



Australian Government

Department of Infrastructure, Transport,
Regional Development, Communications and the Arts

2022–23

ANNUAL REPORT



Connecting Australians
Enriching our communities
Empowering our regions



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Regional Development, Communications and the Arts

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Letter of transmittal

The Hon Catherine King MP
Minister for Infrastructure, Transport, Regional Development and Local Government
Parliament House
CANBERRA ACT2600

Dear Minister King

I am pleased to present the annual report for the Department of Infrastructure, Transport, Regional Development, Communications and the Arts, for the year ended 30 June 2023.

The report has been prepared in accordance with section 46 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) for your presentation to the parliament.

In accordance with sections 39(1)(b) and 43(4) of the PGPA Act, this report includes the department's Annual Performance Statements and audited financial statements.

I certify:

- > in accordance with sections 17AG of the *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule), that there were no significant issues of non-compliance notified during the reporting period, and
- > in accordance with sections 10 and 17AG of the PGPA Rule, that fraud risk assessments and fraud control plans have been prepared and implemented; the department has in place appropriate fraud prevention, detection, investigation, recording and reporting mechanisms which meet the specific needs of the department; and all reasonable measures have been taken to deal appropriately with fraud relating to the department.

This report also includes information required by:

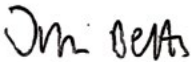
- > section 24Y of the *Australian Broadcasting Corporation Act 1983*
- > paragraph 5.15(2) of the *Airports (Environment Protection) Regulations 1997*
- > section 29 of the *Air Navigation Act 1920*
- > section 20 of the *Aircraft Noise Levy Collection Act 1995*
- > section 311A of the *Commonwealth Electoral Act 1918*
- > section 516A of the *Environment Protection and Biodiversity Conservation Act 1999*
- > section 16 of the *Local Government (Financial Assistance) Act 1995*
- > paragraph 11.1(ba) of the *Legal Services Directions 2017*
- > section 94 of the *National Land Transport Act 2014*



- > section 47 of the *Protection of Movable Cultural Heritage Act 1986*
- > section 19 of the *Public Lending Rights Act 1985*
- > section 43C of the *Special Broadcasting Service Act 1991*
- > section 85 of the *Telecommunications Legislation Amendment (Competition and Consumer) Act 2020*
- > section 20 of the *Telecommunications (Consumer Protection and Service Standards) Act 1999*, and
- > schedule 2, Part 4 of the *Work Health and Safety Act 2011*.

I have copied this letter to: the Hon Michelle Rowland MP, Minister for Communication, the Hon Tony Burke MP, Minister for the Arts, the Hon Madeleine King MP, Minister for Northern Australia, the Hon Kristy McBain MP, Minister for Regional Development, Local Government and Territories, Senator the Hon Carol Brown, Assistant Minister for Infrastructure and Transport, and Senator the Hon Anthony Chisholm, Assistant Minister for Regional Development.

Yours sincerely



Jim Betts
24 September 2023

Acknowledgment of Country

The Department of Infrastructure, Transport, Regional Development, Communications and the Arts acknowledges the Traditional Custodians of Country throughout Australia and their continuing connection to land, sea and community. We pay respects to them, their cultures and to their Elders, past, present and emerging.



Contents

Letter of transmittal	v
Acknowledgment of Country	vii
List of figures and tables	x
Part 1 — Year in Review	1
Secretary's review	2
2022–23 Highlights (infographic)	6
2022–23 Highlights	8
Financial performance	18
Part 2 — Departmental Overview	23
Departmental overview	24
Our outcomes, purposes and programs	28
Executive	31
Organisational structure	32
The portfolio	34
Part 3 — Management and accountability	37
Corporate governance	38
External scrutiny	44
Human resource management	45
Financial management	54
Part 4 — Annual Performance Statements	63
Statement of preparation	64
Introduction	65
Performance Snapshot	73
Transport Connectivity — Outcomes 1 and 2	74
Regional Development — Outcome 3	100
Territories — Outcome 4	110

Communications Connectivity — Outcome 5	114
Creativity and Culture — Outcome 6	127
Part 5 — Financial Statements	137
Part 6 — Appendices	215
Appendix A: Resource statements and expenses for outcomes	216
Appendix B: Audit and Risk Committee members	227
Appendix C: Employee statistics	229
Appendix D: Executive remuneration	240
Appendix E: Advertising and market research	244
Appendix F: Ecologically sustainable development and environmental performance	245
Appendix G: Work health and safety	248
Appendix H: Public broadcasters	250
Appendix I: Aviation legislation	251
Appendix J: National land transport	252
Appendix K: Legal services expenditure	252
Appendix L: Public interest contracts and grants	253
Appendix M: Protection of Movable Cultural Heritage Act 1986	255
Appendix N: Correction to previous Annual Report	257
Part 7 — Reference material	259
Glossary	260
Abbreviations and acronyms	264
List of requirements	268
Alphabetical index	279

List of figures and tables

Figures

Figure 2.1	Mapping purposes, outcomes and programs	28
Figure 2.2	Organisational chart at 30 June 2023	32
Figure 3.1	Governance committee structure as at 30 June 2023	39
Figure 6.1	NABERS certification star rating scale	246

Tables

Table 1.1	Summary of departmental financial performance and position (\$million)	19
Table 1.2	Summary of administered financial performance and position (\$million)	21
Table 3.1	Reportable consultancy contracts 2022–23	55
Table 3.2	Top 5 consultancy suppliers (by total expenditure value) 2022–23	56
Table 3.3	Reportable non-consultancy contracts 2022–23	56
Table 3.4	Top 5 non-consultancy suppliers (by total expenditure value) 2022–23	57
Table 4.1	Variations from the Corporate Plan 2022–23	66
Table 4.2	Results key 2022–23	72
Table 4.3	Performance snapshot by purpose 2022–23	73
Table 4.4	Reportable consultancy contracts 2022–23 (Telecommunications)	125
Table 4.5	Overall complaints to ACMA	125
Table 4.6	Overall complaints to the PIO	126
Table A.1	Entity resource statement 2022–23	216
Table A.2	Expenses for Outcome 1: Improved infrastructure across Australia through investment in and coordination of transport and other infrastructure	219
Table A.3:	Expenses for Outcome 2: An efficient, sustainable, competitive, safe and secure transport system for all transport users through regulation, financial assistance and safety investigations	220
Table A.4	Expenses for Outcome 3: Strengthening the sustainability, capacity and diversity of Australia's cities and regions including through facilitating local partnerships between all levels of government and local communities; through investment in water infrastructure and measures that stimulate economic growth; and providing grants and financial assistance	222
Table A.5	Expenses for Outcome 4: Good governance and service delivery in the Australian territories including through the maintenance and improvement of the laws and services for non-self-governing territories, and the overarching legislative framework for self-governing territories	224

Table A.6	Expenses for Outcome 5: Promote an innovative and competitive communications sector, through policy development, advice and program delivery, so all Australians can realise the full potential of digital technologies and communications services	225
Table A.7	Expenses for Outcome 6 : Participation in, and access to, Australia's art and culture through developing and supporting cultural expression	226
Table B.1	Members of the Audit and Risk Committee of the Department of Infrastructure, Transport, Regional Development, Communications and the Arts	227
Table C.1	All ongoing employees, current report period (at 30 June 2023)	229
Table C.2	All non-ongoing employees, current report period (at 30 June 2023)	230
Table C.3	All ongoing employees, previous report period (at 30 June 2022)	231
Table C.4	All non-ongoing employees, previous report period (at 30 June 2022)	232
Table C.5	PS Act ongoing employees, current report period (at 30 June 2023)	233
Table C.6	PS Act non-ongoing employees, current report period (at 30 June 2023)	234
Table C.7	PS Act ongoing employees, previous report period (at 30 June 2022)	235
Table C.8	PS Act non-ongoing employees, previous report period (at 30 June 2022)	236
Table C.9	PS Act Aboriginal and/or Torres Strait Islander employment (at 30 June 2022 and 30 June 2023)	237
Table C.10	PS Act employment arrangements, current report period (at 30 June 2023)	237
Table C.11	PS Act employment salary ranges by classification level (minimum/maximum), current report period (30 June 2023)	238
Table C.12	All staff employed under the Indian Ocean Territories Administration, by employment type, current and previous report period	239
Table D.1	Information about remuneration for key management personnel	241
Table D.2	Information about remuneration for senior executives	242
Table D.3	Information about remuneration for other highly paid staff	243
Table E.1	Advertising entities	244
Table E.2	Market research organisations	244
Table E.3	Media advertising organisations	244
Table F.1	Greenhouse gas emissions inventory (location-based)	246
Table F.2	Greenhouse gas emissions inventory (market-based)	247
Table G.1	Summary of health and safety outcomes	249
Table M.1	Actions taken under the <i>Protection of Movable Cultural Heritage Act 1986</i>	255



PART 1

Year in Review

Secretary's review	2
2022–23 Highlights (infographic)	6
2022–23 Highlights	8
Financial performance	18

Secretary's review

I am proud to present the fourth Annual Report for the Department of Infrastructure, Transport, Regional Development, Communications and the Arts. This year, we have worked hard to deliver across our diverse portfolio and have continued to connect Australians, enrich communities and empower our regions. The department is adaptive and informed, and upholds our values of respect and accountability in light of constant challenge and change. We have worked hard to get the job done in a collaborative and dynamic organisational culture that is committed to serving all Australians.

Throughout 2022–23, we have progressed our 6 priority outcomes:

- > Improved infrastructure across Australia through investment in, and coordination of, transport and other infrastructure
- > An efficient, sustainable, competitive, safe and secure transport system for all transport users through regulation, financial assistance and safety investigations
- > Strengthening the sustainability, capacity and diversity of Australia's cities and regions including northern Australia, through facilitating local partnerships between all levels of government and local communities; through investment in infrastructure and measures that stimulate economic growth; and by providing grants and financial assistance
- > Good governance and service delivery in the Australian territories including through the maintenance and improvement of the laws and services for non-self-governing territories, and the overarching legislative framework for self-governing territories
- > Promotion of an innovative and competitive communications sector through policy development, advice and program delivery, so that all Australians can realise the full potential of digital technologies and communications services
- > Participation in, and access to, Australia's arts and culture through developing and supporting cultural expression.

Our achievements in 2022–23 include establishing a Net Zero unit, which examines where we can advance the government's goal to achieve carbon-neutrality by 2030, and as well as commencing consultations on a National Urban Policy. We are also currently participating in a capability review pilot, aiming to embed a culture of continuous improvement across the Australian Public Service (APS) as part of a government-wide reform agenda. Its findings will lay the foundation for our future direction as we realise our core purpose within a positive internal culture. Complementing the review is our own Corporate Service Delivery program, which identifies the use of a service design approach in our corporate functions.

In January 2023, the Australian National Audit Office (ANAO) commenced its first year of the annual performance statements audit. Future annual reports will highlight a change in the department's approach to, and enhancement of, its performance measurement and reporting.

In this period, we launched the department's Cyber Security Strategy 2022–25, which informs how we maintain and increase our awareness and safety when sharing information between networks in a cyber threat environment. This year, we also published a Gender Analysis Hub, which encourages our staff to examine the gender impacts of our policies and programs. Both of these initiatives demonstrate our department's dedication to the APS reform agenda pillars through constant reflection and productive change.

Infrastructure

We have progressed valuable infrastructure projects across the country which will benefit generations to come. We inducted the High-Speed Rail Authority board, which began operating in June, to oversee the development of a high-speed rail network on our east coast. We also agreed to invest in infrastructure for the 2032 Olympic and Paralympic Games in Brisbane, which will support the sport and tourism industries and mark a significant occasion in our nation's history. Furthermore, we have delivered \$9.3 billion in funding through the Infrastructure Investment Program (IIP), assisting Australian communities to reduce costs and realise the benefits associated with building long-lasting transport infrastructure systems.

Transport

In August 2022, we opened the National Road Safety Grants program, which complements the National Road Safety Strategy and Action Plan. The Plan is currently being developed in collaboration with other departments to lessen the number of fatalities and injuries on Australian roads. Another focus area was renewing the outdated Disability Standards for Accessible Public Transport. The standards aim to reduce discrimination against people with accessibility needs and accommodate their preferences for using our cities' public transport systems. We also launched the Aviation White Paper, Safety Data Sharing Platform and Jet Zero Council, which will guide the sustainable and security-focused transformation of Australia's aviation sector.

The Bureau of Infrastructure and Transport Research Economics (BITRE) Annual Road Trauma safety strategy will help inform the work in our Road and Vehicle safety divisions as we develop policies and programs to minimise and avoid injuries and fatalities on our roads. The launch of the National Freight Data Hub will improve data sharing to enhance the efficiency, safety, productivity and resilience of Australia's freight sector.

Regional, Cities and Territories

This year, we supported the design and implementation of the Government's Regional Investment Framework, and designed new regional grants programs, including the inaugural Growing Regions Program, to deliver growth and opportunities for communities across regional Australia. We have continued to implement an extensive program of commitments under existing City and Regional Deals. This year we have delivered merit-based recruitment processes to support the appointment of new

Administrators in the Indian Ocean Territories and on Norfolk Island, and delivered several infrastructure projects to increase water capacity on Christmas Island. From country to coast, our newly launched Regional Data Hub offers a catalogue of collated data sets that will assist all levels of government and locals to access current insights to inform their decisions. Through the Office of Northern Australia, we have supported the work of the Northern Australia Ministerial Forum and the Northern Australia Indigenous Reference Group.

Communications

Our programs and oversight of portfolio entities such as Australia Post and National Broadband Network (NBN) are improving mobile and broadband coverage and connectivity as well as consumer services throughout Australia. With a view to enhancing equitable outcomes, we established the First Nations Digital Advisory Group to bridge the digital divide between First Nations peoples and the wider population. We also initiated Access Hub Beta, to provide information to people with hearing and speech difficulties and access to the National Relay Service (NRS). We commenced consultation on, and development of, media reforms with respect to anti-siphoning and prominence. To help keep people safe online we settled a sustainable agency funding model for the eSafety Commissioner. Through our regulatory reforms and financial assistance, we are safeguarding against threats to the media industry and public information while promoting accountability and assurance within the communications sector.

Arts

With the effects of COVID-19 still impacting our arts and creative industries, we have maintained our investment in cultural expression, arts participation and organisations, and the National Collecting Institutions. Promoting and protecting First Nations culture and stories is at the heart of *Revive*, our National Cultural Policy which was launched earlier this year. I am particularly proud of this piece of work, which will guide the development of the arts and cultural sectors for the next 5 years. Fulfilling this strategy in a relatively short timeframe, especially for a policy of its depth, is one of our greatest achievements of the year and flows into further changes that are strengthening and supporting our local artists and communities in their creative pursuits.

Our department has an ambitious agenda, but the performance highlights outlined in this Annual Report attest to our evolving capability and strengths as an influential and responsive Australian Government entity. Dedicated to continuous improvement, we are a proudly inclusive, caring, collaborative, and daring department that provides frank and fearless advice to our Ministers, and transparent and quality services to the Australian people. I would like to welcome you to our showcase of hard and honest work for the 2022–23 year.

Jim Betts

Secretary

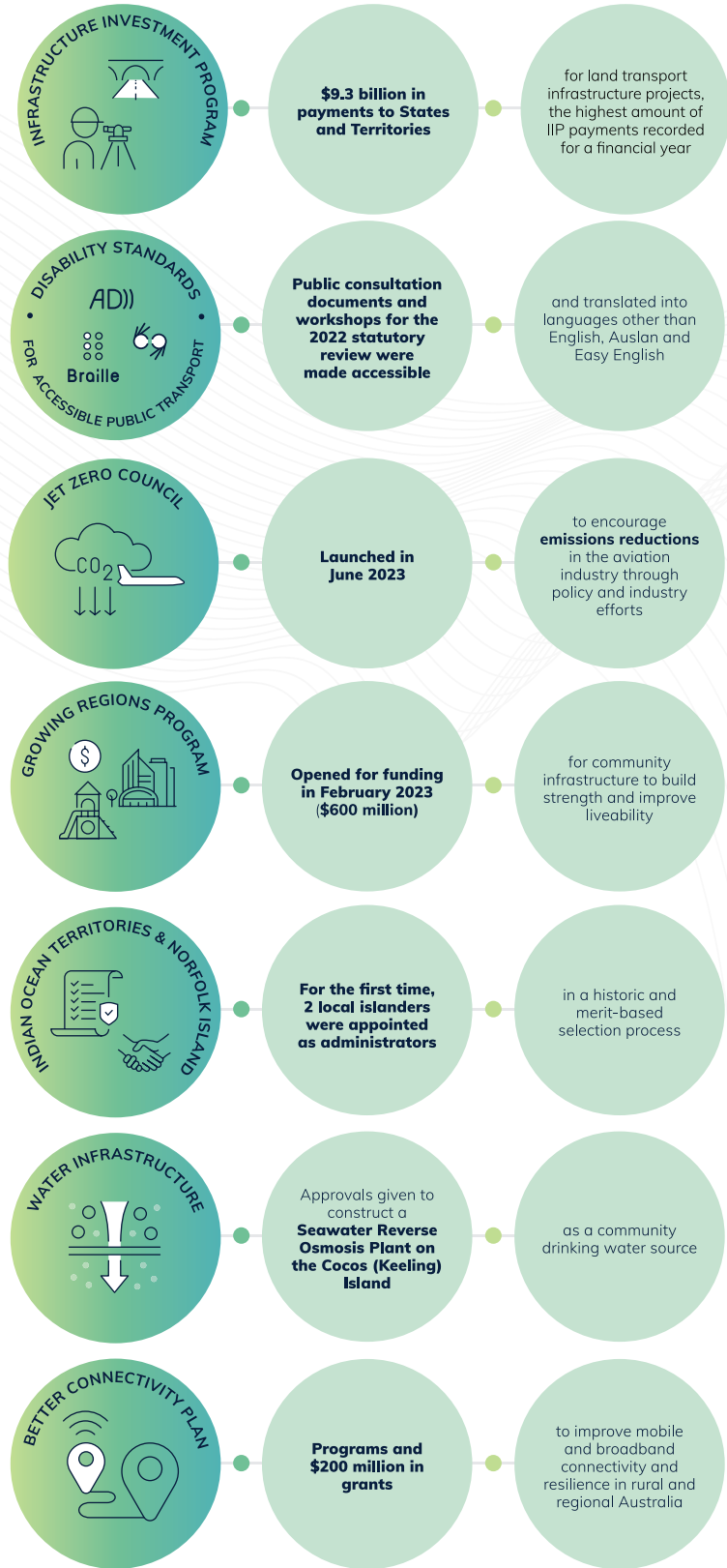


Image: the appointment of Ms Farzian Zainal as Administrator of Christmas Island and the Cocos (Keeling) Islands with the Governor-General David Hurley. Ms Zainal is a fourth generation Christmas Islander who brings extensive experience to the role, including as the Deputy Chair of the Indian Ocean Territories (IOT) Regional Development Organisation.

