastructure, industry, education, planning and environmental initiatives. Key projects include the North-South Rail Link, an aerospace institute, a $30 million housing package, as well as a $170 million liveability program to improve community facilities and urban amenities. The Australian Government will contribute $3.5 billion to deliver the first stage of the North South Rail Link with the NSW Government. This metro-style service will be an essential piece of infrastructure that will enable safe, cost-effective and efficient access for the Western Sydney International airport. It will become the transport spine for the Western Parkland City, connecting travellers from the airport and the Western Sydney Aerotropolis to St Marys and the rest of Sydney’s rail system.

The Western Sydney City Deal is a leading example of how three levels of government can partner over the long term to build a better future for communities. It establishes an enduring framework for ongoing collaboration. Government partners are publicly accountable for implementation, with results regularly monitored and reported. The City Deal will also unlock significant private sector investment, creating more job and education opportunities closer to where people live. Through Western Sydney International and the Western Sydney City Deal, there is significant investment in major infrastructure to help meet the needs of the region’s growing population, and catalyse investment, development and job opportunities. It is a once-in-a-generation opportunity to build a stronger and more prosperous Western Sydney.
Performance results

<table>
<thead>
<tr>
<th>Measure</th>
<th>Target</th>
<th>Previous result</th>
<th>2018–19 result</th>
</tr>
</thead>
<tbody>
<tr>
<td>28. Enhanced coordination of investment in Australian cities</td>
<td>No target set. Future City Deals to be determined by government</td>
<td>New measure</td>
<td>Through the seven signed City Deals the government has been able to successfully coordinate and leverage almost $6 billion in funding</td>
</tr>
<tr>
<td>29. Employment growth in cities</td>
<td>No target set. Increased compared to the previous financial year</td>
<td>New measure</td>
<td>Between 2013 and 2018, the weighted average annual employment growth of Australia’s 21 largest cities was 2.0%. Individually, 19 of the 22 cities (including Western Sydney) recorded average annual employment growth over this period. This included six of the seven City Deals cities experiencing employment growth</td>
</tr>
<tr>
<td>30. GDPs for Australia’s capital cities</td>
<td>No target set. Increased compared to the previous financial year</td>
<td>New measure</td>
<td>Over 2016–17 Australia’s 21 largest cities contributed 78.9% of national GDP. We will be in a position to quantify growth for this measure next year when we have a second data point for 2017–18</td>
</tr>
<tr>
<td>Number of projects receiving funding through the Smart Cities and Suburbs program</td>
<td>Target met, with 49 projects funded in Round One</td>
<td>Target met, with 49 projects funded in Round One</td>
<td>81 projects are being funded across both rounds of the Smart Cities Suburbs Program</td>
</tr>
</tbody>
</table>

Analysis

Australia’s 21 largest cities produce around 80 per cent of Australia’s GDP and are home to 75 per cent of the population. As such, Australia’s national economic prosperity and our wellbeing depends on our cities being both productive and liveable.

Australia’s cities are facing a range of challenges associated with population growth, or lack thereof, and technology disruption, which may impact liveability and productivity. The department works across the Commonwealth and with state, territory and local governments to address these challenges and help ensure that Australia’s cities remain productive and liveable.

The main mechanism for delivering on the government’s cities agenda is the place-based City Deal model, which provides a framework for collaboration between the three levels of government and the private sector to address challenges and build on the strengths of an urban location. The government’s cities agenda also includes the National Cities Performance Framework, which helps provide a clearer picture of the state of play in cities, and the $50 million Smart Cities and Suburbs Program, which facilitates the uptake of smart technology.
The government’s cities agenda provides a coordinated policy, which is working to ensure that Australia’s cities have the social and economic infrastructure—and the planning and governance structures—needed to support their sustainable growth.

Enhanced coordination of investment

Through City Deals, the department has been working across the Commonwealth and with state, territory and local governments to coordinate funding and better leverage outcomes in line with its objectives. The focus is on aligning planning, investment and governance to encourage innovation, support growth and create jobs to secure the future prosperity and liveability of our cities.

Since 2016 the Australian Government has signed seven City Deals, four of those agreed in 2018–19. These deals include over 190 commitments and are leveraging almost $6 billion in Australian Government funding.