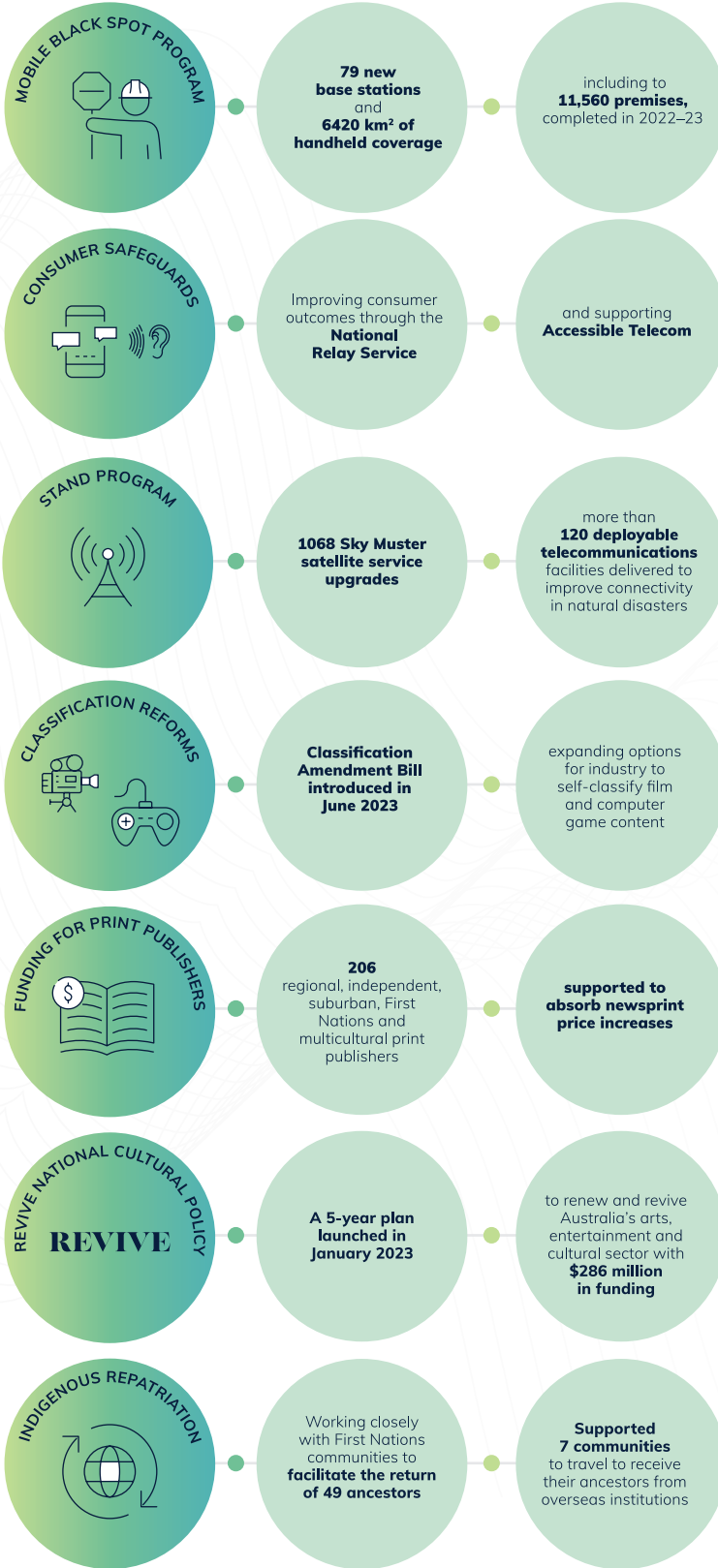


Image: the appointment of George Plant as Administrator of Norfolk Island with the Governor-General David Hurley.

2022-23



HIGHLIGHTS



2022–23 Highlights

Infrastructure Investment



Projects funded through the IIP that were completed in 2022–23 include:

- > Pialligo Avenue Duplication Planning (\$2 million) in the ACT
- > Cessnock Road — Testers Hollow (\$15 million) in NSW
- > Buntine Highway Road Upgrade (\$38.5 million) in the NT
- > Bruce Highway — Maroochydore Road and Mons Road Interchanges Upgrade (\$241 million) in QLD
- > Metro Intersection Upgrade — Torrens Road (Ovingham) Level Crossing (\$115.5 million) in SA
- > Evandale Main Road Duplication — Launceston Airport to Breadalbane Roundabout (\$13.4 million) in TAS
- > Warrnambool Rail Line Upgrade Stage 1 (AG \$255.9 million) in VIC
- > METRONET: Lakelands Station (AG \$64 million) in WA.

In 2022–23, construction was also completed on the following major project with Australian Government investment:

- > Monash Freeway Upgrade project (\$683.8 million) in Victoria. This project increased capacity and reduced congestion on the Monash Freeway by adding additional lanes from Warrigal Road to the EastLink and extended managed motorway technology from the South Gippsland Freeway to the Beaconsfield Interchange. The project upgraded the Beaconsfield Interchange to widen the overpass and add east-facing ramps, while also duplicating and extending Oshea Road from Clyde Road to the Beaconsfield Interchange. It built an outbound collector-distributor between Jacksons Road and EastLink, and constructed a number of other related active and public transport works.

In 2022–23, the department progressed over 90% of the projects committed to in the October 2022–23 Budget, including commitments made in the lead-up to the 2022 Election.

By investing in such infrastructure projects, we are able to reduce the economic and environmental costs of congestion, support the shift to more efficient and sustainable modes of transport, and ensure the economic and social benefits of a growing population are not undermined by road congestion and public transport overcrowding.

Transport Connectivity



Greenhouse gas reduction for international shipping

The department led the Australian delegation in negotiations at the 14th and 15th meetings of the International Maritime Organization (IMO) Intersessional Working Group (ISWG) on the reduction of greenhouse gas emissions from shipping. The department also participated in the 79th meeting of the decision-making IMO Marine Environment Protection Committee. This led to Australia's active influence in the IMO reaching an agreement on a significantly more ambitious greenhouse gas emissions reduction strategy at the beginning of July 2023.

Implementing a Fuel Efficiency Standard for cleaner, cheaper cars

In April 2023, through the National Electric Vehicle Strategy, the Australian Government committed to implementing an Australian Fuel Efficiency Standard for light vehicles. The standard will increase the availability of cleaner, cheaper-to-run vehicles, including SUVs, 4-wheel drives, utes and vans, as well as contributing to a cleaner, greener and more sustainable transport sector. It will also provide an incentive for manufacturers to supply more zero emission vehicles, such as electric vehicles and hybrids, to the Australian market. Work to design the standard commenced in April, including a significant public consultation process, and will continue into 2023–24.

Strategic Fleet Taskforce

The department supported the Strategic Fleet Taskforce to consult and provide advice to government on the establishment of a strategic maritime fleet. The taskforce fulfilled its terms of reference and provided its Report to the Minister on 30 June 2023.

Road safety

The department worked with other government entities on the National Road Safety Strategy 2021–2030 (the Strategy) and National Road Safety Action Plan 2023–25 (Action Plan). The Strategy and Action Plan are commitments by all Australian Governments. The Strategy aims to reduce road deaths by 50% and serious injuries by at least 30% by 2030. However, the number of road deaths is a primary outcome indicator for the Strategy as a whole, not a measure for the Australian Government alone.

Aviation



- > Fifty-five successful projects under Round 9 of the Remote Airstrip Upgrade Program were announced on 4 August 2022
- > Forty-four successful projects under Round 3 of the Regional Airports Program were announced on 20 January 2023
- > The Minister approved new Master Plans for Melbourne and Hobart airports to guide future development
- > The preliminary flight paths for Western Sydney Airport were released
- > The Australian Government is committed to developing an Aviation White Paper to set the policy direction for the aviation sector out to 2050. On 7 February 2023, the terms of reference for the Aviation White Paper were released. Over 192 submissions were received in response and the department undertook consultations across Australia. The Aviation White Paper is expected to be released in mid-2024.

Growth in our cities and regions



With support from the department, the Government launched its Regional Investment Framework (the Framework) in the 2023–24 Budget. The Framework establishes an approach to delivering regional investment, by placing regions and their people at the centre of decision making. The department actively utilises the Framework to guide its efforts to support strong and sustainable regions across the focus areas of people, places, services and industries, and local economies. This includes collaborating with other Commonwealth entities to ensure initiatives are well-targeted and optimally coordinated; engaging across all levels of government to support genuine partnerships and leverage combined outcomes for regions; and working with key stakeholders to ensure local insights, data and intelligence are influencing evidence-based policy and program design.

The Growing Regions Program (\$600 million) and the Thriving Suburbs Program (\$200 million) were announced in October 2022 and May 2023 respectively. These two complementary programs will deliver a transparent, consistent and merit-based approach to the delivery of community infrastructure via open competitive grants to local government entities and not-for-profit organisations across Australia.

City and Regional Deals



Commitments within each of the City and Regional Deals are negotiated and agreed between deal partners to provide various benefits for the communities they cover.

Some of the benefits of milestones delivered in 2022–23 include:

Launceston City Deal

The projects being delivered as part of the Tamar Estuary River Health Action Plan (TERHAP) (\$570.6 million) under the Launceston City Deal continue to assist in diverting sewage and stormwater flows away from the Kanamaluka/Tamar estuary, reducing the frequency and volume of overflow events and helping to keep waterways cleaner.

Key achievements for 2022–23 include:

- > the completion of construction of the Esplanade/St Johns Street Rising Main and Margaret Street Diversion as part of the Urban Infrastructure Upgrades project
- > the completion of 75 kilometres of riparian fencing and 3.3 hectares of associated riparian revegetation or area managed for regeneration under the Improved Catchment Management project.

South East Queensland (SEQ) City Deal

The SEQ City Deal (\$1.8 billion) will build on existing investments by all levels of government and the private sector to generate thousands of local jobs, boost digital and transport connectivity, enhance liveability and support one of the fastest growing regions in the country. Projects will support the region to develop and deliver high-quality connectivity and community infrastructure.

Several projects under the SEQ City Deal commenced in 2022–23 including the construction of the Kangaroo Point Green Bridge, targeted safety upgrades along the Brisbane Valley Highway, and planning for delivery of a new Brisbane Metro station at Woolloongabba. Scoping of the Brisbane Metro South Bank Transport Study has also commenced and 10 out of 11 local government members of the Council of Mayors (SEQ) have adopted the Small Business Friendly Charter as part of the Small Business Friendly Region commitment.

Barkly Regional Deal

Project milestones delivered under the Barkly Regional Deal (\$100.5 million) aim to deliver improved economic and social outcomes for communities in the Barkly Region. Examples of benefits delivered in 2022–23 include completion of the Barkly Economic Growth Strategy and local community governance planning.

Adelaide City Deal

Project milestones delivered under the Adelaide City Deal (\$698.6 million) aim to position Adelaide as an innovative and vibrant city by growing Adelaide's innovation economy, supporting population growth across South Australia and boosting the cultural and tourism economy.

Examples of benefits delivered in 2022–23 include: commencement of construction of Carrick Hill Pavilion and completion of landscaping works at the historical Munitions Huts in the Glenthorne area.

Geelong City Deal

In April 2023, there was an official opening of the new Queenscliff Ferry Terminal, which was funded under the Geelong City Deal (\$502.5 million). The new terminal delivers enhanced customer experiences with greater accessibility, improved efficiencies and increased capacity. It is set to become an iconic tourism precinct with a retail gift store, ocean-view restaurant, luxurious passenger lounge and café, and function spaces to cater for a range of events.

Perth City Deal

A major milestone achieved as part of the Perth City Deal (\$1.6 billion) was the commencement of construction of Edith Cowan University City Campus, providing surety for the university to open for students in early 2025. The CBD Transport Plan — Roe Street Enhancement and Trinity Shared Path projects were also completed, offering improved and safer active transport options as well as an enhanced landscape for users of the corridor.

Western Sydney City Deal

Under the Western Sydney City Deal (\$10.9 billion), the following commitments were completed in 2022–23:

- > Western Sydney Aerotropolis Planning Package
- > NSW Herbarium at Mount Annan
- > Western Sydney Health Alliance.

Under the Western Parkland City Liveability Program, a number of projects were completed, assisting communities to retain their unique characteristics, build on their strengths, and support environmental infrastructure and open spaces.

Other key milestones in 2022–23 include:

- > sub-regional transport and water infrastructure models being made available to government and industry stakeholders and
- > completion of the Strategic Framework for the Greater Penrith to Eastern Creek Growth Area.

Territories



In 2022–23, the department conducted an open, merit-based selection process to support the Government to appoint new Administrators for Norfolk Island and the Indian Ocean Territories.

In January 2023, the department marked the one-year anniversary of the commencement of the Queensland Government's delivery of state services to Norfolk Island. The agreement was expanded in November 2022 to include support for new apprenticeships and traineeships, ensuring Norfolk Islanders can pursue local vocational training on the Island, while also supporting more secure employment options and the workforce needs of the business community.

In late May 2023, construction works commenced to replace 3.5 kilometres of the Summit tank to Drumsite tank water main on Christmas Island. This water main is critical infrastructure transporting drinking water to the community.

Communications Services



The department is committed to supporting Australia Post in adapting so that it continues to provide essential services to Australian communities, and stable employment for tens of thousands of Australians. During 2022–23 a consultation process was launched to identify what postal services are most important to the community now and into the future.

In October 2022, Australia was re-elected to the governing council of the International Telecommunication Union (ITU) for the 2023 to 2026 term. This United Nations specialised agency works with governments and industry to make decisions relating to standardisation of global communications networks. These standards underpin the technologies Australians use every day. Securing a seat on the council allows Australia to continue influencing the strategic direction of this important body over the next 4 years.

Over the course of the year we commenced the processes for 7 regional communications investment programs. This included programs to strengthen broadcasting resilience, new rounds of the mobile blackspots and the regional connectivity program and running consultation on a new program to improve on farm connectivity. We also saw the completion and switching on of new mobile phone base stations providing additional mobile phone coverage across regional Australia.

Communications Infrastructure



The First Nations Digital Advisory Group was established to provide advice on how to address the digital divide for First Nations communities. The group met three times in the first half of 2023 and will report back to the Australian Government on its findings to inform future policy and program settings.

The Regional Broadband Scheme (RBS) is managed by the department and the Australian Communications and Media Authority (ACMA), in accordance with legislative requirements and the RBS contract. Payment of funds collected under the scheme to NBN Co for the second eligible financial year occurred in May 2023.

The department supported the Independent Strategic Review of a national Public Safety Mobile Broadband (PSMB) capability which delivered its final report to government in October 2022. The report outlines options to efficiently and effectively implement a PSMB capability in Australia in conjunction with state and territory governments.

The department continues to provide oversight of the Australian Government's investment in NBN Co. In December 2022, the department supported NBN Co Shareholder Ministers to issue a Statement of Expectation for NBN Co. The statement guides NBN Co so that its strategic direction is aligned with the government's objectives for the NBN and delivering the government's commitments to increase access to faster, more reliable broadband. In June 2023, the department finalised an Equity Funding Agreement with NBN Co which provides for \$2.4 billion in equity funding to enable the addition of 1.5 million premises to a full fibre connection on demand.

Online Safety, Media & Platforms



The department supported government in its commitment to ensure Australia's regulatory framework is fit for the digital age through a program of work to modernise media regulations. In particular, the department aided the progression of the following measures, with extensive industry and community engagement:

- > the development of a new legislative framework to support the prominence of local television services on smart TVs
- > a review of the anti-siphoning scheme, including the making of the *Broadcasting Service (Events) Notice 2023*, to ensure the continuity of the scheme is maintained while broader reforms are developed and progressed.

The department assisted the making of the *Broadcasting Services ("Broadcasting Service" Definition — Exclusion) Determination 2022* to provide stability and certainty to industry and consumers while government progresses its broader media reform agenda.

The department facilitated two meetings of the Future of Broadcasting Working Group, which provides a forum for industry and government to work through issues relating to broadcasting technologies and related television reforms.

The department commenced development of the News Media Assistance Program (News MAP). The News MAP will establish a principles-based policy framework and evidence base to guide future policy interventions that support public interest journalism and media diversity.

The department developed the draft Communications Legislation Amendment (Combating Misinformation and Disinformation) Bill 2023 to provide the ACMA with information gathering, record keeping, reserve code and standard making powers to combat online misinformation and disinformation. If enacted, these powers will enable ACMA to hold digital platforms to account by ensuring they have effective systems and processes in place to address seriously harmful misinformation on their services. The government intends to introduce the Bill in the Parliament in the second half of 2023 following public consultation.

The department supported the government's consideration of the funding needs of the office of the eSafety Commissioner in the 2023–24 Budget. The government's decision to increase eSafety's base funding from \$10.3 million per year to \$42.5 million per year will provide certainty and stability to the online safety regulator.

Work is also underway with the states and territories, through the Standing Council of Attorneys-General, to agree on the introduction of mandatory minimum classifications for computer games containing gambling-like content.

In October 2022, the Minister for Communications approved the new classification tool for online films, Spherex Ratings. The department oversees the operations of the tool.

The department supported the successful passage of the Broadcasting Services Amendment (Community Radio) Bill 2022 to streamline licensing, provide greater certainty for radio stations, and enhance the sustainability of the community broadcasting sector.

The department worked with the Business Grants Hub at the Department of Industry, Science and Resources (DISR) to launch the \$20 million Broadcasting Resilience Program on 23 June 2023. BAI Communications will receive the funding to strengthen the resilience of 107 ABC AM/FM broadcast sites against natural disasters. These services are important to communicate emergency warnings to local communities.

Creative and Cultural Sectors



We provided increased support to the digital games sector, with legislation to establish a Digital Games Tax Offset (DGTO) passing through the Parliament in June. The DGTO offers a 30% refundable tax offset to eligible games developers who spend a minimum of \$500,000 on qualifying Australian development expenditure.

The National Library of Australia received additional funding of \$33 million over 4 years to support the national collecting institution in digitising and providing broad public access to its collection via Trove, its single point of entry to a treasure trove of artefacts, curiosities and stories from Australia's cultural, community and research institutions.

In May 2023, the Australian screen industry welcomed the news that the Location Offset rebate will be increased to 30%. This additional \$112.3 million will attract international investment in the Australian screen industry to provide domestic employment and training opportunities and promote Australia as a screen production destination.

The Public and Educational Lending Right Schemes have been modernised to include digital content, such as e-books and audiobooks. This \$12.9 million investment will boost how much local authors, writers, illustrators and publishers are paid, through amendments to eligibility for lending rights to allow for applications for digital works.

The government has committed \$13.4 million to working with First Nations peoples to establish stand-alone legislation to recognise and protect First Nations traditional knowledge and cultural expressions, including addressing the harm caused by fake art, merchandise and souvenirs.



Financial performance

The department's activities involve the use of assets, liabilities, revenue and expenses controlled or incurred by the department in its own right. Administered activities involve management or oversight by the department, on behalf of the Australian Government, of items controlled or incurred by the Australian Government.

This section should be read in conjunction with the department's audited financial statements in Part 5 of this report.

Departmental finances

The department reported a deficit of \$15.1 million in 2022–23, which equates to an operating surplus of \$3.8 million after adjusting for depreciation and amortisation, and lease payments under the Australian Accounting Standard AASB 16 Leases. The surplus is largely due to movement in the asset revaluation reserve relating to the increase in fair value of the leasehold improvements and other property, plant and equipment asset classes (\$10.8 million), following an independent valuation.

The department's net asset position decreased by \$2.7 million from 2021–22. The department continues to maintain a sound financial position with total assets exceeding total liabilities for a net assets position of \$206.0 million.

Table 1.1 Summary of departmental financial performance and position (\$million)

	2021–22	2022–23	Change from last year
Revenue from government	414.3	428.4	14.0
Own-source revenue	15.2	12.0	(3.2)
Gains	0.3	0.0	(0.3)
Total income	429.8	440.4	10.6
Employee and supplier expenses	376.0	410.3	34.3
Grants and contributions	7.9	5.6	(2.3)
Depreciation and amortisation	38.3	42.2	4.0
Other expenses	2.5	8.3	5.8
Total expenses	424.7	466.3	41.7
Changes in asset revaluation reserve	4.6	10.8	6.2
Surplus (Deficit) attributable to the Australian Government	9.8	(15.1)	(24.9)
Plus non-appropriated depreciation and amortisation expenses	38.3	42.2	4.0
Minus principal repayments — leased assets	(21.7)	(23.3)	(1.7)
Operating result (loss) attributable to the agency	26.4	3.8	(22.6)
Financial assets (A)	182.1	170.9	(11.2)
Non-financial assets (B)	237.4	238.7	1.4
Liabilities (C)	210.8	203.7	(7.1)
Net assets: A + B - C	208.7	206.0	(2.7)

Administered finances

Total administered expenses of \$10.5 billion represent a decrease of \$1.1 billion from last year, mainly due to a \$0.8 billion decrease in subsidy expenses and \$0.5 billion decrease in grant expenditure. Administered expenses reported by the department do not include funds paid to states and territories under National Partnership Agreements, which are reported by the Department of the Treasury.