<table>
<thead>
<tr>
<th>Deal</th>
<th>Date signed</th>
<th>Status</th>
<th>Length</th>
<th>Australian Government contribution ($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Townsville</td>
<td>December 2016</td>
<td>Implementation</td>
<td>15 years</td>
<td>381.70</td>
</tr>
<tr>
<td>Launceston</td>
<td>April 2017</td>
<td>Implementation</td>
<td>5 years – (10-year election commitment)</td>
<td>198.23</td>
</tr>
<tr>
<td>Western Sydney</td>
<td>March 2018</td>
<td>Implementation</td>
<td>20 years</td>
<td>3,575.00</td>
</tr>
<tr>
<td>Darwin</td>
<td>November 2018</td>
<td>Agreed and awaiting implementation</td>
<td>10 years</td>
<td>100.00</td>
</tr>
<tr>
<td>Hobart</td>
<td>February 2019</td>
<td>Agreed and awaiting implementation</td>
<td>10 years</td>
<td>1,073.34</td>
</tr>
<tr>
<td>Geelong</td>
<td>March 2019</td>
<td>Agreed and awaiting implementation</td>
<td>10 years</td>
<td>183.80</td>
</tr>
<tr>
<td>Adelaide</td>
<td>March 2019</td>
<td>Agreed and awaiting implementation</td>
<td>10 years</td>
<td>174.00</td>
</tr>
</tbody>
</table>

To attain this level of funding, the department worked with other Commonwealth agencies throughout the City Deal negotiation phase to identify investment opportunities that were in line with the relevant community’s priorities. As a result, we were able to coordinate investment across the Commonwealth to ensure funding for a range of initiatives, such as education precincts and climate change adaptation projects. We are ensuring that City Deals reflect the diversity of priorities, opportunities and needs in the relevant urban areas. The department also worked successfully with state, territory and local governments to source almost $5.5 billion in non-Commonwealth funding for the seven signed City Deals.

Although there was no target set for this measure, the significant volume of funding demonstrates that the enhanced coordination facilitated by City Deals has been successful.
This collaboration and funding will help ensure all levels of government are working together to improve productivity and liveability in Australia’s cities.

The significant volume of coordinated funding and total number of individual commitments means the department will work closely with City Deal partners to ensure initiatives are delivered in an efficient and timely manner. Close collaboration throughout implementation and delivery will also help ensure any emerging risks can be identified and mitigated.

**Employment growth in cities**

The government’s commitment to making Australia’s cities more productive and liveable is also focused on creating the jobs needed to support our urban population and drive a growing economy. Employment growth is primarily impacted by a number of factors including population growth and private sector investment. City Deals contribute to employment outcomes using a localised placed based approach. Each of the seven City Deals signed so far include initiatives to create jobs, either directly through construction projects such as the Townsville Stadium, or over the long-term by establishing employment precincts such as the Western Sydney Aerotropolis.

The Western Sydney City Deal acknowledges that to support the region’s expected population growth, an extra 200,000 jobs will be needed. To establish the settings for job creation and economic development, the department worked with City Deal partners to identify suitable initiatives, such as establishing the Western City and Aerotropolis Authority, and an investment attraction fund. While the impact of these are hard to measure this early, the department will monitor them closely to assess their impact on job creation.

Between 2013 and 2018 the weighted average annual employment growth of Australia’s 21 largest cities was 2.0 per cent. This equated to 18 of the 21 cities individually recording an average annual employment growth over this period, including six of the seven City Deal locations. While Townsville experienced an overall decline in the number of jobs due in part to the mining downturn, the Townsville City Deal will help reduce its impacts through job creating investment, including the 750 jobs expected to be created during the construction of the Townsville Stadium.

**GDP growth for Australia’s capital cities**

To ensure cities remain liveable and support growing populations, they also need to be productive so they can continue to drive national economic growth. Like employment growth, GDP is also primarily impacted by macro-economic factors such as commodity prices, export volumes and private sector investment. City Deals focus on increasing economic output using a localised placed based approach. Each of the seven Deals signed to date includes initiatives to increase economic activity. To identify the right initiatives for each location, the department worked with Deal partners to find projects that would build on the strengths of the local area. For example, the Townsville City Deal is leveraging the region’s position as an agricultural and mining exports hub, by committing funding to widening the Port of Townsville’s access channel. This will help ensure larger ships can dock, increase the port’s export capacity, and create more economic activity in the region. Similarly the Adelaide City Deal will use the region’s human capital to increase its tech economy by establishing a world class science and entrepreneurship precinct.
Smart Cities and Suburbs Program

The Australian Government’s $50 million Smart Cities and Suburbs Program supports urban projects that apply smart technology, data-driven decision making and people-focused design to deliver economic, social and environmental benefits. A total of 81 projects have been funded under two rounds of the program. Of the 49 projects funded under round one, 41 were completed by 30 June 2019. Eight carried over to the next financial year. The 32 projects funded under round two are underway and due for completion on 30 June 2020.

CASE STUDY
SMART CITIES AND SUBURBS PROGRAM: RAILSMART PLANNING WANNEROO

The RailSmart Planning Wanneroo project is an innovative example of projects funded by the Australian Government’s Smart Cities and Suburbs Program.

The government invested $500,000 towards the $1 million RailSmart project, which ran over an 18 month period. It was led by the City of Wanneroo in partnership with the WA Department of Transport and Edith Cowan University.

RailSmart introduces a future land-use and transport planning tool to help urban developers and the City of Wanneroo accommodate the needs of its rapidly growing population. RailSmart draws on available travel data, trend modelling and patterns across the Perth metropolitan area and applies them to the City of Wanneroo to showcase detailed transport modelling, employment and land use trends.

The RailSmart Planning support system won the Best Integration of an Individual Technology award at the 2019 Smart City Awards in May.

Electric train service departs Perth underground station
Outcome 4

Good governance in Australian territories through the maintenance and improvement of the overarching legislative framework for self-governing territories, and laws and services for non-self-governing territories.

The department contributes to Outcome 4 by effectively managing the government’s investment to deliver:
- long term service delivery arrangements
- improved coordination of service delivery arrangements
- priority infrastructure projects

Program 4.1 — Services to Territories

The Services to Territories Program contributes to our purpose of providing good governance in the territories.

The program benefits all people in the Australian territories by maintaining and improving the overarching legislative framework for self-governing territories, and the laws, services and infrastructure for non-self-governing territories and the Jervis Bay Territory.

Key activities and achievements for 2018–19

Through the Services to Territories Program (Program 4.1), the department:
- delivered essential infrastructure, services and legal frameworks to the external territories and Jervis Bay Territory
- improved financial and governance arrangements for Norfolk Island
- managed the world heritage Kingston and Arthur’s Vale Historic Area on Norfolk Island
- administered a loan to the Australian Capital Territory Government to implement its loose fill asbestos insulation eradication scheme
- funded the Australian Capital Territory to provide services on behalf of the Australian Government to fulfill diplomatic, treaty and other obligations
- advised the Australian Government to effectively administer its interest in the Australian Capital Territory and the Northern Territory

While the department delivers some services directly, the majority of service delivery and infrastructure tasks are negotiated and managed through agreements with service providers. We are also responsible for delivering legal frameworks to ensure comparable community rights and protections for local citizens in the territories to other Australian jurisdictions.
### Performance results

<table>
<thead>
<tr>
<th>Measure</th>
<th>31. Communities in the external territories and Jervis Bay Territory have comparable services and essential infrastructure to mainland Australia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Target</td>
<td>Service delivery arrangements and contracts deliver comparable services and essential infrastructure to mainland Australia</td>
</tr>
<tr>
<td>Previous result</td>
<td>In 2017–18 state level services were delivered in accordance with service delivery arrangements and contracts in the territories of Christmas Island, Cocos (Keeling) Islands and Jervis Bay. Essential infrastructure continued to support service delivery. The department worked closely with the ACT Government and the Wreck Bay Aboriginal Community Council to review service delivery arrangements and improve service delivery in the Jervis Bay Territory. The department also progressed financial and governance reform for Norfolk Island.</td>
</tr>
<tr>
<td>2018–19 result</td>
<td>In 2018–19 state-type services were delivered to the communities of Christmas Island and the Cocos (Keeling) Islands through service delivery agreements with the Western Australia Government, contracts with the private sector and directly by the department. In March 2019 it was reported that health services were similar to or exceeded those provided to remote mainland communities. The department continued work with the ACT Government and Wreck Bay Aboriginal Community Council to review service delivery to the Jervis Bay Territory. In 2018–19 state-type services were delivered to Norfolk Island residents through agreements with the NSW Government, the Australian Federal Police, the Norfolk Island Regional Council and private sector service providers. Funding from the department helped resurface the Norfolk Island Airport Runway. The department also supported residents to implement fee relief that was not previously available for vocational education and training and child care.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Measure</th>
<th>32. Legal and governance frameworks in the external territories and Jervis Bay Territory are appropriate for the protection and wellbeing of the communities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Target</td>
<td>Legal and governance frameworks comparable to mainland Australia</td>
</tr>
<tr>
<td>Previous result</td>
<td>In 2017–18 state level laws were applied and updated in the territories to reflect arrangements in other comparable communities</td>
</tr>
<tr>
<td>2018–19 result</td>
<td>In 2018–19 laws were applied and updated to support delivery of services to local communities comparable to mainland Australia, including: Indian Ocean territories—seven Commonwealth legislative instruments were made (one Ordinance, two Directions, and four Amending Determinations) Norfolk Island—two further NSW laws were applied and six legislative instruments were made to update or apply laws Jervis Bay Territory—as authorised under the Jervis Bay Territory Acceptance Act 1915, all ACT laws continue to apply to Jervis Bay Territory as far as they are applicable and providing they are not inconsistent with an Ordinance.</td>
</tr>
</tbody>
</table>
Analysis