Subsidy expenses decreased by \$751.9 million mainly due to aviation subsidy programs ending in 2021–22 (\$865.8 million). This was partially offset by an increase in subsidy expenses under the Regional Broadband Scheme of \$85.2 million due to an increase in the consumer price index, which impacts the levy under the Regional Broadband Scheme legislation.

Grant expenses decreased by \$461.7 million mainly due to a one-off expense in 2021–22 for the NBN fixed wireless and satellite upgrade (\$480.0 million).

Major expense items reported by the department in 2022–23 were:

- > Local Government Financial Assistance Grant payments (\$3.9 billion)
- > Payments to corporate Commonwealth entities (\$2.2 billion)
- > Local Roads and Community Infrastructure Program (\$493.2 million)
- > Roads to Recovery Program (\$359.4 million)
- > Community Development Grants Programme (\$294.0 million).

Administered income decreased by \$193.5 million mainly due to receiving less dividends and interest revenue. Dividends were not received from the Australian Rail Track Corporation due to impairment expenses associated with the Inland Rail Program, and Australia Post did not make a profit in 2022–23. Interest revenue decreased by \$82.3 million, mainly due to NBN Co making loan repayments of \$875.0 million, resulting in less interest revenue recognised.

Net assets administered on behalf of the Australian Government increased by \$72.5 million, mainly due to increases in financial asset investments. Investments increased by \$652.4 million, representing the Australian Government's interest in the portfolio entities. This was partially offset by a decrease in trade and other receivables of \$568.2 million mainly due to NBN loan repayments of \$875.0 million.

Table 1.2 Summary of administered financial performance and position (\$million)

	2021–22	2022–23	Change from last year
Taxation revenue	34.2	31.7	(2.5)
Non-taxation revenue	791.8	623.5	(168.3)
Gains	28.9	6.2	(22.7)
Total income	854.8	661.3	(193.5)
Employee and supplier expenses	602.3	600.7	(1.6)
Subsidies	1,832.7	1,080.9	(751.9)
Grants	6,800.2	6,338.5	(461.7)
Depreciation and amortisation	50.9	56.8	5.9
Impairment loss on financial instruments	31.4	175.0	143.6
Payments to corporate Commonwealth entities	2,116.6	2,156.8	40.1
Concessional loans	82.9	54.1	(28.8)
Other expenses	17.5	16.1	(1.4)
Total expenses	11,534.5	10,478.8	(1,055.7)
Financial assets (A)	47,933.6	47,955.4	21.8
Non-financial assets (B)	913.4	944.5	31.0
Liabilities (C)	1,621.3	1,601.6	(19.7)
Net assets: A + B – C	47,225.7	47,298.3	72.5



PART 2

Departmental Overview

Departmental overview	24
Our outcomes, purposes and programs	28
Executive	31
Organisational structure	32
The portfolio	34

Departmental overview

Ministers

From 1 July 2022 to 30 June 2023, the department was accountable to the following Ministers:

- > The Hon Catherine King MP, Minister for Infrastructure, Transport, Regional Development and Local Government
- > The Hon Michelle Rowland MP, Minister for Communications
- > The Hon Tony Burke MP, Minister for the Arts
- > The Hon Madeleine King MP, Minister for Northern Australia
- > The Hon Kristy McBain MP, Minister for Regional Development, Local Government and Territories
- > Senator the Hon Carol Brown, Assistant Minister for Infrastructure and Transport
- > Senator the Hon Anthony Chisholm, Assistant Minister for Regional Development

Accountable authority

Mr Jim Betts, Secretary, Department of Infrastructure, Transport, Regional Development, Communications and the Arts was the departments accountable authority for the period of this report.

Roles and functions

The department's role is to achieve our purposes and deliver results through:

Providing strategic policy advice

We provide the Australian Government with high-quality strategic options and policy advice on infrastructure, Northern Australia, transport, regional development, cities, territories, communications, arts and related cultural matters. Our advice is evidence-based and informed by research, consultation, analysis and broader governmental objectives. We identify trends, gaps and emerging issues as well as risk in markets and society, so as to provide high-quality strategic options and policy advice.

Delivering programs and services

We deliver efficient and effective programs and services to achieve the government's policy outcomes. We adhere to high standards of integrity and public administration. We seek to continuously balance risk and opportunity to achieve better outcomes.

Delivering and administering fit-for-purpose regulation

We administer portfolio legislation efficiently and effectively by taking a risk-based, collaborative and data-driven approach to reviewing and shaping our regulatory setting. We work continuously to improve our regulatory performance and we seek to ensure our regulation incentivises appropriate investment and is fit-for-purpose.

Spotlight

Heavy Vehicle Safety and Productivity Program and Bridges Renewal Program

The Heavy Vehicle Safety and Productivity Program is an Australian Government initiative to fund infrastructure projects that improve the productivity and safety outcomes of heavy vehicle operations across Australia. The Bridges Renewal Program is an Australian Government initiative to fund the upgrade and replacement of bridges to enhance access for local communities and facilitate higher productivity vehicle access.

As part of a continuous improvement process, and to better meet applicants' needs, a number of reforms were implemented starting on 10 November 2021. The aim was to make the programs more responsive, flexible and efficient.

In 2022–23, the department substantially met expectations to increase the quality of applicants, reduce ineligible applications, and reduce project lead times by:

- > enabling proponents to make submissions as needs were identified — the department continues to work with proponents to improve quality of applications
- > facilitating multiple tranches of approvals — previously, a proponent to a program waited 12–18 months for an outcome to an application.

To ensure good quality nominations, new applications include best practice guidance for applicants. Application forms include the new Heavy Vehicle Rest Area Initiative, and it is expected that working with steering committee members (including truck drivers and industry representatives) will provide further insights to drive improvements for this process.

The reduction in ineligible nominations reflects the established nature of these programs and a good understanding across all levels of government of the programs' objectives and suitable projects.

Source: DITRDCA Corporate Plan 2022–23 p. 24



Spotlight

Supporting sea freight availability for Norfolk Island

In 2022–23, the department met its commitment to improve safety and freight operations on Norfolk Island by ensuring that 3 ageing lighterage vessels were replaced.

The department's work to replace vessels and improve safety included:



- > funding provided to the Norfolk Island Regional Council (NIRC) for the procurement of 2 replacement lighterage vessels — these vessels began operations in May 2022
- > engaging a Subject Matter Expert (SME) in maritime operations to develop a risk register for lighterage and stevedoring activities
- > development of a Safe Operating Procedure by the SME for the maritime operations and training for lighterage and stevedore crews in conformance with Australian Maritime Safety Authority (AMSA) requirements
- > development of a maritime risk register which was provided to NIRC senior management.

Source: DITRDCA Corporate Plan 2022–23 p. 50



Our outcomes, purposes and programs

Figure 2.1 Mapping outcomes, purposes and programs

Outcome 1	Outcome 2	Outcome 3
 <p>Transport Connectivity</p> <p>Supporting an efficient, sustainable, competitive, accessible, safe and secure transport system through infrastructure investment.</p>	 <p>Regional Development</p> <p>Improving living standards and facilitating economic growth in cities and regions.</p>	
Program 1.1	Programs 2.1, 2.2, 2.3	Programs 3.1, 3.2, 3.3, 3.4
<p>Key Activities</p> <ul style="list-style-type: none"> • Deliver and manage the Infrastructure Investment Program (IIP). • Lead policy (with the Department of Finance) to shape the delivery of major transport infrastructure projects. 	<p>Key Activities</p> <ul style="list-style-type: none"> • Advise on and deliver better road safety as well as vehicle and rail regulation. • Advise on and deliver policy for access to transport for people with a disability. • Advise on technology advances in the road transport sector. • Implement the National Freight and Supply Chain Strategy and Action Plan. • Supporting an efficient and sustainable transport system. • Supporting a safe and accessible transport system. • Manage domestic maritime programs to support efficient sea trade. • Manage domestic and international maritime policy, programs and regulation to support efficient sea trade, vessel safety, Australian maritime skills capability and environmental protection. • Regulate the supply of all road vehicles to the Australian market. • Lead the design of the Western Sydney Airport flight path. • Manage domestic aviation policy, programs and regulation. 	<p>Key Activities</p> <ul style="list-style-type: none"> • Provide policy leadership and deliver programs to support regional development and local governments. • Advise on and deliver City Deals and Regional Deals. • Progress key initiatives from and monitor whole-of-government implementation of the Northern Australia agenda. • Facilitating economic growth and diversification and increased liveability in northern Australia.

Outcome 4



Territories

Providing governance frameworks and services to support communities in the Territories.

Program 4.1

Key Activities

- Providing governance frameworks and services in the Territories.

Outcome 5



Communications Connectivity

Enabling people in Australia to connect to effective, safe communications services.
Enabling investment in communications technologies, for inclusiveness and sustainable economic growth.

Program 5.1

Key Activities

- Implementing and administering programs that expand digital connectivity including the Mobile Black Spot Program, Peri-Urban Mobile Program and Regional Connectivity Program.
- Enabling safe, effective and inclusive communications services and technologies.
- Provide advice and program delivery on the news and media industry.
- Provide advice to the government of communications policy and programs including regional and remote Australia.

Outcome 6



Creativity and Culture

Supporting sustainable and inclusive creative and cultural sectors, and protecting and promoting Australian content and culture.

Program 6.1

Key Activities

- Protecting and promoting Australian content and classification.
- Deliver policy and programs that support the cultural and creative sectors and enable all Australians to access and participate in cultural and creative activities.
- Deliver policies and programs to support Australian cultural heritage, including Indigenous cultural heritage, arts, languages and repatriation.
- Supporting inclusive creative and cultural sectors.



Executive

Members of our Executive Leadership Team as at 30 June 2023.



Jim Betts,
Secretary



Maree Bridger,
Chief Operating Officer



David Hallinan,
Deputy Secretary
Infrastructure



Marisa Purvis-Smith,
Deputy Secretary
Transport



David Mackay,
Deputy Secretary
Regions, Cities and
Territories



Richard Windeyer,
Deputy Secretary
Communications
and Media



Dr Stephen Arnott PSM,
Deputy Secretary
Creative Economy and
the Arts

Organisational structure

As at 30 June 2023, the department comprised 19 divisions, organised into 6 operating groups. Figure 2.2 below outlines the organisational structure as at 30 June 2023.

Figure 2.2 Organisational chart at 30 June 2023

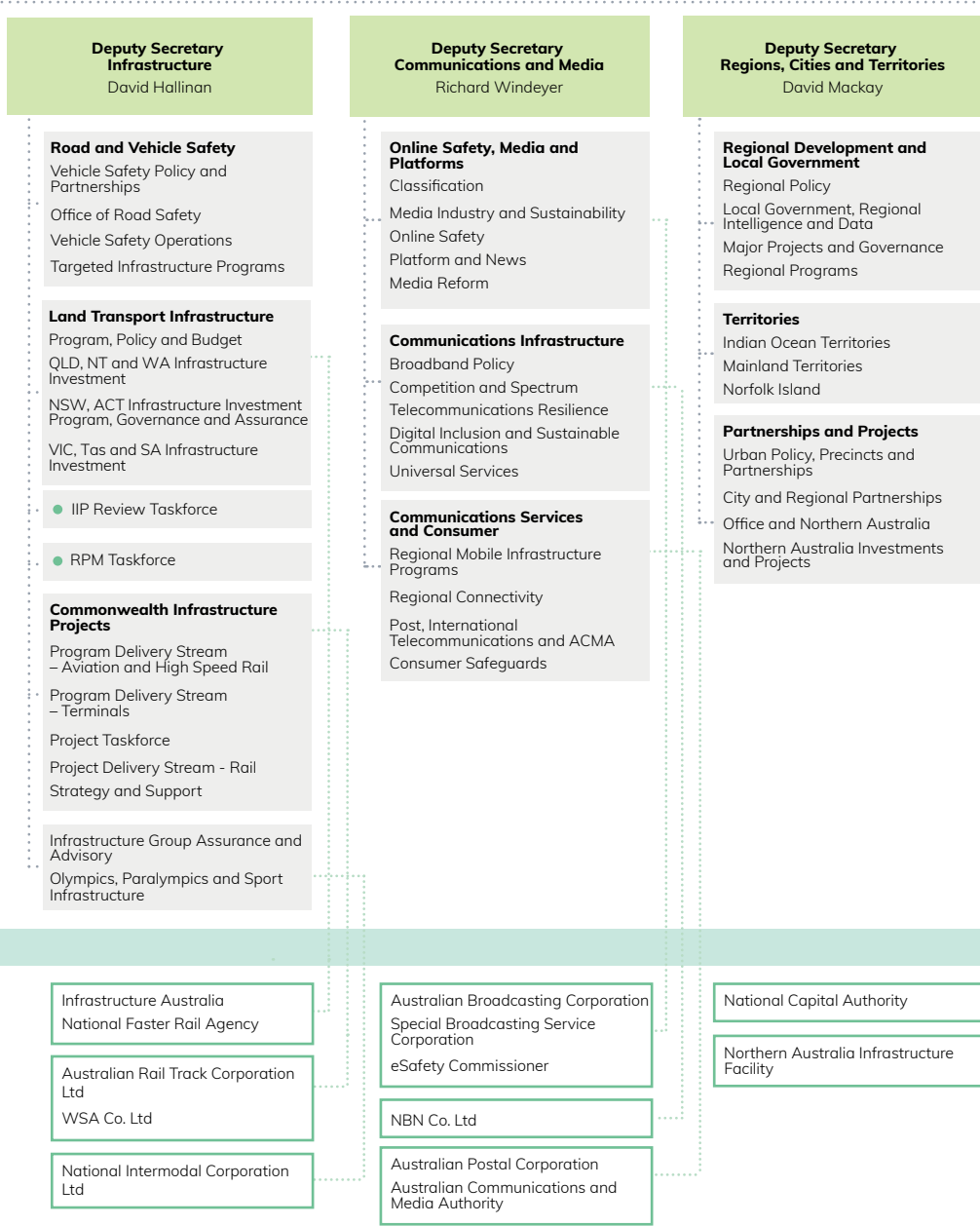


Portfolio entity

Australian National Maritime Museum
 Bundanon Trust
 National Museum of Australia
 National Gallery of Australia
 National Library of Australia
 National Portrait Gallery of Australia
 Screen Australia
 Australian Film, Television and Radio School
 National Archives of Australia
 Australia Council
 National Film and Sound Archive
 Museum of Australian Democracy
 Creative Partnerships Australia Ltd

Airservices Australia
 Australian Transport Safety Bureau
 Civil Aviation Safety Authority

Australian Maritime Safety Authority
 National Transport Commission



The portfolio

As at 30 June 2023, the Department of Infrastructure, Transport, Regional Development, Communications and the Arts portfolio consisted of:

Portfolio Entities

Infrastructure

- > High Speed Rail Authority
- > Infrastructure Australia

Transport

- > Airservices Australia
- > Australian Transport Safety Bureau
- > Civil Aviation Safety Authority
- > Australian Maritime Safety Authority
- > National Transport Commission

Regions, Cities and Territories

- > National Capital Authority
- > Northern Australia Infrastructure Facility

Communications

- > Australian Broadcasting Commission
- > Special Broadcasting Service Corporation
- > eSafety Commissioner
- > Australian Communications and Media Authority

Arts

- > Australia Council
- > Australian Film, Television and Radio School
- > Australian National Maritime Museum
- > Bundanoon Trust
- > Museum of Australian Democracy (Old Parliament House)
- > National Archives of Australia
- > National Film and Sound Archive
- > National Gallery of Australia
- > National Library of Australia
- > National Museum of Australia
- > National Portrait Gallery of Australia
- > Screen Australia

Australian Government Business Enterprises in the portfolio at 30 June 2023

Infrastructure

- > Australian Rail Track Corporation
- > National Intermodal Corporation Ltd
- > WSA Co Ltd

Communications

- > Australian Postal Corporation (Australia Post)
- > NBN Co Ltd



PART 3

Management and accountability

Corporate governance	38
External scrutiny	44
Human resource management	45
Financial management	54

Corporate governance

The department's governance framework enables us to practice good governance and meet our performance and accountability requirements. To us, good governance means:

- > providing strategic direction and supporting clarity of purpose
- > optimising performance to ensure objectives are achieved
- > managing strategic risks and organisational priorities
- > promoting integrity and accountability while providing assurance
- > building organisational capability and culture, and driving continuous improvement
- > enhancing outcomes by promoting engagement from a diversity of voices ensuring our framework is fit-for-purpose and responsive to the operating environment.

APS Capability Review

In 2023, the department volunteered to be part of the pilot Capability Review Program as part of the APS reform agenda. The review process provided a welcome opportunity to reflect on its strengths and weaknesses and to gain an objective assessment of its capability in a complex and challenging operating environment. In addition to whole-of-APS capabilities, the reviewers were asked to pay special attention to the department's capability to achieve outcomes with First Nations communities and employees.

The independent Senior Reviewers, Robyn Kruk AO, Roxanne Kelly PSM and Adam Fennessey PSM, brought a collaborative, professional and constructive approach to the review. There was generous input from stakeholders across government and industry. Staff at all levels of the department contributed to a self-assessment and the collation of an extensive evidence base. They participated in interviews and workshops to share their views on the department's strengths and talk frankly about areas for improvement.

The department looks forward to receiving the report of the Capability Review and will develop an agency action plan to address its findings.

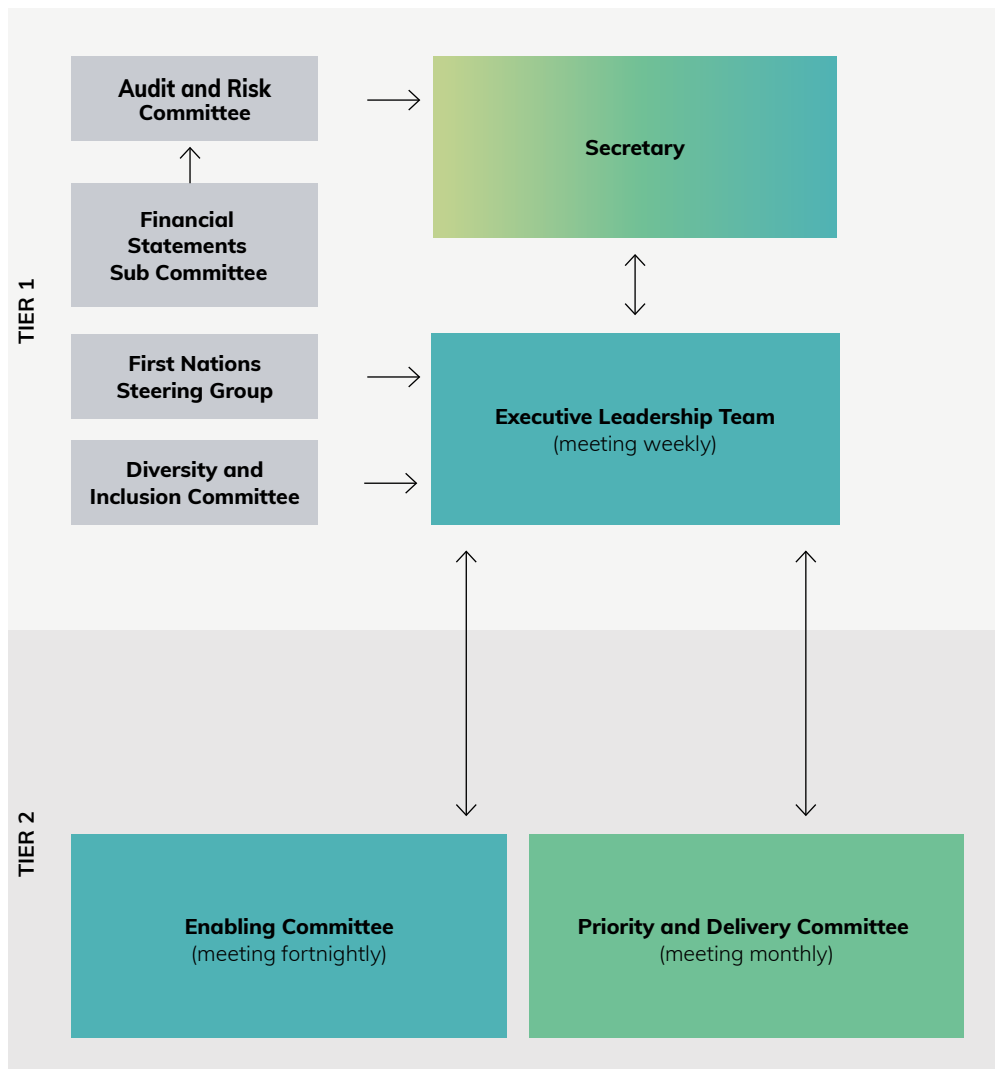
Governance Committees

The department's governance committees oversee key areas and operations and support the Secretary as accountable authority.