The department supports Australians in territories by administering:

- Norfolk Island
- Christmas Island
- Cocos (Keeling) Islands
- Ashmore and Cartier Islands
- Coral Sea Islands
- the Jervis Bay Territory

In 2018–19 applied law arrangements were maintained to ensure standards, rights and responsibilities for the external territories and the Jervis Bay Territory compare with other Australian jurisdictions.

Legislative instruments were made:

- for fluoridation of public water
- to proclaim Christmas Island a mineral field
- to update supply fees for utilities and services in the Indian Ocean Territories
- so updated lists of Western Australia laws could be tabled in the Australian Parliament

For the Jervis Bay Territory, legislative amendments were progressed to implement the outcomes of the review of the Rural Fires Ordinance. A review of the Emergency Management Ordinance was also completed.

For Norfolk Island, the Local Government Act was amended to:

- support the next general election of the Norfolk Island Regional Council
- update a range of Norfolk Island laws to make further criminal justice improvements, implement a modern personal and domestic violence system, and provide a more streamlined process for public infrastructure planning approvals

These changes improved community wellbeing and put in place more sustainable and efficient administrative processes.

Essential services continued to be delivered. Services in the Indian Ocean Territories were provided in accordance with 45 service delivery arrangements with Western Australia Government agencies. Services were also delivered directly by our local administration staff through contractual arrangements with private sector entities, local governments and other organisations. State-level services in Norfolk Island were delivered under arrangements with providers including the Norfolk Island Regional Council, the NSW Government and private sector and non-government providers. In the Jervis Bay Territory, a number of providers—including the ACT Government, NSW Government and Shoalhaven City Council—delivered essential services.

The department supported ongoing service delivery by maintaining essential infrastructure in external territories and the Jervis Bay Territory. For example, funding was provided to:

- replace a Jervis Bay Territory water treatment plant
- upgrade the storm water system
- repair the recreation centre’s roof
- refurbish the Christmas Island mosque
On Norfolk Island, projects were undertaken to support cruise ship passenger transfers, maintain the Norfolk Island Central School and health facility, and manage assets within Kingston and Arthur’s Vale Historic Area.

**CASE STUDY**

**INDIAN OCEAN TERRITORIES HEALTH SERVICE**

The department commissioned PricewaterhouseCoopers to review and advise on the appropriateness of the Indian Ocean Territories Health Service. This included considering its capacity to meet current and emerging health needs. The review was underpinned by extensive data analysis and consultations with local communities. It found that health services offered on Christmas Island were similar to, or exceeded, those provided to other remote communities, including the 24 hour hospital on Christmas Island, mammography machines on both islands, and pathology services on Christmas Island. It also found that the health services were highly regarded by local communities. The PricewaterhouseCoopers Report will inform a five year strategic plan that is being developed for the Indian Ocean Territories Health Service.

**Norfolk Island**

The department is progressing financial and governance reform for Norfolk Island through ongoing community partnerships. Agreements are in place with the:

- Norfolk Island Regional Council to deliver a range of services
- Australian Federal Police for local policing
- NSW Government to provide governance and operational support for health, education and local government

Local residents are now receiving the majority of federal services that mainland Australians have. Work continues to increase the range and quality of state level services so they are consistent with those provided to similar sized communities.

In 2018–19 the department progressed legislative reform for Norfolk Island. Some of the key changes made have modernised criminal offence provisions, streamlined process for public infrastructure projects, and introduced a modern domestic and personal violence regime.

In 2018–19 the department managed $1.1 million for Norfolk Island Commonwealth administration. These funds helped the Norfolk Island administrator to exercise statutory and on-island community engagement.
Services to Norfolk Island

The department administered $47.5 million for services to Norfolk Island in 2018–19. To ensure delivery of essential services, we have agreements with service providers including the:

- Australian Federal Police and Commonwealth Director of Public Prosecutions to provide policing and prosecution services
- Norfolk Island Health and Residential Aged Care Service to deliver health services
- NSW Government to provide teachers and the NSW curriculum at the Norfolk Island Central School, and to oversee health services and some local government support services
- Norfolk Island Regional Council to deliver other community services

The department also underwrites air services to Norfolk Island to ensure reliable mainland access for the community and to support tourism.

The department worked on initiatives to improve local infrastructure during the year, including projects within Kingston and Arthur’s Vale Historic Area, and the next stage of the Cascade Pier project. This includes building transfer vessels to carry cruise ship passengers from ship to shore and upgrading Cascade Road.

Our objective with the world heritage listed Kingston and Arthur’s Vale Historic Area is to protect and enhance the site’s heritage values for future generations, and to develop facilities at the site to support social wellbeing and economic growth on the island.

In 2018–19 the department administered $1.1 million for the Kingston and Arthur’s Vale Historic Area. These funds were used:

- to maintain and conserve heritage buildings and landscapes
- for strategic planning and heritage project development
- for local and heritage specialists to undertake extensive community engagement
- to deliver core heritage management initiatives to better protect the area

Indian Ocean Territories

In 2018–19 the department administered $125.2 million for services to the Indian Ocean Territories. This was used to:

- support delivery of state-type services by the Western Australia Government
- contract private sector providers to deliver services, such as port and airport management, air services, and bus and ferry services
- fund the Indian Ocean Territories Administration to provide services and maintain community infrastructure, including public housing, emergency management services, health and power services
- support the functions of the Office of the Administrator of Christmas Island and the Cocos (Keeling) Islands
- support community organisations to provide training activities and promote tourism
- fund the shires of Christmas Island and the Cocos (Keeling) Islands to provide local government services, and the Australian Federal Police to provide community policing
- upgrade and replace infrastructure, including priority stormwater works, repairs to the recreation centre roof, refurbishing the Christmas Island mosque and remediating the West Island playgroup grounds
The Australian Government provided $25.5 million in 2018–19 through the Indian Ocean Territories Special Account 2014. The funds were used to deliver essential services such as power, water, healthcare and medical supplies, and infrastructure such as ports, airports and public housing.

**Christmas Island Phosphate Mining Rehabilitation Special Account 2016**

The Australian Government provided $1.3 million in 2018–19 through the Christmas Island Phosphate Mining Rehabilitation Special Account 2016. The funds were provided to Parks Australia to restore rainforest on relinquished mine sites on Christmas Island.

**Jervis Bay Territory**

The department administered $6.7 million for services to Jervis Bay Territory during the year for a range of essential services, including education, justice, welfare, emergency services, water, electricity and health.

A number of projects were undertaken to improve infrastructure and service delivery. This included electricity projects, housing renovations, and water and sewerage works. In 2018–19 the Australian Government provided $1.5 million through the Jervis Bay Territory Special Account 2014.

**Administering the Australian Government’s interest in the Australian Capital Territory and Northern Territory**

The department advises on administering the Australian Government’s interests in the Australian Capital Territory and the Northern Territory. This work has included facilitating appointments, managing the overarching legislative framework for self-government, supporting reforms to the National Capital Authority and providing policy advice on the ACT Government’s proposal for Stage 2 Light Rail.

The department continued to administer a loan to the ACT Government to implement its Loose Fill Asbestos Insulation Eradication Scheme. The ACT Government has made three annual interest payments since 30 June 2015. The ACT Government has made two principal repayments, each for $50 million.

**Australian Capital Territory Government – national capital functions**

The department administered $1.9 million in funding to the ACT Government during the year for the National Capital Functions program. This includes services to fulfill diplomatic, treaty and other obligations. The department continued to maintain and improve the self-governing legislative framework for the ACT, including reviewing 22 sunsetting legislative instruments relating to ACT self-government and the harmonisation of Commonwealth and ACT lakes legislation.

**Office of the Administrator, Northern Territory**

A total of $334,000 was administered by the department for the Office of the Administrator, Northern Territory, during the year. These funds were used for costs associated with the administrator’s salary, leave and travel.