The department has multiple governance committees including — the Executive Leadership Team, Enabling Committee, Priority and Delivery Committee, and Audit and Risk Committee — which interact with various other departmental committees.

Figure 3.1 below outlines the governance committee structure for the department as at 30 June 2023.

Figure 3.1 Governance committee structure as at 30 June 2023



Executive Leadership Team

The Executive Leadership Team (the Committee) is chaired by the Secretary and members include all deputy secretaries. The Committee provides a forum for the Executive to consider matters of strategic importance, culture, risk, direction setting and stakeholder relationship matters.

Enabling Committee

The Enabling Committee (the Committee) is comprised of a representative deputy secretary or first assistant secretary from each Group, as well as observers and ex officio members, and is chaired by the Chief Operating Officer. Implementation of the departmental strategies, policies and projects decided by the Secretary and/or the Executive Leadership Team are generally overseen by the Committee.

The Committee acts in an advisory capacity for those matters requiring a decision by the Secretary, including in the Secretary's role as the accountable authority. The Committee refers such matters to the Secretary with recommendations for the Secretary's consideration.

Priority and Delivery Committee

The Priority and Delivery Committee (the Committee) comprises a representative deputy secretary or first assistant secretary from each Group, as well as observers, and is currently chaired by the Deputy Secretary Communications and Media Group.

The Committee supports the Secretary and Executive Leadership Team by setting and monitoring performance for the delivery and implementation of policies, programs, projects, and services delivered by the department that have significant risk, resource requirements or are a high priority for government. The Committee acts in an advisory capacity for those matters requiring a decision by the Secretary, including in the Secretary's role as the accountable authority.

The Committee will refer such matters to the Secretary with recommendations for the Secretary's consideration.

Audit and Risk Committee

The Audit and Risk Committee (ARC) provides independent advice to the Secretary on the appropriateness of the department's financial reporting, performance reporting, risk oversight and management, and systems of internal control.

The ARC operates under a charter that is compliant with the requirements of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). The charter is available at <https://www.infrastructure.gov.au/about-us/corporate-reporting/audit-and-risk-committee-charter>.

As at 30 June 2023, the independent chair of the ARC is Mr Ian McPhee AO PSM. The ARC is comprised of 4 independent members (including the independent chair) and 2 departmental advisors.

The ARC met 6 times in 2022–23, with 4 of those meetings being the regular quarterly meetings, and 2 meetings being specifically related to performance reporting. The department's Financial Statements Sub-Committee, chaired by Mr Geoff Knuckey, met 6 times during 2022–23. Information on members, including qualifications and remuneration, is available at Appendix B: Audit and Risk Committee members.

Planning and reporting

The Corporate Plan 2022–23 for the department was published in August 2022, and covers the 4 years from 2022–23 to 2025–26. Corporate planning informs the strategic annual business plans for each division. At regular intervals during each year, meetings are held between divisional Senior Executive Service (SES) employees and the Executive to discuss progress against the business plan.

Risk management

The department has an integrated approach to risk, which is managed through monitoring and reporting, as part of our business planning and review processes.

Risks are considered and managed at different levels. Enterprise and high-level program risks are reviewed regularly by the Executive and monitored by the appropriate committee.

The department's Risk Management Policy and Framework (the Policy and Framework) provides guidance to staff on engaging with risk. The Policy and Framework includes risk appetite and tolerance statements, providing guidance on the level of risk the department is willing to accept or retain to achieve our purposes, outcomes and responsibilities. The Policy and Framework will be reviewed and updated in 2023–24.

The Integrity and Risk Champion at the deputy secretary level leads the ongoing enhancement of the department's positive risk culture and is supported by the Chief Integrity and Risk Officer.

All of our people are required to undertake an introduction to risk management training via e-learning. The department has developed a Risk Culture Maturity Model and a Risk Awareness Strategy to further enhance positive staff engagement with risk.

Fraud control

The department does not tolerate fraud or corruption and takes all reasonable steps to prevent, detect and respond to fraud and corruption. The department's fraud control framework is regularly reviewed and aligns with section 10 of the *Public, Governance, Performance and Accountability Rule 2014* (PGPA Rule). The department's fraud control plan and fraud risk assessment will be updated in 2023–24 to take into account changes in structure, functions and activities, along with the launch of the National Anti-Corruption Commission (NACC). All of our people are required to undertake fraud awareness training via e-learning.

Internal audit

The internal audit work program is a key component of the department’s governance and integrity framework, and is developed annually using a risk-based approach. The work program is reviewed and endorsed by the department’s Audit and Risk Committee and subsequently approved by the Secretary. The work program is formally reviewed mid-year to ensure it remains current and addresses emerging risks and priorities. Internal audit is delivered in the department via a co-sourced model.

The Audit and Risk Committee monitors the progress of the work program during the year. This includes monitoring the implementation of agreed recommendations from completed audits, both internal and external.

Internal Audits completed in 2022–23 and endorsed by the department’s Audit and Risk Committee:

- > Rehabilitation Management System (endorsed 23 June 2023)
- > Single Records Management (endorsed 24 March 2023)
- > National Intermodal Corporation (NIC) governance oversight arrangements (endorsed 24 March 2023)
- > Regional Data Hub (endorsed 8 December 2022)
- > Conflict of Interest (endorsed 8 December 2022)
- > Cyber Security (endorsed 8 December 2022)
- > COVID-19 Rapid Reviews — Communications and the Arts (endorsed 8 December 2022)
- > Securing Raw Materials Program (endorsed 8 December 2022)
- > Performance Reporting — 2021–22 Annual Performance Statements (endorsed 8 December 2022)
- > Major Procurements: value for money and delegations (endorsed 16 September 2022)
- > Australia Post Governance Oversight Arrangements (endorsed 16 September 2022)
- > Recalls Program (endorsed 16 September 2022)
- > Rapid Implementation of COVID-19 Initiatives: Relief and Recovery Measures (endorsed 16 September 2022).

Ethical standards

The department prioritises good governance and continues to maintain high standards of integrity and ethics. We are investing in a pro-integrity culture that promotes the importance of maintaining these standards, and contributes to improved performance, transparency and accountability.

All of our people are required to uphold the APS Values, Employment Principles and Code of Conduct, as well as Our Values — being respectful, informed, collaborative, adaptive and accountable. In 2022–23, we launched our Integrity Strategy 2022–24 as part of a program of work to enhance the department’s assurance, risk and governance arrangements.

The Strategy, which includes the department’s Integrity Framework, is designed to ensure a holistic approach to integrity is embedded across the department’s activities. It delivers a clear and easy to understand narrative on the department’s position and expectations of all staff when it comes to embedding integrity in their work.

Following its launch, the department focused on driving a positive culture of integrity, raising awareness around the subject, and developing tools to guide staff through business activities and integrity considerations, as usual practice. The implementation phase will continue throughout the life of the strategy.

Throughout the year, employees participated in integrity initiatives, including an integrity week, supporting the pro-integrity culture.

In 2022–23, we conducted our annual formal declaration of personal interests process for SES employees. Identified non-SES employees were also required to complete a declaration, due to the nature and sensitivity of their work. Throughout the year, employees were regularly reminded to consider their personal circumstances and complete a declaration if necessary.

Key management personnel also submitted their related party disclosures as required by the Australian Accounting Standard for Related Party Disclosures (AASB 124).

Freedom of information

In 2022–23, the department received 254 requests for access to documents under the *Freedom of Information Act 1982* (FOI Act).

Information Publication Scheme

Under Part II of the FOI Act, we are required to publish information as part of the Information Publication Scheme (IPS). Our website includes our IPS Plan, which shows the information we publish in accordance with IPS requirements. We also publish information accessed through FOI requests on our [FOI Disclosure Log](#).

External scrutiny

Australian National Audit Office

In 2022–23, the Australian National Audit Office (ANAO) published 4 performance audit reports within the department's portfolio, including cross-entity audits:

- > Award of funding under the Building Better Regions Fund (cross entity, tabled 28 July 2022)
- > Acquisition, Management and Leasing of Artworks by Artbank (tabled 6 April 2023)
- > Procurement Complaints Handling (cross entity, tabled 6 April 2023)
- > Management of Information Assets (cross entity, tabled 28 June 2023).

The reports are available on the ANAO's website: [Performance audit reports | Australian National Audit Office \(anao.gov.au\)](#).

Parliamentary scrutiny

During 2022–23, we contributed to over 36 parliamentary committees of inquiry through submissions and by attending public hearings, including:

- > House of Representatives Standing Committee on Regional Development, Infrastructure and Transport — Inquiry into the implications of severe weather events on the national regional, rural, and remote road network
- > House of Representatives Standing Committee on Communications and the Arts — Inquiry into co-investment in multi-carrier regional mobile infrastructure
- > Senate Standing Committees on Rural and Regional Affairs and Transport — Australia's preparedness to host Commonwealth, Olympic and Paralympic Games
- > Joint Committee of Public Accounts and Audit — Inquiry into the Commonwealth grants administration
- > Senate Standing Committees on Finance and Public Administration — Inquiry into the management and assurance of integrity by consulting services (Consulting services)
- > Joint Select Committee on Northern Australia — Inquiry into workforce development in Northern Australia.

The department responded to 154 inquiry questions on notice and 904 Senate Estimates questions on notice.

The department also attended Senate Estimates hearings of the Environment and Communications Legislation Committee as well as the Rural and Regional Affairs and Transport Legislation Committee.

Parliamentary inquiry details and Senate Estimates transcripts are available at www.aph.gov.au

Human resource management

Our workforce management approach focuses on attracting, building and retaining critical capabilities and roles, supported by strengthening our values-based culture and maintaining a competitive and persuasive employee value proposition. Throughout the year, the department volunteered to participate in a pilot of the Capability Review Program, an APS reform initiative. At the same time, the department has been developing its Strategic Workforce Plan 2023–26, which will be released in September 2023, and will provide guidance in shaping our department’s workforce to achieve our objectives. We continue to offer our people a diverse and inclusive culture, provide opportunities to build their capabilities, and encourage proactive mobility and collaboration, all with the right systems and processes in place.

Corporate Service Delivery Program

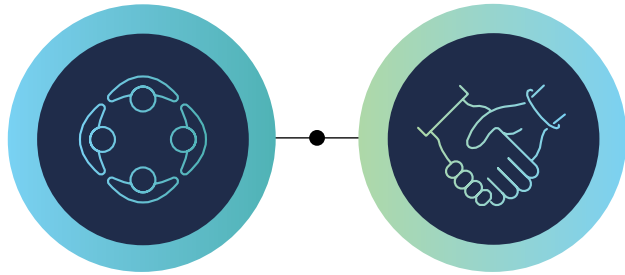
The Corporate Service Delivery Program (the Program) was established in March 2023 and has undertaken extensive engagement across the department to understand the current state of corporate service delivery, with a view to advancing the maturity, efficiency, effectiveness and staff satisfaction of corporate services. The review process has complemented the work of the Capability Review and has provided us with valuable insights about how we can continue to build on our strengths, as well as identifying opportunities for improvement. The department will use these insights to contribute to our Capability Review Action Plan and the development of a Corporate Group Strategy.

A Service Design and Delivery Operating Model was developed to embed new ways of working into the Corporate Group, and was tested through a 10-week design sprint to identify key issues across the end-to-end ‘hire to retire’ process. This includes how we attract and induct new staff, and how we support staff who transfer within or leave the department. Staff co-designed the ideal future state experience, and the department looks forward to implementing the recommendations.

Valuing and investing in our people so they have the tools and access they need to the internal services means our department remains a great place to work. Both the Program and embedding a culture of people-centred improvement and delivery are key to this success.

Living our values

Since their launch in 2021, the departments Values have been well embedded in our culture. They have been used to assist in the attraction, retention, performance and behavioural expectations of our workforce, all of which are important to our success.



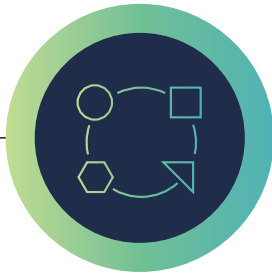
Collaborative — we work together and with others across the system, to achieve our objectives and deliver for the Australian community

Respectful — we create diverse teams and a respectful and inclusive culture that supports high performance, innovation and the wellbeing of all people across the department

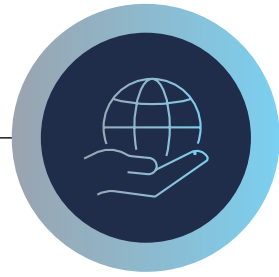




Informed — we have the expertise, knowledge and skills that we need to succeed, and we have good communication practices



Adaptive — we are constantly learning and adapting to improve what we do and we have corporate systems in place to support staff in a rapidly changing world



Accountable — we are rewarded and trusted to deliver, we are held accountable for the results and delivering with integrity, and we celebrate our success

We have embedded the Values through a number of initiatives in the 18 months since they were launched. The Secretary Awards have been expanded to include the Living Our Values Award, which recognises staff who demonstrate the values to an exceptional degree. We have also incorporated the values into our THRIVE@Work performance framework and our recruitment processes. We demonstrate our values in action through an ongoing series of videos and articles, highlighting real examples of how our staff live the values.

People performance framework

The department's revised performance framework, THRIVE@Work, was launched in 2022–23. The revised framework complements the department's values, Learning Strategy and Leadership Framework.

THRIVE@Work has three core objectives:

- > ongoing future-focused conversations
- > enabling our people to adapt and succeed into the future
- > working together on the right priorities to make a difference.

The revised framework effected change by:

- > enhancing manager capability through supporting materials and forums
- > providing clearer guidance on the application of our existing ratings through the use of rating personas and descriptors
- > placing a focus on strengths to enable managers to continually coach their people through ongoing conversations
- > introducing team based THRIVE Check-ins in February and August (in addition to our individual November and May exchanges) to align individual and team priority objectives with departmental business planning.

During 2022–23, 25 THRIVE@Work sessions were delivered to managers and staff to build understanding of, and capability in, implementing the new framework. An evaluation of the implementation is scheduled for early in 2023–24 to evaluate the effectiveness and user experience of managers and staff after year one of operation.

Recruitment

In 2022–23, there were a consistent number of recruitments undertaken across the department, with an average of 52 hires per month (engagements, promotions, transfers and non-ongoing contracts).

The department saw a reduction of 14% in the number of hires from 2021–22 to 2022–23, however, the department's recruitment activities have since increased by 11% (this includes external advertising and expressions of interest). Despite the lower number of hires overall, the demand for suitable candidates remains high and demonstrates a competitive labour market.

The department continues to support mobility within the APS with promotion of the APS Temporary Opportunities board and sharing of APS wide taskforce and surge requests for temporary and secondment opportunities.

Entry-level programs

As part of our 2023 Graduate Development Program, the department welcomed 36 new graduates. These new employees began an intensive 11-month on-the-job program designed to develop core public service capabilities, develop leadership skills and build departmental capabilities. To assist the department in building a diverse workforce, the program includes graduates from the Generalist, Data, Digital, Economics and STEM streams. We also participated in the Indigenous Graduate Pathway Program.

The Graduate Development Program includes:

- > participation in 3 workplace rotations across a mix of policy, program, corporate and regulatory functions
- > participation in a tailored learning and development program, which includes completion of a Graduate Certificate in Public Administration or Graduate Certificate in Policy and Data through the University of Canberra.

In 2023, we welcomed 30 University Vacation Employment Program participants to work with the department over a period of up to 12 weeks to gain an insight into the APS. Twelve of the 30 participants were retained beyond the 12-week period. In addition to the University Vacation Employment Program, we welcomed 8 interns through the Australian Network on Disability's Stepping Into Program winter intake. This program is a national initiative that focuses on skilled and talented university students with disability and creates a talent pipeline that actively builds diversity and inclusion.

We supported one participant through the Department of Education's Indigenous Australian Government Development Program and one participant through Service Australia's Indigenous Apprenticeships Program. These programs aim to significantly contribute to improving employment opportunities, experiences and outcomes for First Nations peoples in the APS.

Nine new employees were also welcomed through the Department of Finance's Career Starter Program and one through the Australian Taxation Office's APS HR School Leaver Program. This program enables young people who have completed a Year 12 Certificate or equivalent in the past 24 months to access a structured and whole-of-government entry-level program through to permanent employment in the APS.

Terms and conditions of employment

Enterprise agreement

The department's current Enterprise Agreement nominally expired on 27 March 2019. As an alternative to enterprise bargaining for a new agreement, the department implemented a determination under subsection 24(1) of the *Public Service Act 1999* that provided non-SES staff with a 3% increase to base salary and allowances in March 2023. Previous determinations provided increases to base salaries and

allowances in March 2019, March 2020, March 2021, and March 2022. The existing Enterprise Agreement continues to apply to non-SES staff past its nominal expiry date, ensuring that the terms and conditions of employment are preserved.

In accordance with the *Public Sector Workplace Relations Policy 2023* the department commenced bargaining for a new enterprise agreement on 23 February 2023. This includes participating in service-wide bargaining for common terms and conditions of employment across the APS.

Non-salary benefits provided to employees

We provide our employees with a range of non-salary benefits including those targeting health and wellbeing, support for professional and personal development, opportunities for mobility through secondments and whole-of-government taskforces, access to flexible work arrangements and a range of unpaid leave entitlements. Additionally, the opportunities we offer across a diverse portfolio provide our staff with meaningful, impactful and rewarding work. Our policies and programs have a tangible impact and touch the lives of all Australians, which is a key motivator for staff and why they continue to work with us.

Flexible work arrangements

While flexible work arrangements have long played a role in how the department delivers its work, the COVID-19 pandemic saw flexible work arrangements increase across the department, with levels continuing to increase. As at 30 June 2023, 1071 operative staff had a formal home-based work arrangement, compared to 739 in the previous year. There are significant benefits associated with flexible work, including:

- > enhanced productivity and innovation
- > improved work–life balance
- > increased employee engagement, commitment and loyalty
- > reduced recruitment costs associated with separation rates
- > improved diversity and inclusion by facilitating favourable working arrangements.

The department has a suite of measures available to staff to enable them to work flexibly, including flex-time, part-time work arrangements, home-based work arrangements and compressed hours.

Learning and development

We are continuing the implementation of our 3-year learning strategy. The strategy aims to empower our people to learn, develop and increase their expertise through on-the-job experience and from each other. We emphasise building a culture of learning, deepening our expertise and knowledge of our specialist skills, and enabling our people to respond in a rapidly changing environment.

We are continuing to offer training on demand and have made it accessible from anywhere in an effort to support access across multiple locations. Adopting this way of working, we have shifted to building and delivering our programs through a hybrid learning model that incorporates both face-to-face and online learning.

In 2022–23, we focused on developing leadership and core capabilities across all levels of the department through a range of pilot initiatives, face-to-face training, webinars and other online resources. To ensure all staff are informed of their key obligations, responsibilities and duties within the department and as part of the APS, we have a staggered monthly rollout of our 7-mandatory e-learning modules for staff.

These modules are required to be completed each year to support all staff in understanding both their obligations and those of the department.

The 7 mandatory e-learning modules are:

- > Health, safety and wellbeing
- > Fraud awareness
- > Privacy awareness
- > Security awareness
- > Introduction to risk
- > Integrity in the APS and
- > Information matters.

We maintain a strong focus on engaging with our people to ensure that our learning and development opportunities are fit-for-purpose and that we are addressing any learning barriers that may exist. We will continue this focus, using the findings of the Capability Review to inform our learning and development priorities, build our future capability and ensure we continue to deliver on government priorities.

Diversity and inclusion

We continue to support our Diversity and Inclusion Committee, Diversity and Inclusion Champion and 6 employee-led diversity networks, each of which is supported by a dedicated SES Champion:

- > Indigenous Staff Network
- > Disability, Neurodiversity and Allies Network
- > Cultural and Linguistic Diversity Network
- > Gender Equality Network
- > Pride and Allies Network
- > Mental Health and Wellbeing Network.

We provide access to structured face-to-face and e-learning opportunities, including cultural appreciation training and have continued our association with peak professional organisations such as Diversity Council Australia, Pride in Diversity and the Australian Network on Disability.

In line with our Diversity and Inclusion Strategy 2021–2024, we launched a Mental Health and Wellbeing Framework and Action Plan as well as the Disability, Neurodiversity and Allies Strategy and Action Plan. These strategies contribute towards a culture of inclusion and support our goals of seeing an increase in the representation of:

- > employees with disability in our workforce to 7% by 2025 as per the APS Disability Employment Strategy 2020–2025
- > Aboriginal and/or Torres Strait Islander employees in our workforce to 5% by 2024, consistent with the Commonwealth Aboriginal and Torres Strait Islander Workforce Strategy 2020–2024.

Our employment goals align with the APS Disability Employment Strategy 2020–2025, the Commonwealth Aboriginal and Torres Strait Islander Workforce Strategy 2020–2024, and the APS Gender Equality Strategy 2021–26.

We have launched our 'Innovate' Reconciliation Action Plan (RAP). The RAP includes practical actions that drive our contribution to reconciliation and aims to enhance and build meaningful and beneficial relationships in partnership with Aboriginal and/or Torres Strait Islander peoples.

We maintain our commitment to the development of our employees by regularly acknowledging and celebrating events of significance and sharing opportunities and learnings.

Disability reporting

Australia's Disability Strategy 2021–2031 is the national disability policy framework which acts to ensure the principles underpinning the United Nations Convention on the Rights of Persons with Disabilities are incorporated into Australia's policies and programs that affect people with disability, their families and carers.

All levels of government continue to be held accountable for the implementation of the Strategy. Regular reporting will track if the Strategy is improving the lives of people with disability. This reporting will ensure all levels of government are working together. There will also be independent evaluations of the Strategy to see how well it is working.

Disability reporting is included in the APS Commission's State of the Service reports and the APS Statistical Bulletin. These reports are available at www.apsc.gov.au.

Human resource statistics

At 30 June 2023, the department had 2,032 employees (operative ongoing and non-ongoing). Women make up 60.6% of our workforce and 13.9% of our employees work part-time. Our employee separation rate during 2022–23 was 19.6%.

More employee statistics are provided at Appendix C: Employee statistics.



Financial management

Assets

The department is responsible for managing \$1.2 billion in non-financial assets, including right-of-use assets recognised under the Australian Accounting Standard for Leases, and assets recognised in the Administered Schedule of Assets and Liabilities.

The department administers a diverse range of assets, including but not limited to:

- > right-of-use assets and fit-out for its office accommodation
- > buildings and infrastructure used to deliver essential services in the Indian Ocean Territories, Jervis Bay Territory and Norfolk Island
- > artworks held by Artbank
- > a collection of artworks by Sir Sidney Nolan
- > Regional Backbone Blackspot Program communications equipment
- > the National Institute of Dramatic Arts building
- > buildings, ruins, reserves and collections of cultural and historical significance on Norfolk Island
- > historic aircraft
- > phosphate mining lease rights on Christmas Island.

The department's assets management processes were effective in 2022–23. In line with the department's asset revaluation schedule, all departmental assets excluding artwork were revalued during the 2022–23 financial year. The department also conducted a risk-based annual stocktake to ensure assets owned and controlled by the department are accurately recorded in the asset register.

Purchasing

The department's procurement policies and processes during 2022–23 were consistent with the principles of the Commonwealth Procurement Rules and PGPA Act. Appropriate controls are in place to ensure procurement activities are carried out in accordance with the rules and with legislative requirements.

The department undertakes competitive, non-discriminatory procurement processes, uses resources efficiently, effectively, economically and ethically, and makes decisions in an accountable manner. All procurement is undertaken in accordance with the core principle of value for money.

Information about significant procurement activities expected in 2022–23 is published on AusTender through the department's annual procurement plan. The plan is updated on an ongoing basis, when circumstances change.

Consultants

The department engages consultants when specialist expertise or independent research, review or assessment is required. Decisions to engage consultants during 2022–23 were made in accordance with the PGPA Act and related regulations, including the Commonwealth Procurement Rules and relevant internal policies. Before engaging consultants, we consider the skills and resources needed for the task, the skills available internally and the cost-effectiveness of engaging external expertise.

Annual reports contain information about actual expenditure on consultancy contracts. Information on the value of reportable consultancy contracts is available on AusTender.

During 2022–23, 95 new consultancy contracts were entered into, involving a total actual expenditure of \$10.1 million. In addition, 70 ongoing consultancy contracts were active during the period, involving a total actual expenditure of \$12.4 million.

The main categories under which consultants were engaged are:

- > legal services
- > auditing and accounting services
- > independent reviews
- > economic services
- > other professional services, including in relation to engineering, broadcasting, telecommunications and the arts.

Table 3.1 Reportable consultancy contracts 2022–23

	Number	Expenditure \$,000 (GST inc.)
New contracts entered into during the reporting period	95	10,154
Ongoing contracts entered into during a previous reporting period	70	12,433
Total	165	22,587

Source notes.

1. Table 3.1 figures include administered expenditure.

Table 3.2 Top 5 consultancy suppliers (by total expenditure value) 2022–23

Name of organisation	Organisation ABN	Expenditure \$,000 (GST inc.)
KPMG	51 194 660 183	2,290
PricewaterhouseCoopers Consulting	20 607 773 295	1,938
Turner & Townsend Pty Ltd	84 115 688 830	1,875
Aestra Pty Ltd	31 649 738 278	1,678
Ernst & Young	75 288 172 749	1,368

Source notes.

1. Table 3.2 figures include administered expenditure.

Non-consultancy contracts

Decisions to enter into arrangements for the purchase of goods and services during 2022–23 were made in accordance with the PGPA Act and related regulations, including the Commonwealth Procurement Rules and relevant internal policies.

Annual reports contain information about actual expenditure on non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on AusTender.

During 2022–23, 884 new non-consultancy contracts were entered into, involving total actual expenditure of \$54.9 million. In addition, 1,666 ongoing non-consultancy contracts were active during the period, involving total actual expenditure of \$434.9 million.

Table 3.3 Reportable non-consultancy contracts 2022–23

	Number	Expenditure \$,000 (GST inc.)
New contracts entered into during the reporting period	884	54,978
Ongoing contracts entered into during a previous reporting period	1,666	434,901
Total	2,550	489,879

Source notes.

1. Table 3.3 figures include administered expenditure.

Table 3.4 Top 5 non-consultancy suppliers (by total expenditure value) 2022–23

Name of organisation	Organisation ABN	Expenditure \$,000 (GST inc.)
Telstra Corporation Limited	33 051 775 556	312,421
Concentrix Services Pty Ltd	63 166 171 991	16,620
ASG Group Limited	57 070 045 117	12,086
Linx Stevedoring Pty Ltd	44 007 427 652	10,995
Data#3 Ltd	31 010 545 267	9,342

Source notes.

1. Table 3.4 figures include administered expenditure.

Procurement initiatives to support small and medium enterprises and Aboriginal and/or Torres Strait Islander businesses

The department supports small business participation in the Australian Government procurement market. Small and medium enterprises and small enterprise participation statistics are available on the Department of Finance's website.

We continue to meet government policy requirements in terms of supporting small and medium enterprises in the following ways:

- > We advocate and comply with the Commonwealth Procurement Framework
- > Where procurements are considered low risk and their value is below the procurement threshold of \$80,000 (GST inclusive), a streamlined process is followed
- > Our approach-to-market documents are clear and straightforward so as to help potential suppliers to produce a response that does not require extensive time and effort
- > For procurements valued under \$10,000 (GST inclusive), we encourage the use of payment by credit card
- > We use the Commonwealth Contracting Suite (CCS) for eligible procurements
- > We encourage the engagement of Indigenous businesses under the Indigenous Procurement Policy, noting that many Aboriginal and/or Torres Strait Islander businesses are small or medium enterprises.

We recognise the importance of ensuring that small businesses are paid on time in accordance with the Supplier Pay On-Time or Pay Interest Policy and/or Payment Times Procurement Connected Policy.

The results of the Survey of Australian Government Payments to Small Business are published by the department of the Treasury on its website.

The department supports the goals of the Indigenous Procurement Policy and we raise awareness of the Policy with our portfolio entities, many of which are not bound by the Policy. We have exceeded our 2022–23 portfolio target for supporting Aboriginal and/or Torres Strait Islander businesses. Further details are available on the National Indigenous Australians Agency website.

Australian National Audit Office access clauses

No contracts of \$100,000 or more (inclusive of GST) were entered into during 2022–23 that did not provide for the Auditor-General to have access to the contractor's premises.

Exempt contracts

No contracts during 2022–23 were exempted by the Secretary from publication on AusTender on the basis that it would disclose exempt matters under the *Freedom of Information Act 1982*.

Grants

Information on grants awarded by the department during 2022–23 is published at www.grants.gov.au

Spotlight

2022 International Telecommunication Union (ITU) Plenipotentiary Conference

Australia achieved its key objectives at the 2022 ITU Plenipotentiary Conference, including Australia's re-election to the ITU Council.

Australia's significant investment in ITU helps to position this important United Nations (UN) agency to support efficient, interoperable, accessible and affordable global telecommunication networks and services. Australia supports ITU outcomes and works to promote the principles of good governance through accountability and transparency in the ITU.

Notwithstanding that Australia's international environment is more contested and unpredictable than it has been for many years, our achievements at the 2022 ITU Plenipotentiary Conference can be ascribed to clear goal setting and communication, team work, whole-of-government cooperation and a commitment to investing in a network of strong partnerships.

Source: DITRDCA Corporate Plan 2022–23 p. 57



Spotlight

International Decade of Indigenous Languages 2022–2032

The National Agreement on Closing the Gap identifies 4 priority reform areas that will change the way that government works to accelerate improvements for First Nations peoples. Priority Reform One — Formal Partnerships and Shared Decision-Making is a critical step to ensuring that First Nations peoples have a strong voice in the development and design of the policies and programs that directly affect their lives.

To give tangible effect to this priority reform, the department established the International Decade of Indigenous Languages Directions Group (Directions Group) to develop a national action plan for Australia’s engagement in the United Nations Educational, Scientific and Cultural Organisation International Decade of Indigenous Languages 2022–2032 (the International Decade). The Directions Group comprises 18 members: 13 Aboriginal and Torres Strait Islander members, including 2 members representing First Languages Australia; and 4 ex officio members from key government agencies (the department, the Australian Institute of Aboriginal and Torres Strait Islander Studies, the Department of Foreign Affairs and Trade, the Department of Education and the National Indigenous Australians Agency).



Australia's National Action Plan — *Voices of Country* — has been co-authored in partnership between the Directions Group and the department. *Voices of Country* is a call to action for all sectors and stakeholders to change the tide on language loss. It is a strategic plan for the International Decade, framed through 5 inter-connected themes:

- > stop the loss
- > Aboriginal and Torres Strait Islander communities are centre
- > intergenerational knowledge transfer
- > caring for country
- > truth-telling and celebration.

The department has embedded partnership throughout the entire process — from the establishment of the group through to copyright ownership of *Voices of Country*.

Voices of Country was launched at the PULiiMA Language and Technology Conference on 23 August 2023.

Source: DITRDCA 2022–23 Corporate Plan 2022–23 p. 70





PART 4

Annual Performance Statements

Statement of preparation	64
Introduction	65
Performance Snapshot	73
Transport Connectivity — Outcomes 1 and 2	74
Regional Development — Outcome 3	100
Territories — Outcome 4	110
Communications Connectivity — Outcome 5	114
Creativity and Culture — Outcome 6	127

Statement of preparation

Accountable authority statement

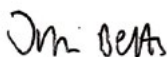
I, as the accountable authority for the Department of Infrastructure, Transport, Regional Development, Communications and the Arts, present the 2022–23 Annual Performance Statements for the Department of Infrastructure, Transport, Regional Development, Communications and the Arts (the department), which have been prepared for paragraph 39(1) (a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

In my opinion, these performance statements accurately present the department's performance for the year ending 30 June 2023 (section 16F of the *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule)) and comply with subsection 39(2) of the PGPA Act except for the effect of those matters described below where the department was unable to make an assessment:

- | | |
|--------------------------|--------------------------|
| > Performance measure 1 | > Performance measure 23 |
| > Performance measure 2 | > Performance measure 24 |
| > Performance measure 18 | > Performance measure 27 |
| > Performance measure 20 | > Performance measure 28 |
| > Performance measure 21 | > Performance measure 32 |
| > Performance measure 22 | > Performance measure 38 |

The Australian National Audit Office (ANAO) is currently undertaking an audit of the department's 2022–23 performance statements. I am aware that the ANAO may also form a view that the performance statements for certain measures do not meet the requirements of the PGPA Act.

The department has commenced its continuous improvement journey and is committed to improving its performance reporting to the public and the parliament. The department will continue its work to improve its performance reporting overall, including through the ongoing consideration of the feedback from the ANAO.



Jim Betts

Secretary of the Department of Infrastructure, Transport,
Regional Development, Communications and the Arts

15 September 2023

Introduction

The 2022–23 Annual Performance Statements outline the progress the department has made towards achieving its purposes:

- > Transport Connectivity
- > Regional Development
- > Territories
- > Communications Connectivity
- > Creativity and Culture.

The department is on a continuous improvement journey in regard to its performance information. Future corporate planning and performance reporting will further progress as we enhance our suite of performance measures to better represent and measure the department's large and varied body of work. The department has developed a Performance Framework for 2023–24, which will improve processes, strengthen consistency across reporting documents and present a new benchmark for assessing our performance.

Changes to our performance information

In January 2023, the ANAO commenced its annual performance statement audit. The audit is based on an assessment of the performance measures in our 2022–23 Corporate Plan, and our October 2022–23 Portfolio Budget Statements. This was done in conjunction with a management-initiated review of the same performance information.

Based on the findings of the management-initiated review, along with the interim findings of the ANAO audit, we reviewed the performance measures in the Corporate Plan 2022–23, and October 2022–23 Portfolio Budget Statements and made the following changes for the purpose of preparing the performance statements:

- > updated key activities, measures and targets to enable better understanding of our role and how we impact other government departments, industry and the community.

We did not publish an update to the Corporate Plan as the changes were finalised at the end of the reporting period. Table 4.1 below indicates where there is a variation to the key activities, performance measures and targets contained in the Corporate Plan 2022–23.

Table 4.1 Variations from the Corporate Plan 2022–23

Program	Measure	Change type	Rationale for change	Corporate Plan 2022–23 page
1.1	1	Performance measure	Amended to specify projects agreed to in the 'October Budget 2022–23'.	p. 22
1.1	1	Data source and methodology	Updated from the Corporate Plan 2022–23 to accurately reflect the data source and methodology.	p. 22
1.1	2	Key activity	The key activity has been updated to include 'to shape' to better align with the department's purposes and highlight the work undertaken by the department in delivering major projects.	p. 22
1.1	2	Data source and methodology	Updated from the 2022–23 Corporate Plan to accurately reflect the data source and methodology.	p. 22
1.1	Case study: Implementation of investment in intermodal terminals	Removal	The department is unable to report against the progress of investment in intermodal terminals as delivery of the project is outside of the department's control.	p. 23
2.1	3	Target b	Target b has changed from 'rail projects' to 'the Regional Australia Level Crossing Safety Program' to provide greater clarity of scope of the performance measure. The department cannot provide an accurate measure of performance as it does not have control of all rail programs. The Regional Australia Level Crossing Safety Program was confirmed in October 2022. ¹	p. 23
2.1	5	Change to target a	Target a amended to remove reference to activities undertaken by the department in the ordinary course of business.	p. 25

¹ For further information please see: [Regional railway level crossings to be upgraded](#).

				Corporate Plan 2022–23 page
Program	Measure	Change type	Rationale for change	
2.1	6	Key activity	The key activity was amended to directly relate to the performance measure.	p. 26
2.1	14	Key activity	The key activity was amended to remove the term and reference to <i>Effectiveness measure</i> .	p. 31
2.1	15	Key activity	The key activity was amended to remove the term and reference to <i>Effectiveness measure</i> .	p. 32
2.1	16	Key activity	The key activity was amended to remove the term and reference to <i>Effectiveness Measure</i>	p. 33
2.2	8	Target and data source	Updated from the Corporate Plan 2022–23 to enable the department to assess its performance against the target using valid data sources.	p. 27
2.2	8	Target b removed	Target b was removed as the data hub was 'established' in a previous financial year. The department does maintain and update the data hub, however cannot accurately report against this target as it is misleading and not an accurate assessment of the department's performance in the 2022–23 financial year. Information on the Data Hub can be found in the Highlights section on p. 3.	p. 27
2.2	9	Measure description	Removal of 'average time taken' and updated to 'time taken' to enable the department to accurately measure its performance against the targets.	p. 28
2.2	16	Key activity	The key activity was amended to remove the term and reference to <i>Effectiveness measure</i> .	p. 33
2.2	16	Update to target	Target has been updated from '10-year annual average', to '3-year annual average', to better enable comparison over time.	p. 33

Program	Measure	Change type	Rationale for change	Corporate Plan 2022–23 page
2.2	16	Update to data source and methodology	Data source and methodology updated from the Corporate Plan 2022–23 to align with updates made to the target.	p. 33
2.2	Case study: Heavy Vehicle Safety and Productivity Program and Bridges Renewal Program	Removal from Annual Performance Statements	Illustrative of the department's work, the case study has been removed from the performance section and will be reflected in another section of the Annual Report, see p. 26.	p. 24
2.3	11	Data source	Data source updated to include Ministerial documents on consideration/approval of department recommendations for Master Plans and Major Development Plans.	p. 29
2.3	11	Key activity	The key activity amended to remove 'policy' to better align with the performance measure.	p. 29
2.3	12	Data source	The data source has been updated from the Corporate Plan 2022–23 to include project completion reports, financial payments, and to clarify that 'Grants Hub' means 'Business Grants Hub'.	p. 30
2.3	12	Key activity	The key activity was amended to remove 'policy' to better align with the performance measure.	p. 30
2.3	13	Key activity	The key activity was amended to remove 'policy' to better align with the performance measure.	p. 30
2.3	13	Target	Updated to include 'eligible and approved communities' to enable the department to appropriately measure its performance against the target.	p. 30
2.3	17	Key activity	The key activity was amended to remove the term and reference to <i>Effectiveness</i> measure.	p. 33
2.3	17	Key activity	A new key activity 'Domestic aviation policy' included to directly relate to performance measure 17.	p. 33

				Corporate Plan 2022–23 page
Program	Measure	Change type	Rationale for change	
3.1	18	Key activity	Key activity amended to remove 'policy leadership' as performance measure 18 does not directly relate to this function.	p. 42
3.1	18	Performance measure	Performance measure description has been updated to specify the 4 legacy programs being reported on.	p. 42
3.1	18	Target	Target description has been updated to remove the reference to 'all' to reflect the change to the measure description.	p. 42
3.2	19	Key activity	The key activity was amended to remove 'policy leadership' as performance measure 19 does not directly relate to this function.	p. 42
3.3	20	Data source	Amended and updated to remove Australian Bureau of Statistics (ABS) and replace with correct data sources. ABS data was included in error.	p. 43
3.4	21	Data source and methodology	Updated and amended to include analysis of data from the Business Growth Hub.	p. 43
3.4	22	Key activity	The key activity was amended to remove the term <i>Effectiveness measure</i> .	p. 44
4.1	23	Key activity	The key activity was amended to remove the term <i>Effectiveness measure</i> .	p. 49
4.1	24	Key activity	The key activity was amended to remove the term <i>Effectiveness measure</i> .	p. 50
4.1	Case study: Supporting sea freight availability for Norfolk Island	Removal from Annual Performance Statements	Illustrative of the department's work, the case study has been removed from the performance section and will be reflected in another section of the Annual Report, see p. 27.	p. 50

Program	Measure	Change type	Rationale for change	Corporate Plan 2022–23 page
5.1	25	Key activity	The key activity was amended to remove the 'Peri Urban Mobile Program and Regional Connectivity Program' as performance measure 25 only relates to the <i>Mobile Black Spot Program</i> . The Corporate Plan 2023–24 includes performance measures related to all 3 digital connectivity programs.	p. 55
5.1	26	Target	Target amended to remove the term 'legislative'. Contractual arrangements to impose conditions on the use and provision of satellite services are legislated under the <i>Broadcasting Services Act 1992</i> and implied in VAST funding deeds.	p. 55
5.1	26	Data source and methodology	Amended to include additional information on total number of KPIs included in funding deed.	p. 55
5.1	26	Key activity	Performance measure 26 was misaligned with a policy advice related key activity in the Corporate Plan 2022–23 — it has been relocated to directly relate to the relevant key activity.	p. 55
5.1	26	Key activity	The key activity was amended to remove the term and reference to <i>Effectiveness measure</i> .	p. 55
5.1	28	Key activity	The key activity was amended to remove the term and reference to <i>Effectiveness measure</i> .	p. 57
5.1	29	Key activity	The key activity was amended to remove the term and reference to <i>Effectiveness measure</i> .	p. 58
5.1	30	Key activity	The key activity was amended to remove the term and reference to <i>Effectiveness measure</i> .	p. 58
5.1	30	Methodology	The methodology has been amended to include analysis of previous financial year data. This change is to accommodate for a lag in data and enable reporting against the target.	p. 58

				Corporate Plan 2022–23 page
Program	Measure	Change type	Rationale for change	
5.1	36	Key activity	The key activity was amended to remove the term and reference to <i>Effectiveness measure</i> .	p. 69
5.1	Case study: 2022 ITU Plenipotentiary Conference	Removal from Annual Performance Statements	Illustrative of the department's work, the case study has been removed from the performance section and will be reflected in another section of the Annual Report, see p 59.	p. 57
6.1	31	Data sources	Data sources updated to better enable the department to assess its performance against the target.	p. 66
6.1	34	Measure description	Art fairs were included in the measure description in the 2022–23 Corporate Plan in error — the 2023–27 Corporate Plan reflects the correct measure description. Current and forward targets, as well as data and the methodology directly relate exclusively to art centres.	p. 68
6.1	36	Key activity	The key activity was amended to remove the term and reference to <i>Effectiveness Measure</i>	p. 69
6.1	36	Target a	Removed reference to streaming video on demand as these services are not considered in statutory obligations	p. 69
6.1	37	Key activity	The key activity was amended to remove the term and reference to <i>Effectiveness Measure</i>	p. 70
6.1	38	Key activity	The key activity was amended to remove the term and reference to <i>Effectiveness Measure</i>	p. 71
6.1	Case study: International Decade of Indigenous Languages 2022–2032	Removal from Annual Performance Statements	Illustrative of the department's work, the case study has been removed from the performance section and will be reflected in another section of the Annual Report, see p. 60.	p. 70

Structure of the Annual Performance Statements

The Annual Performance Statements demonstrate a direct link between the department's activities throughout the year and the contribution towards achieving the department's purposes. The Annual Performance Statements are divided into chapters, with each chapter focusing on performance against each of the department's outcomes and purposes.

Each chapter contains:

- > a performance snapshot of achievement against the purpose
- > any changes made to performance information from the Corporate Plan 2022–23
- > results and analysis of performance against each performance measure.

Table 4.2 Results key 2022–23

Reporting result	Result calculation range
Target met	≥ 95%
Target substantially met	75% to 94%
Target partially met	50% to 74%
Target not met	≤ 49%
Data not available	Data is available after date of publication
Unable to make an assessment	The department determined it was unable to make an assessment or the measure did not fully comply with s16EA of the PGPA Rule

During 2022–23, the department included 2 additional results for reporting performance. These results were *target substantially met* and *unable to make an assessment*.

Performance Snapshot

A snapshot of the department's performance against its purposes is given in Table 4.3.

Table 4.3 Performance snapshot by purpose 2022–23

Purpose	Target met	Target substantially met	Target partially met	Target not met	No Target	Data not available	Unable to make an assessment
Transport Connectivity	10	0	3	0	1	1	2
Regional Development	1	0	0	0	0	0	4
Territories	0	0	0	0	0	0	2
Communications Connectivity	2	2	0	0	0	0	2
Creativity and Culture	2	0	1	1	1	1	2
Total	15	2	4	1	2	2	12

- i. Where measures do not have targets because they are demand driven (see measures 6 and 35), the department has reported on the achievements against the performance measure.
- ii. Where results could not be determined based on available data at the time of reporting (see measures 16 and 37), full data will be collected and reported when available in 2023–24.
- iii. Where the department was unable to make an assessment on the results (see measures 1, 2, 18, 20, 21, 22, 23, 24, 27, 28, 32 and 38) due to the methodology, use of third-party data not being verifiable or subject to external factors outside of the department's control, the department reported on the achievements against the performance measure.
- iv. We continually review our performance measures against the PGPA Act and Rule, ensuring they remain appropriate, relevant and free from bias.

Transport Connectivity — Outcomes 1 and 2



Purpose — Transport connectivity

Supporting an efficient, sustainable, competitive, accessible, safe and secure transport system and supporting jobs through infrastructure investment.

Outcome 1 — Improved infrastructure across Australia through investment in, and coordination of, transport and other infrastructure.

Outcome 2 — An efficient, sustainable, competitive, safe and secure transport system for all transport users through regulation, financial assistance and safety investigations.

Performance snapshot

Purpose	Target met	Target substantially met	Target partially met	Target not met	No Target	Data not available	Unable to make an assessment
Program 1.1 — Infrastructure Investment	0	0	0	0	0	0	2
Program 2.1 — Surface Transport	4	0	2	0	1	0	0
Program 2.2 — Road Safety	2	0	0	0	0	1	0
Program 2.3 — Air Transport	4	0	1	0	0	0	0
Total	10	0	3	0	1	1	2



Program 1.1 — Infrastructure Investment

The IIP 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 to improve connectivity for communities and freight.

Table of changes

Measure	Change type	Rationale
1	Performance measure	Amended to specify projects agreed to in the 'October Budget 2022–23'.
1	Data source and methodology	Updated from the Corporate Plan 2022–23 to accurately reflect the data source and methodology.
2	Key activity	The key activity has been updated to include 'to shape' to better align with the department's purposes and highlight the work undertaken by the department in delivering major projects.
2	Data source and methodology	Updated from the 2022–23 Corporate Plan to accurately reflect the data source and methodology.
Case study: Implementation of investment in intermodal terminals	Removal	The department is unable to report against the progress of investment in intermodal terminals as delivery of the project is outside of the department's control.

Key activities

Key activity	Performance measure
Deliver and manage the IIP	1
Lead policy (with the Department of Finance) to shape the delivery of major transport infrastructure projects	2

Results

Performance measure 1	Progress of land transport infrastructure investment projects agreed to in the October Budget 2022–23
2022–23 Target	By June 2023, projects progressed in accordance with agreed timeframes
2022–23 Result	Unable to make an assessment
Result summary	The department determined both the definition of ‘agreed timeframes’ and the general methodology, were insufficient to enable accurate reporting of the department’s performance against the measure. This is consistent with the findings of our internal assurance review of the performance information.
Data source and methodology	Analysis of departmental records and state and territory schedules to the National Partnership Agreement (NPA) on Land Transport Infrastructure Projects 2019–2024 on project progress.

Source: DITRDCA October 2022–23 Portfolio Budget Statements p. 38, DITRDCA Corporate Plan 2022–23 p. 22

Analysis of performance

The unverified 2022–23 results show the department progressed 54 of the 59 (92%), IIP projects committed to in the October 2022–23 Budget, including where necessary, identification and agreement of an appropriate delivery agency, and commencing discussions to plan and deliver these projects.

The process for commencing projects begins with an offer by the Minister to states and territories, followed by an official acceptance to the terms of Schedules to the NPA by the relevant state or territory Minister.

Acceptance of Schedule by states and territories

All states and territories, as parties to the NPA on Land Transport Infrastructure Projects 2019-2024, accepted the revised Schedules following the 2022–23 October Budget prior to 30 June 2023.

Appropriate funding profiles are reflected in the state and territory Schedules to the NPA. Where the relevant state or territory government did not agree to deliver projects from the October Budget, an appropriate delivery agency was agreed with local government authorities for projects progressed within the reporting period.

Moving forward, the department has updated its approach to measuring and reporting on its performance in progressing Land Transport Infrastructure Investment Projects. For more information on updated and improved performance measures, see the [2023–27 Department of Infrastructure, Transport, Regional Development, Communications and the Arts Corporate Plan](#).

Infrastructure Investment Program Strategic Review

The Australian Government has received the final report of the independent Strategic Review the Infrastructure Investment Program (IIP). The objectives of the review are to:

- > assess projects funded under the IIP and make recommendations on the merits of projects continuing
- > make recommendations for transitioning the IIP to a sustainable 10-year rolling pipeline that targets appropriately costed, nationally significant infrastructure projects
- > make recommendations on reforms to IIP sub-programs, such as the Roads to Recovery Program, including whether the Australian Government could deliver them more effectively
- > consider other relevant projects or matters as agreed in consultation with relevant jurisdictions.

Performance measure 2	Implementation of investment in intermodal terminals ²
2022–23 Target	Delivery milestones are met for each financial year
2022–23 Result	Unable to make an assessment
Result summary	<p>The department determined it was unable to verify third-party data to enable reliable reporting of the target for this measure. This is consistent with the findings of our internal assurance review of the performance information.</p> <p>The National Intermodal Corporation (NIC) is a Government Business Enterprise (GBE).³ This measure is being removed from future reporting cycles, as the department has an oversight role and is not responsible for the delivery aspects of GBE's. However, the NIC is required to table its Corporate Plan and Annual Report.</p>
Data source and methodology	Data is sourced from a range of corporate and period reporting from the NIC including its quarterly reports that detail progress against the NIC's Corporate Plan. Analysis of these reports and departmental records ensure NIC is on track.

Source: DITRDCA October 2022–23 Portfolio Budget Statements p. 38, DITRDCA Corporate Plan 2022–23 p. 22

Analysis of performance

The department, with the Department of Finance, is a joint shareholder of NIC. NIC is a Commonwealth company and maintains the data associated with this performance measure.

2 This is the final reporting period for this measure. This measure has been removed from the Corporate Plan 2023–27.

3 A Government Business Enterprise is a Commonwealth entity or Commonwealth company that is prescribed by the PGPA Act. The Australian Government's relationship to GBEs is similar to the relationship between a holding company and its subsidiaries.

Program 2.1 — Surface Transport

The surface transport program supports economic growth, makes travel safer and increases transport access through delivering programs, policies and regulation for efficient, sustainable, safer and better-connected road, rail and maritime sectors.

Table of changes

Measure	Change type	Rationale
3	Change to target b	The target b has changed from 'rail projects' to 'the Regional Australia Level Crossing Safety Program' to provide greater clarity regarding the scope of the performance measure. The department cannot provide an accurate measure of performance as it does not have control of all rail programs. The Regional Australia Level Crossing Safety Program was confirmed in October 2022. ⁴
5	Change to target a	Target a amended to remove reference to activities undertaken by the department in the ordinary course of business.
6	Key activity	The key activity was amended to directly relate to the performance measure.
14	Key activity	The key activity was amended to remove the term and reference to <i>Effectiveness measure</i> .
15	Key activity	The key activity was amended to remove the term and reference to <i>Effectiveness measure</i> .

Key activities

Key activity	Performance measure
Advise on and deliver better road safety as well as vehicle and rail regulation	3 and 8
Advise on and deliver policy for access to transport for people with a disability	4
Advise on technology advances in the road transport sector	5
Manage domestic maritime programs to support efficient sea trade	6
Implement the National Freight and Supply Chain Strategy and Action Plan	7
Supporting an efficient and sustainable transport system	14
Supporting a safe and accessible transport system	15, 16 and 17

⁴ For more information on the Regional Australia Level Crossing Safety Program see: [Regional Australia Level Crossing Safety Program/Department of Infrastructure, Transport, Regional Development, Communications and the Arts](#).

Results

Performance measure 3	Progress reforms for regulating vehicles and rail that support safety and productivity
2022–23 Target	<ul style="list-style-type: none"> a. Policy advice is high-quality, timely and evidence-based to support decision making on heavy vehicle and rail productivity and safety matters b. Funding is delivered for relevant programs such as the Heavy Vehicle Safety Initiative, Strategic Local Government Asset Assessment Project and the Regional Australia Level Crossing Safety Program
2022–23 Result	Target met
Result summary	<p>a. Target met During the 2022–23 financial year the policy advice was deemed to be of high quality, timely and evidence-based on an independent panel assessment.</p> <p>b. Target met During the 2022–23 financial year funding for the Heavy Vehicle Safety Initiative, Strategic Local Government Asset Assessment Project and the Regional Australia Level Crossing Safety Program was delivered.</p>
Data source and methodology	<ul style="list-style-type: none"> a. Analysis of relevant documents via an independent panel assessment. Documents were measured against a pre-determined criterion and subjected to an independent assessment and moderation process. b. Analysis of departmental records.

Source: DITRDCA October 2022–23 Portfolio Budget Statements p. 48, DITRDCA Corporate Plan 2022–23 p. 23

Analysis of performance

Policy advice assurance

A qualitative analysis of all policy submissions was undertaken by a panel of 3 departmental officers independent from the preparation or approval of the advice. Records were sourced from the Parliamentary Document Management System (PDMS),⁵ SharePoint and other relevant documents relating to the matter. The panel assessed the documents individually against a pre-determined criterion which identified the level of quality, timeliness and evidence-based results. The outcomes of the individual assessments were then subject to moderation by the panellists. It was observed that these areas had a consistently high standard across the majority of samples. Of the 6 policy documents assessed, all were found to have a moderated score of 4 and above which met the relevant quality standards required.

⁵ The PDMS is a digital platform that supports Ministerial level correspondence, briefings and submissions. Parliamentary Questions on Notice, Senate Estimates Briefings and Questions on Notice; Executive Level communications, and general communications and media.

Heavy Vehicle Safety Initiative, Strategic Local Government Asset Assessment, Regional Australia Level Crossing Safety Program

The department provided funding to relevant programs for heavy vehicles and rail that support productivity and safety, the Heavy Vehicle Safety Initiative, Strategic Local Government Asset Assessment Project, and the Regional Australia Level Crossing Safety Initiative.

Performance measure 4	Progress of reforms to the Disability Standards for Accessible Public Transport ⁶
2022–23 Target	Financial year delivery milestones set by the Infrastructure and Transport Ministers' Meetings (ITMM) are met
2022–23 Result	Target met
Result summary	During 2022–23, the ITMM milestone to come back in the first half of 2023 to agree to the second tranche of reforms for the Transport Standards, including advice on implementation was achieved.
Data source and methodology	Analysis of departmental records including papers to the ITMM.

Source: DITRDCA October 2022–23 Portfolio Budget Statements p. 48, Corporate Plan 2022–23 p. 24

Analysis of performance

In July 2022, the public consultation sessions for the Stage 2 Consultation Regulation Impact Statement concluded, with over 400 people participating in: 2 webinars, 3 roundtables, 4 workshops, 6 focus groups and 2 discussion boards.

Written submissions closed on 9 August 2022, with 84 submissions received. A broad range of ways to engage in the public consultation for the Stage 2 Consultation Regulation Impact Statement was provided. All documents were made accessible and translated into languages other than English, Easy English and Auslan, and workshops and roundtables included captions, and Auslan interpreters where required, and were delivered or co-facilitated by people with disability. The feedback from the public consultation sessions and written submissions was analysed by the department, along with the outcomes of a cost-benefit analysis, to determine the preferred options that were then incorporated into a Decision Regulation Impact Statement covering 60 reform areas and implementation arrangements for both stages.

On 9 June 2023, ITMM considered the Decision Regulation Impact Statement for Stage 2 and the implementation arrangements for both stages. ITMM agreed the second stage reforms and default implementation arrangements and tasked officials with developing a flexible implementation approach for the reforms that apply to existing assets and infrastructure.

⁶ This is the final reporting period for this measure. This measure will not be reported on in 2023–24.

Performance measure 5	Develop policy and regulatory advice, including supporting of trials and research, to support progress towards the safe, legal and nationally consistent introduction and uptake of Connected and Automated Vehicles (CAV) in Australia
2022–23 Target	<ul style="list-style-type: none"> a. Policy advice is high-quality, timely and evidence-based b. Commonwealth-led actions in the National Land Transport Technology Action Plan (NLTTAP) 2020–23 are substantially complete and progress is made towards developing the next iteration of the NLTTAP⁷ c. Progress on a national Automated Vehicle Safety Law (AVSL) and associated in-service framework meets the timeframes set by ITMM
2022–23 Result	Target partially met
Result summary	<p>a. Target met</p> <p>During the 2022–23 financial year the policy and regulatory advice was deemed to be of high quality, timely and evidence-based on an independent panel assessment.</p> <p>b. Target partially met</p> <p>Over the life of the NLTTAP 8 of the 11 actions have either been completed or are on track, and development of the next (2024–2027) action plan has commenced.</p> <p>c. Target partially met</p> <p>The department is continuing to work with the NTC and the states and territories to progress work on the AVSL and associated in-service frameworks.</p>
Data source and methodology	<ul style="list-style-type: none"> a. Analysis of departmental PDMS submissions and relevant documents via an independent panel assessment. Documents were measured against a pre-determined criterion and subjected to an independent moderation process. b. Analysis of progress of Commonwealth-led actions as reported in the NLTTAP Annual Review reports. c. Analysis of updates to ITMM on the progress of Commonwealth-led actions against the regulatory implementation roadmap for a national approach to the safety assurance of CAV.

Source: DITRDCA October 2022–23 Portfolio Budget Statements p. 49, DITRDCA Corporate Plan 2022–23 p. 25

⁷ The 2023–24 Portfolio Budget Statements omitted this target in error.

Analysis of performance

Policy advice assurance

A qualitative analysis of all policy submissions was undertaken by a panel of 3 departmental officers independent from the preparation or approval of the advice. Records were sourced from PDMS, as well as any other relevant documents relating to the program of work. The panel assessed the documents individually against a pre-determined criterion which identified the level of quality, timeliness and evidence-based results. The outcomes of the individual assessments were then subject to moderation by the panellists. It was observed that these areas had a consistently high standard across the majority of samples for high-quality, revised timeliness and evidence based. In some cases, the ability to meet the ITMM agreed timeframes was impacted by a delay in the initial decision to support a Commonwealth law (which was taken in February 2022 rather than November 2021, as initially anticipated), and changes in the authorising environment for the reforms due to a change in government. The agreed timelines were re-visited by ITMM and a new set of milestones agreed in June 2023. Of the 3 policy documents assessed, all were found to have a moderated score of 4 and above which met the relevant quality standards required.

National Land Transport Technology Action Plan

Over the life of the Action Plan (from 2020 to 2023), Commonwealth-led actions in the NLTTAP have either been completed or are on track. Work commenced to develop the next (2024–2027) iteration of the NLTTAP in partnership with states and territories, the National Transport Commission (NTC) and Austroads. Consultation with industry and the public was undertaken on *Draft Principles for a National Approach to Cooperative Intelligent Transport Systems (C-ITS) in Australia*, the results of which are informing development of the 2024–2027 Action Plan.

Automated Vehicle Safety Law

Progress has been made to draft instructions for the proposed Automated Vehicle Safety Law which are expected to be provided for consideration by ITMM in December 2023.

Performance measure 6	Performance of Tasmanian shipping programs, indicated through number of:⁸ a. claims paid (Tasmanian Freight Equalisation Scheme) b. rebates provided (Bass Strait Passenger Vehicle Equalisation Scheme)
2022–23 Target	No target set as programs are demand-driven
2022–23 Result	No target
Result summary	<ul style="list-style-type: none"> a. During the 2022–23 financial year, 16,975 Tasmanian Freight Equalisation Scheme claims for assistance were paid. b. During the 2022–23 financial year, 214,803 Bass Strait Passenger Vehicle Equalisation Scheme rebates were provided.
Data source and methodology	Quarterly reports are provided by Services Australia — the department conducts a quality assurance review of quarterly reports.

Source: DITRDCA October 2022–23 Portfolio Budget Statements p. 50, DITRDCA Corporate Plan 2022–23 p. 26

Analysis of performance

The two schemes are demand-driven and subject to economic conditions. It is not practical for the department to establish a target for the performance measure in order to measure the outcomes.

Payments for Tasmanian Freight Equalisation Scheme increased from the 2021–22 total of 16,515, showing the high level of demand for the program and supporting the reduction to the cost of shipping non-bulk goods.

Rebates for the Bass Strait Passenger Vehicle Equalisation Scheme increased from the 2021–22 total of 148,121, indicating the high level of demand for the program and helping reduce the cost of sea travel across Bass Strait for passengers.

8 This is the final reporting period for this measure. This measure has been removed from the Corporate Plan 2023–27.

Performance measure 7	Progress implementing the 'National Freight and Supply Chain Strategy for the next 20 years and beyond to 2040'
2022–23 Target	The 2021–22 annual report on national freight performance outcomes is complete and was presented to ministers in November 2022, and the Strategy's performance framework was updated by June 2023.
2022–23 Result	Target partially met
Result summary	Consideration of the annual report was delegated by ITMM to the Infrastructure and Transport Senior Official's Committee (ITSOC). ⁹ The National Freight and Supply Chain Strategy (the Strategy) 2021–22 Annual Report was completed and presented to ITSOC. The Strategy's performance framework was not updated by June 2023.
Data source and methodology	Analysis of departmental records including the National Freight and Supply Chain website, National Freight Performance dashboard and annual report and an independent Industry Reference Panel Statement.

Source: DITRDCA October 2022–23 Portfolio Budget Statements p. 50, DITRDCA Corporate Plan 2022–23 p. 26

Analysis of performance

The National Freight and Supply Chain Strategy's (the Strategy) 2021–22 Annual Report was provided to ITSOC on 13 October 2022. ITSOC considered and endorsed the annual report on 28 October 2022, and it was published on the Freight Australia website on 21 December 2022.

The 2021–22 Strategy's Annual Report provides progress updates on over 350 government initiatives. Some notable achievements in the report are included below.

Forty-six actions were completed¹⁰ across the Commonwealth, state and territories, including:

- > The Northern Australia Beef Roads Program was completed (National)
- > A feasibility study of a Canberra to Eden railway line was completed (ACT)
- > Projects were completed through the Fixing Country Roads Program (NSW)
- > The 10-year Zero Emission Vehicle (ZEV) Strategy and Action Plan was published (QLD)
- > The Victorian Commercial Ports Strategy was approved (Vic)
- > 2,913 projects were delivered through the Roads to Recovery Program (National).

The Strategy's performance framework was not updated by June 2023. Effectively measuring the performance of the Strategy is an ongoing challenge. Issues include

9 The ITMM provide a forum for intergovernmental collaboration, decision-making and progressing priorities of national importance. ITMM is supported by the ITSOC.

10 Further information can be found on page 86–89 of the Strategy's Annual Report, available at: 2021–22 Annual Report | National Freight and Supply Chain Strategy (freightaustralia.gov.au).

defining appropriate measures to include in the performance framework and having the data available to then support the measure. The Strategy is due for its first 5-year review in 2024, which will be brought forward to commence in the second half of 2023. The consideration of the performance framework is a key priority for the review.

Performance measure 14	Provide policy advice on reducing CO2 emissions consistent with Government commitments for the transport sector
2022–23 Target	<ul style="list-style-type: none"> a. Policy advice is high-quality, timely and evidence-based and adapts to the changing environment b. Active participation in relevant international fora c. Progress Australia’s engagement and activities under the Clydebank Declaration, Quad Green Shipping Taskforce and maritime low emission technology initiative with Singapore d. Updates to the Green Vehicle Guide to improve information on electric vehicles and charging infrastructure
2022–23 Result	Target met
Result summary	<p>a. Target met</p> <p>During the 2022–23 financial year the policy advice provided was deemed to be of high quality, timely and evidence-based on an independent panel assessment.</p> <p>b. Target met</p> <p>The department led the Australian delegation in negotiations at the 14th and 15th meetings of the International Maritime Organization (IMO) Intersessional Working Group (ISWG) on the reduction of greenhouse gas emissions from shipping. The department also participated at the 79th meeting of the decision-making IMO Marine Environment Protection Committee. These rounds of negotiations in 2022–23 and Australia’s active influence led to the IMO reaching agreement on a significantly more ambitious greenhouse gas emissions reduction strategy at the beginning of July 2023. More than 400 delegates from 174 member states, peak maritime industry bodies and non-governmental organisations participated in these negotiations.</p> <p>c. Target met</p> <p>The department has built a working relationship with its equivalent Singapore Government agency to establish a green and digital shipping corridor between our 2 counties by 2025, as a practical demonstration of the technologies and partnerships required to transition the shipping fleet to a low and zero carbon future. Singapore is a co-signatory of the Clydebank Declaration. The department has also continued its participation on the Quad Shipping Taskforce to steer its implementation of a practical approach for collaboration on green shipping corridors.</p> <p>d. Target met</p> <p>The department made a major update to the Green Vehicle website in July 2022 to revise existing information and included additional information about electric vehicles and charging infrastructure. The department also added new vehicle records to the Green Vehicle Guide.</p>

Performance measure 14	Provide policy advice on reducing CO2 emissions consistent with Government commitments for the transport sector
Data source and methodology	<ul style="list-style-type: none"> a. Analysis of departmental PDMS submissions and relevant documents via an independent panel assessment. Documents were measured against a pre-determined criterion and subjected to an independent moderation process b. Completed internal report on the engagement and outcomes of the 80th session of the IMO Marine Environment Protection Committee c. Joint Australian — Singapore leaders declaration (2 June 2023) Joint media release of the DITRDCA and the Maritime Port authority of Singapore (2 June 2023) d. Green Vehicle Guide website database

Source: DITRDCA October 2022–23 Portfolio Budget Statements p. 50, DITRDCA Corporate Plan 2022–23 p. 31

Analysis of performance

Policy advice assurance

A qualitative analysis of all policy submissions was undertaken by a panel of 3 departmental officers independent from the preparation or approval of the advice. Records were sourced from PDMS submissions as well as any other relevant documents relating to the matter. The panel assessed the documents individually against a pre-determined criterion which identified the level of quality, timeliness and evidence-based results. The outcomes of the individual assessments were then subject to moderation by the panellists. It was observed that these areas had a consistently high standard across the majority of samples. Of the 7 policy documents assessed, all were found to have a moderated score of 4 and above which met the relevant quality standards required.

The department recognises that the following analysis for b, c and d are activities, however it is demonstrating the work undertaken by the department and is reporting against the targets set in the Corporate Plan 2022–23.

Active participation in international fora

The government agreed the proposed Greenhouse Gas (GHG) reduction negotiation mandate for the Australian delegation at the critical IMO sessions — led by the department. The revised strategy, subsequently agreed by the IMO in the first week of July 2023 was better than expected and was within the scope of the delegation's negotiation mandate.

Clydebank Declaration, Quad Green Shipping Taskforce and maritime low emission technology initiative with Singapore

A bilateral agreement is dependent on the preparations of both countries to finalise. While a formal agreement is yet to be finalised, public statements committing to its development and finalisation have been made by both Australia and Singapore.

Green Vehicle Guide

A redesigned and updated Green Vehicle Guide website was launched in July 2022.

Performance measure 15	Provide policy advice supporting maritime safety
2022–23 Target	Policy advice is high-quality, timely and evidence-based to support decision making on the Review of Domestic Commercial Vessels Safety Legislation and Costs and Charging Arrangements
2022–23 Result	Target met
Result summary	During the 2022–23 financial year, the policy advice to support maritime safety provided was deemed to be of high-quality, timely and evidence-based after an independent panel assessment.
Data source and methodology	Analysis of departmental PDMS submissions via an independent panel assessment. Documents were measured against a pre-determined criterion and subjected to an independent moderation process.

Source: DITRDCA October 2022–23 Portfolio Budget Statements p. 50, DITRDCA Corporate Plan 2022–23 p. 32

Analysis of performance

Policy advice is high-quality, timely and evidence-based to support decision making on the Review of Domestic Commercial Vessels Safety Legislation and Costs and Charging Arrangements. To validate this a qualitative analysis of all relevant policy submissions was undertaken by a panel of 3 departmental officers independent from the preparation or approval of the advice. Records were sourced from PDMS submissions as well as any other relevant documents relating to the review. The panel assessed the documents individually against a pre-determined criterion which identified the level of quality, timeliness and evidence-based results. The outcomes of the individual assessments were then subject to moderation by the panellists. It was observed that these areas had a consistently high standard across the majority of samples. Of the 4 policy documents assessed, all were found to have a moderated score of 4 and above which met the relevant quality standards required.

Program 2.2 — Road Safety

The road safety program makes travel safer through coordinating a national strategic approach to improving road safety and working to make vehicles safer for all road users.

Table of changes

Measure	Change type	Rationale
8	Target and data source	Updated from the Corporate Plan 2022–23 to enable the department to assess its performance against the target using valid data sources.
8	Target (b) removed	Target b was removed as the data hub was 'established' in a previous financial year. The department does maintain and update the data hub, however, cannot accurately report against this target as it is misleading and not an accurate assessment of the department's performance in the 2022–23 financial year. Information on the Data Hub can be found in the Highlights section on p. 3.
9	Measure description update	Removal of 'average time taken' and updated to 'time taken' to enable the department to accurately measure its performance against the targets.
16	Key activity	The key activity was amended to remove the term and reference to Effectiveness measure.
16	Update to target	Target has been updated from '10-year annual average', to '3 year annual average', to better enable comparison over time.
16	Update to data source and methodology	Data source and methodology updated from the Corporate Plan 2022–23 to align with updates made to the target.
Case study: Heavy Vehicle Safety and Productivity Program and Bridges Renewal Program	Removal from Annual Performance Statements	Illustrative of the department's work, the case study has been removed from the performance section and will be reflected in another section of the Annual Report, see p. 24.

Key activities

Key activity	Performance measure
Advise on and deliver better road safety as well as vehicle and rail regulation	3 and 8
Regulate the supply of all road vehicles to the Australian market	9
Supporting a safe and accessible transport system	15, 16 and 17

Results

Performance measure 8	Progress of the implementation of: a. the National Road Safety Strategy for the decade 2021 to 2030; and b. the National Road Safety Data Hub
2022–23 Target	The first National Road Safety Action Plan for the National Road Safety Strategy 2021–2030 is agreed by Infrastructure and Transport Ministers and implementation commences
2022–23 Result	Target met
Result summary	The National Road Safety Action Plan 2023–25 (the Action Plan) was agreed and published on the Road Safety website.
Data source and methodology	Qualitative analysis that the Action Plan has been approved and implementation has commenced.

Source: DITRDCA October 2022–23 Portfolio Budget Statements p. 51, DITRDCA Corporate Plan 2022–23 p. 27

Analysis of performance

During the 2022–23 financial year, the National Road Safety Action Plan 2023–25 was agreed to by all Infrastructure and Transport Ministers at the 9 December 2022 ITMM. Following this agreement, the department published the outcome on the Road Safety website on 7 February 2023. The Australian Government commenced implementation.

The National Road Safety Data Hub (Data Hub) continues to be maintained with enhancements to its public data offerings. The establishment of this target was reported as *Target met* in the 2021–22 Annual Report. Key outputs for 2022–23 include:

- > The Data Hub updated the 2021 National Crash Dashboard, 2019 Hospitalised Injuries from Road Crashes tables and dashboard and Enforcement dashboard
- > First iteration of a Road Safety Data Catalogue.¹¹

¹¹ Reporting of work undertaken by the department in 2022–23 in relation to the Data Hub may introduce a level of bias, as part b of the measure has not been addressed. For more information, see the Table of Changes for Program 2.2).

Performance measure 9	Time taken to assess applications for road vehicle imports, and the implementation of Road Vehicle Standards legislation
2022–23 Target	<ul style="list-style-type: none"> a. 95% of applications are assessed within legislative timeframes b. All relevant legislation and legislative instruments are in place prior to the end of the transitional period
2022–23 Result	Target met
Result summary	<ul style="list-style-type: none"> a. During 2022–23, 99.95% of road vehicle import applications were assessed within legislative timeframes. b. During 2022–23, required Road Vehicle Standards (RVS) legislation was in place.
Data source and methodology	The department's Road Vehicle Regulator (ROVER) system and the Federal Register of Legislation.

Source: DITRDCA October 2022–23 Portfolio Budget Statements p. 51, DITRDCA Corporate Plan 2022–23 p. 28

Analysis of performance

Assessments within legislated timeframes allows for provision of road vehicles to the Australian market in a timely manner ensuring competition and choice in the motor vehicle industry. During the 2022–23 financial year, the department decided 31,933 applications, with only 0.05% applications assessed outside of the legislated timeframe.

An analysis of the Road Vehicle Standards (RVS) legislative framework conducted in the 2022–23 financial year found that all relevant and mandatory legislation and legislative instruments were in place prior to the 1 July 2021 commencement of the *Road Vehicle Standards Act 2018*. This includes 7 pieces of legislation and 13 legislative instruments. During 2022–23, the department worked to develop, improve and simplify guidance material to help industry participants better understand applicable legislative requirements and obligations prior to the end of the extended transitional period, which occurred on 30 June 2023. The department also worked with industry to identify legislative instruments that required amendment, in order that they remain best-suited for their regulatory objective, and developed relevant amending instruments for consideration of Ministers in 2023–24.

The RVS legislation transitional period commenced on 1 July 2021 and was originally supposed to cease on 30 June 2022. It was extended in March 2022 for an additional year through to 30 June 2023.

Performance measure 16	Reduction in the number of road fatalities and fatality rate per 100,000 population^{12,13}
2022–23 Target	The rolling 3-year annual average road fatalities is maintained or reduced
2022–23 Result	Data not available ¹⁴
Result summary	Preliminary data shows the rolling 3-year annual average road fatalities for the 2022 calendar year will likely be 1,134
Data source and methodology	<p>The 3-year rolling average for a particular year is calculated by averaging the counts for that year and the 2 previous years. The preliminary figure presented for the calendar year of 2022 is drawn from the Australian Road Deaths Database published by BITRE. This database is updated monthly. The data for more recent months is considered preliminary and subject to frequent revision by state and territory data providers.</p> <p>The rolling 3-year annual average road fatalities for 2019, 2020, and 2021 are drawn from the National Crash Database published by BITRE. This database is updated annually in October/November.</p> <p>Road fatality figures can be subject to change up to several years after the event occurrence, as more information about events becomes available and events are re-categorised.</p>

Source: DITRDCA October 2022–23 Portfolio Budget Statements p. 51, DITRDCA Corporate Plan 2022–23 p. 33

Analysis of performance

This was the first year the department measured the 3-year rolling average. To assist with comparison across years, the National Crash Database shows 3-year rolling average road fatalities in 2019, 2020 and 2021 were 1,182, 1,140 and 1,133 respectively.

Preliminary data from the Australian Road Deaths Database indicates that the expected 2022 rolling average will likely be between 1,150 and 1,190.

Trend analysis over the 3-year period

Due to the COVID-19 lockdowns, fatalities in 2020 were approximately 10% lower than predicted by trend analysis. The effects of COVID-19 lockdowns have meant that the later years will likely show an increase in road related deaths, as demonstrated in the data for the 2021 calendar year and the preliminary data for the 2022 calendar year. The COVID-19 lockdowns were just one factor and, further work is needed to understand other causes of the increase in road fatalities.

12 This measure has been replaced in the Corporate Plan 2023–24 to focus on the delivery of road safety grants programs and will not be reported on in 2023–24.

13 Measured by the rolling 3-year average road fatality rate per 100,000 population.

14 Data for the 2022 calendar year will be available in October/November 2023 and will be reported in the 2023–24 Annual Report.

The department is working with other government entities on the National Road Safety Strategy 2021–2030 (the Strategy) and National Road Safety Action Plan 2023–25 (Action Plan). The Strategy and Action Plan are commitments by all Australian Governments. The Strategy aims to reduce road deaths by 50% and serious injuries by at least 30% by 2030. The number of road deaths is a primary outcome indicator for the Strategy as a whole, not a measure for the Australian Government alone. This measure is not being reported on in 2023–24.

Program 2.3 — Air Transport

The air transport program facilitates investment in aviation infrastructure, ensures the aviation industry operates within a clear and robust regulatory framework, and provides Australian businesses and consumers with access to competitive international and domestic air services, as well as access to regional and remote areas.

Table of changes

Measure	Change type	Rationale
11	Data source	Data source updated to include Ministerial documents on consideration/approval of department recommendations for Master Plans and Major Development Plans.
11	Key activity	The key activity was amended to remove 'policy' to better align with the performance measure.
12	Key activity	The key activity was amended to remove 'policy' to better align with the performance measure.
12	Data source	The data source has been updated from the Corporate Plan 2022–23 to include project completion reports, financial payments, and to clarify that 'Grants Hub' means 'Business Grants Hub'.
13	Key activity	The key activity was amended to remove 'policy' to better align with the performance measure.
13	Target	Updated to include 'eligible and approved communities' to enable the department to appropriately measure its performance against the target.
17	Key activity	The key activity was amended to remove the term and reference to <i>Effectiveness measure</i> .
17	Key activity	A new key activity, 'domestic aviation policy' included to directly relate to performance measure 17.

Key activities

Key activity	Performance measure
Lead the design of the Western Sydney Airport flight path	10
Manage domestic aviation programs and regulation	11, 12 and 13
Supporting a safe and accessible transport system	15, 16 and 17
Manage domestic aviation policy	17

Results

Performance measure 10	Development and Environmental Assessment of Preliminary Flight Paths for Western Sydney International (Nancy-Bird Walton) Airport
2022–23 Target	Delivery milestones are met for 2022–23
2022–23 Result	Target partially met
Result summary	Environmental Assessment of the Preliminary Flight Paths has achieved milestones to enable public consultation in late 2023 of the draft Environmental Assessment.
Data source and methodology	Analysis of departmental records tracking project milestones and partners' reporting.

Source: DITRDCA October 2022–23 Portfolio Budget Statements p. 53, DITRDCA Corporate Plan 2022–23 p. 29

Analysis of performance

While the department was able to achieve 3¹⁵ of its 4 milestones, the target was partially met as variations were undertaken throughout the year to support additional modelling and scope of Environmental Assessment. There was a total of 10 variations and these variations had the effect of adding or moving milestones in the head contract, adding 3 months to the program schedule.

A movement of funds was undertaken this financial year to support the phasing of delivery to late 2026 in line with anticipated airport opening date.

15 Milestone 1 of the project refers to the delivery of the Program Plan. As a living document this is updated as conditions warrant, such as delays or scope change. Four of these updates occurred throughout 2022–23.

Performance measure 11	Percentage of Master Plans and Major Development Plans processed for federally leased airports within statutory timeframes
2022–23 Target	100% in each financial year
2022–23 Result	Target met
Result summary	100% of Master Plans for federally leased airports were processed within the statutory timeframes. 100% of Major Development Plans for federally leased airports were processed within statutory timeframes.
Data source and methodology	Analysis of ministerial consideration and approvals of departmental recommendations for Master Plans and Major Development Plans.

Source: DITRDCA October 2022–23 Portfolio Budget Statements p. 54, DITRDCA Corporate Plan 2022–23 p. 29

Analysis of performance

The statutory timeframe to process Master Plans and Major Development Plans for federally leased airports is within 50 business days as specified in the Airports Act 1996.¹⁶ During the 2022–23 financial year, the department processed 100% of Master Plans and Major Development Plans within statutory timeframes.

The department assessed 2 Master Plans and 2 Major Development Plans in 2022–23 in advance of a decision to approve, or refuse to approve, by the Minister. Master Plans for Melbourne and Hobart airports were assessed by the department within statutory timeframes. Major Development Plans for the Aeromedical Hub and the Airport Industrial Park at Brisbane Airport were similarly assessed by the department within applicable timeframes.

The Minister made decisions on all draft Master Plans and Major Development Plans within the statutory period, with 0% of plans automatically deemed approved in 2022–23.

Ministerial consideration of Master Plans and Major Development Plans ensures proposed land-use and developments on airports align with legislative and regulatory requirements, and maintain the safety and efficiency of aviation operations. Detailed assessment by the department and other relevant agencies, such as AirServices Australia, the Civil Aviation Safety Authority (CASA) and the Department of Climate Change, Energy, the Environment, and Water protect the community, general aviation participants, airport users, and state and local governments from incompatible or unsuitable developments or land planning decisions.

¹⁶ Under sections 89(5) and 94(6) of the Airports Act 1996, if the Minister has neither approved nor refused to approve a draft Master Plan or draft Major Development Plan by 50-business days after submission, the Minister is taken to have approved the Master Plan or Major Development Plan. Deemed approvals do not count as a decision towards the target for this measure.

Performance measure 12	Performance of the Regional Airports Program (RAP) and the Remote Airstrip Upgrade (RAU) program, indicated through number of completed projects: a. in regional Australia (RAP) b. in remote Australia (RAU)
2022–23 Target	In 2022–23, RAP and RAU projects are completed in line with their funding agreements. Both RAP and RAU continue for one round with RAP funding to 2024–25; and RAU funding to 2023–24
2022–23 Result	Target met
Result summary	During the 2022–23 financial year, 58 RAP and 28 RAU projects were completed in line with their funding agreements. As part of the May 2023 Budget, additional funding was allocated to RAU.
Data source and methodology	Analysis of funding agreements, project completion reports, financial payments, and reporting to the Business Grants Hub.

Source: DITRDCA October 2022–23 Portfolio Budget Statements p. 54, DITRDCA Corporate Plan 2022–23 p. 30

Analysis of performance

Some projects were impacted by flow-on impacts from the COVID-19 pandemic including difficulties for remote and regional communities in sourcing contractors, supply chain impacts and increased costs. A number of projects were also impacted by severe weather events, particularly heavy rainfall and flooding.

The department continues to work with grantees to review projects when issues arise and variations to project end dates may be agreed in certain circumstances.

Regional Airports Program (RAP)

During the 2022–23 financial year, 58 RAP projects were completed. Of these, 9 required variations to extend their completion dates due to impacts of the COVID-19 pandemic, subsequent contractor and supply chain impacts, cost increases, requirements for scope changes or severe weather events.

Remote Airstrip Upgrade (RAU) Program

During the 2022–23 financial year, 28 RAU projects were completed. Of these 10 required variations to extend their completion dates due to impacts of the COVID-19 pandemic, subsequent contractor and supply chain impacts, cost increases, requirements for scope changes or severe weather events.

The Australian Government provides funding for the RAP and the RAU to deliver improved safety and access to, and for, regional and remote Australian communities. Objectives of the RAP and RAU programs are:

- > improve the safety of aircraft, operators and passengers using regional airports or aerodromes (RAP) and remote and very remote airstrips (RAU) by assisting airport or aerodrome owners/operators to undertake essential works, promoting aviation safety and access for regional or remote communities
- > facilitate improved delivery of essential goods and services such as food supplies, health care and passenger air services
- > meet the operational requirements of aeromedical and other emergency services in the region
- > improve the connectivity of Australia’s regions to domestic and global market opportunities (RAP only) complement air services delivery to communities subsidised by the Australian Government’s Remote Air Services Subsidy (RASS) Scheme (RAU only).

As part of the May 2023 Budget, the Australian Government allocated an additional \$12 million for another round of the RAU.

Performance measure 13	Remote Air Services Subsidy (RASS) Scheme performance is indicated by eligible communities in remote and isolated areas of Australia having access to a regular air transport service for the carriage of passengers and goods
2022–23 Target	All eligible and approved communities are admitted and maintained in the RASS Scheme
2022–23 Result	Target met
Result summary	270 eligible and approved communities were maintained on the RASS Scheme. In addition, 4 new communities were added to the RASS Scheme in 2022–23.
Data source and methodology	Analysis of consolidated data from contracts with RASS air operators, and number of ports serviced through the RASS program.

Source: DITRDCA October 2022–23 Portfolio Budget Statements p. 54, DITRDCA Corporate Plan 2022–23 p. 30

Analysis of performance

To support Australians living in remote areas, the RASS Scheme subsidises regular air services for passengers and/or freight to remote and isolated communities of Australia. In 2022–23, 274 eligible and approved communities could access a weekly service providing connectivity with regional service centres. Four new communities were added to the Scheme in 2022–23.

The list of RASS communities is derived from an ongoing application-based process. Service is limited to consideration of those that lodge applications, which communities can do at any time. Few new applications are received in any year, with locations carrying over from previous years. Eligibility is driven by location and other access options.

Residents of eligible and approved remote First Nations communities and cattle stations have weekly access to a remote service centre. This facilitates medical visits and other professional appointments as well as deliveries of food and essential supplies.

Performance measure 17	Provide policy advice supporting aviation safety
2022–23 Target	Policy advice is high-quality, timely and evidence-based
2022–23 Result	Target met
Result summary	During the 2022–23 financial year the policy advice provided to support aviation safety provided was deemed to be of high quality, timely and evidence-based after an independent panel assessment.
Data source and methodology	Analysis of departmental PDMS submissions via an independent panel assessment. Documents were measured against a pre-determined criterion and subjected to an independent moderation process.

Source: DITRDCA October 2022–23 Portfolio Budget Statements p. 54, DITRDCA Corporate Plan 2022–23 p. 33

Analysis of performance

To validate that the policy advice was high-quality, timely and evidence-based in relation to the provision of advice supporting aviation safety, a qualitative analysis of all relevant policy submissions was undertaken. This was conducted by a panel of 3 departmental officers independent from the preparation or approval of the advice. Records were sourced from PDMS submissions as well as any other relevant documents relating to the program. The panel assessed the documents individually against a pre-determined criterion which identified the level of quality, timeliness and evidence-based results. The outcomes of the individual assessments were then subject to moderation by the panellists. It was observed that these areas had a consistently high standard across the majority of samples. Of the 5 policy documents assessed, all were found to have a moderated score of 4 and above which met the relevant quality standards required.

Regional Development — Outcome 3



Purpose — Regional Development

Improving living standards and facilitating economic growth in cities and regions including northern Australia.

Outcome 3 — Strengthening the sustainability, capacity and diversity of Australia's cities and regions including northern Australia, through facilitating local partnerships between all levels of government and local communities; through investment in infrastructure and measures that stimulate economic growth; and providing grants and financial assistance.

Performance snapshot

Purpose	Target met	Target substantially met	Target partially met	Target not met	No Target	Data not available	Unable to make an assessment
Program 3.1 — Regional Development	0	0	0	0	0	0	1
Program 3.2 — Local Government	1	0	0	0	0	0	0
Program 3.3 — Cities ¹⁷	0	0	0	0	0	0	1
Program 3.4 — Growing a stronger northern Australian economy	0	0	0	0	0	0	2
Total	1	0	0	0	0	0	4

17 This performance measure relates to Program 3.1 — Regional Development and Program 3.3 — Cities. The result has been reflected in Program 3.3.

Program 3.1 — Regional Development

The Regional Development program supports regional development and local communities through regionally focused stakeholder consultation and engagement, research, policy development and program delivery activities to create jobs, drive regional economic growth and build stronger regional communities.

Table of changes

Measure	Change type	Rationale
18	Key activity	Key activity amended to remove 'policy leadership' as performance measure 18 does not directly relate to this function.
18	Performance measure	Performance measure description updated to specify the 4 legacy programs being reported on.
18	Target	Target description has been updated to remove the reference to 'all' to reflect the change to the measure description.

Key activities

Key activity	Performance measure
Deliver programs to support regional development and local governments	18
Advise on and deliver City Deals and Regional Deals	20

Results

Performance measure 18	Performance in delivering legacy regional programs a. Community Development Grants Program (CDG) b. Stronger Communities Program (SCP) c. Building Better Regions Fund (BBRF) d. Regional Growth Fund (RGF)
2022–23 Target	By June 2023, 95% of contracted commitments in legacy programs were on target for completion
2022–23 Result	Unable to make an assessment
Result summary	The department has determined it had inadequate data and had not defined all relevant parameters to enable an unbiased assessment of performance for this measure. This is consistent with the findings of our internal assurance review of the performance information.
Data source and methodology	Analysis of departmental records and the DISR Grants Hub.

Source: DITRDCA October 2022–23 Portfolio Budget Statements p. 63, DITRDCA Corporate Plan 2022–23 p. 42

Analysis of performance

The department is reporting on the whole life of each Program (as listed below) for this performance measure.

The unverified results show that since 2013 to the end of the 2022–23 financial year, the department contracted a total of 1,446 projects out of the 1,481 CDG commitments. Of the 1,446 CDG contracted projects, 1,200 projects have been completed to the end of the 2022–23 financial year. A total of \$1.6 billion was expended across the Program.

Since 2015 to the end of the 2022–23 financial year, the department contracted 14,631 projects out of the 15,151 (97%) SCP projects. Of the 14,631 contracted projects for SCP, 14,217 (94%) have been completed to the end of the 2022–23 financial year. A total of \$150.6 million was expended across the Program.¹⁸

Since 2016 to the end of the 2022–23 financial year, the department contracted 1,292 projects out of the 1,293 (99.9%) in the BBRF. Of the 1,292 BBRF contracted projects, 955 projects (74%) were completed as at the end of the 2022–23 financial year. A total of \$734.4 million was expended across the Program.

Since 2018 to the end of the 2022–23 financial year, the department contracted 17 approved projects in the RGF. Of the 17 (100%) in the RGF contracted projects, 8 (47%) were completed to the end of the 2022–23 financial year. A total of \$216.7 million was expended across the Program.

¹⁸ The data provided is for Rounds 1 to 7.

Program 3.2 — Local Government

The local government program supports regional development and local communities through delivery of policy advice to the Australian Government and financial assistance to local governments to strengthen local government capacity and better support local communities.

Table of changes

Measure	Change type	Rationale
19	Key activity	Key activity amended to remove 'policy leadership' as performance measure 19 does not directly relate to this function.

Key activities

Key activity	Performance measure
Deliver programs to support regional development and local governments	19

Results

Performance measure 19	Financial assistance is provided to local government in accordance with the Local Government (Financial Assistance) Act 1995
2022–23 Target	Assistance is provided on time and aligned with the budget appropriation
2022–23 Result	Target met
Result summary	All quarterly payments for 2022–23 were made in accordance with Section 9 (4) and 12 (4) of the Local Government (Financial Assistance) Act 1995.
Data source and methodology	Analysis of departmental records including the Financial Management System and PDMS.

Source: DITRDCA October 2022–23 Portfolio Budget Statements p. 64, DITRDCA Corporate Plan 2022–23 p. 42

Analysis of performance

During 2022–23, the Australian Government provided a total of \$3.9 billion in untied funds under the Financial Assistance Grant program. This included an early payment from the 2023–24 estimated entitlement, to give councils immediate access to funds to assist with cash flow pressures.¹⁹ All quarterly payments for 2022–23 were made in accordance with Section 9 (4) and Section 12 (4) of the *Local Government (Financial Assistance) Act 1995*.

¹⁹ On 16 June 2023, the Prime Minister announced a 100% bring forward payment of the estimated 2023–24 Financial Assistant Grant entitlement be made to assist councils with cash flow pressures. The bring forward payment of \$3.1 billion was made to states and territories on 26 June 2023.

Program 3.3 — Cities

The cities program supports the development of more liveable and productive cities through programs and policies that support jobs and economic growth, manage population pressures and reduce congestion.

Table of changes

Measure	Change type	Rationale
20	Data source	Amended and updated to remove ABS and replace with correct data sources. ABS data was included in error.

Key activities

Key activity	Performance measure
Advise on and deliver City Deals and Regional Deals	20

Results

Performance measure 20	Number of City and Regional Deal commitments on track to be completed within agreed timeframes
2022–23 Target	Projects are delivered according to agreed milestones
2022–23 Result	Unable to make an assessment
Result summary	The department determined that the methodology underpinning the performance measure did not enable reliable or verifiable reporting against the target within the timeframes. This is consistent with the findings of our internal assurance review of the performance information. This performance measure relates to Program 3.1 — Regional Development and Program 3.3 — Cities.
Data source and methodology	The analysis of evidence provided by project proponents in milestone claim reports, and as part of regular project progress reporting.

Source: DITRDCA October 2022–23 Portfolio Budget Statements p. 65, DITRDCA Corporate Plan 2022–23 p. 43

Analysis of performance

City and Regional Deals

There are currently 9 City Deals and 2 Regional Deals the department is overseeing as well as the Albury Wodonga Regional Projects. The department works closely with delivery partners to progress milestones/projects where possible and seeks regular reporting to monitor project progression. Updates are provided through various progress status reports, executive board and working group meetings, and are used to demonstrate project milestone completion. Not all projects and commitments have agreed milestones or timeframes in Federation Funding Agreements if they are not funded by the Australian Government. Projects not funded by the Australian Government may have agreed milestones listed in implementation plans. These projects are not considered by the department's results against this measure.

Milestones

During 2022–23, there were circumstances preventing delivery of milestones in line with expected schedules. The below circumstances relate to both milestones that weren't met, and milestones that were met, after the expected scheduled date:

- > market responses to tenders not being within budget
- > identification of additional works that required additional funding from partner/s
- > construction delays stemming from COVID-19 supply chain disruptions
- > impacts of other infrastructure projects in the vicinity of the project causing delays to commencement
- > finalisation of negotiations of a new Federation Funding Agreement Schedule to allow payments.

This performance measure relates to Program 3.1 — Regional Development and Program 3.3 — Cities.

Program 3.4 — Growing a stronger northern Australian economy

Our North, Our Future: 2021-2026 — Targeted Growth is the government's current 5-year strategic plan for developing Northern Australia. From 2021 to 2026, the Australian Government will invest in transformational and enabling projects through a whole-of-government approach, in partnership with state and territory governments.

Table of changes

Measure	Change type	Rationale
21	Data source and methodology	Updated and amended to include analysis of data from the Business Growth Hub
22	Key activity	Key activity amended to remove the term Effectiveness Measure

Key activities

Key activity ²⁰	Performance measure
Progress key initiatives from and monitor whole-of-government implementation of the northern Australia agenda	21
Facilitating economic growth and diversification and increased liveability in northern Australia	22

Results

Performance measure 21	Implementing key initiatives of the northern Australia agenda ²¹
2022–23 Target	Progress implementation of key initiatives according to agreed milestones
2022–23 Result	Unable to make an assessment
Result summary	The department has determined it is unable to reliably report against the target for this measure. This is consistent with the findings of our internal assurance review of the performance information.
Data source and methodology	Analysis of departmental records tracking project milestones and partners' reporting via the Business Grants Hub at DISR.

Source: DITRDCA October 2022–23 Portfolio Budget Statements p. 66, DITRDCA Corporate Plan 2022–23 p. 43

20 The department does not have direct control of/or influence over the delivery of these key activities.

21 This is the final reporting period for this performance measure.

Analysis of performance

The unverified 2022–23 results show that grant agreements were finalised with all remaining successful Northern Australia Grant Program applicants. In total, almost \$80 million in funding is being delivered through 30 grant agreements to assist businesses and community organisations to expand, diversify or scale up operations in Northern Australia.

Performance measure 22	Impact of projects supported by the Northern Australia Infrastructure Facility (NAIF) during the financial year, indicated through:²² a. total number of new jobs created b. total number of new Indigenous jobs created
2022–23 Target	Year-on-year increase
2022–23 Result	Unable to make an assessment
Result summary	The department has determined that it is unable to report its performance against the measure as the data is third-party data held by a corporate Commonwealth entity and cannot be verified. This is consistent with the findings of our internal assurance review of the performance information. Additionally, the department does not control the outcomes related to the measure.
Data source and methodology	Analysis of NAIF jobs data from project proponents for each individual project.

Source: DITRDCA October 2022–23 Portfolio Budget Statements p. 66, DITRDCA Corporate Plan 2022–23 p. 44

Analysis of performance

Developing Northern Australia requires private and public sector contribution. The Australian Government, through the NAIF, is facilitating this through \$7 billion of funding providing concessional loans for infrastructure projects in Northern Australia.

In 2022–23, results show that, the department worked with NAIF to:

- > manage multiple consultation processes across Commonwealth agencies to support NAIF investment decisions
- > support the NAIF Board and the Secretary’s delegated representative
- > process Proposal Notices for Ministerial consideration within statutory timeframes
- > support the Minister for Northern Australia to pass amendments to improve the operation of the *Northern Australia Infrastructure Facility Act 2016*, through the inclusion of the Indian Ocean Territories and by increasing the NAIF appropriation by \$2 billion to \$7 billion through to 30 June 2026
- > support the Minister to publish a Statement of Expectations for the NAIF.

22 This is the final reporting period for this performance measure.

Territories — Outcome 4



Purpose — Territories

Providing governance frameworks and services to support communities in the territories.

Outcome 4 — Good governance and service delivery in the Australian territories including through the maintenance and improvement of the laws and services for non-self-governing territories, and the overarching legislative framework for self-governing territories.

Performance snapshot

Purpose	Target met	Target substantially met	Target partially met	Target not met	No Target	Data not available	Unable to make an assessment
Program 4.1 — Services to Territories	0	0	0	0	0	0	2
Total	0	0	0	0	0	0	2

Program 4.1 — Services to Territories

The Services to Territories Program provides good governance and service delivery in the Australian territories, including through the maintenance and improvement of the laws and services for non-self-governing territories, and the overarching legislative framework for self-governing territories.

Table of changes

Measure	Change type	Rationale
23	Key activity	Key activity amended to remove the term <i>Effectiveness measure</i>
24	Key activity	Key activity amended to remove the term <i>Effectiveness measure</i>
Case study: Supporting sea freight availability for Norfolk Island	Removal from Annual Performance Statements	Illustrative of the department's work, the case study has been removed from the performance section and will be reflected in another section of the Annual Report, see p. 27.

Key activities

Key activity	Performance measure
Providing governance frameworks and services in the territories	23 and 24

Results

Performance measure 23	Commonwealth legal and governance frameworks in Australia's territories are appropriate for the protection and wellbeing of the communities
2022–23 Target	Legal and governance frameworks are updated and improved in the financial year with territory-specific modifications as necessary ²³
2022–23 Result	Unable to make an assessment
Result summary	The department has determined it did not have control over the delivery of performance against this measure. This is consistent with the findings of our internal assurance review of the performance information.
Data source and methodology	Review of state-type frameworks and advice from state service providers.

Source: DITRDCA October 2022 23 Portfolio Budget Statements p. 71, DITRDCA Corporate Plan 2022–23 p. 49

Analysis of performance

While the department plays a critical role in monitoring, identifying and advising on potential improvements to the legal and governance frameworks of the territories, the making of legislation is largely a matter for government and Parliament.

Performance measure 24	Communities in the external territories and Jervis Bay Territory have services and essential infrastructure comparable to mainland Australia
2022–23 Target	Service delivery arrangements and contracts in financial year deliver services and essential infrastructure comparable to mainland Australia
2022–23 Result	Unable to make an assessment
Result summary	The department has determined it is unable to define the term 'comparable to mainland Australia' and is unable to make an overall assessment of its performance against this measure. This is consistent with the findings of our internal assurance review of the performance information.
Data source and methodology	Analysis of contracts with service providers, My School data, and the latest comparative review of Health services from 2019.

Source: DITRDCA October 2022–23 Portfolio Budget Statements p. 71, DITRDCA Corporate Plan 2022–23 p. 50

23 This measure has been amended in the Corporate Plan 2023–24 to remove the words comparable to mainland Australia.

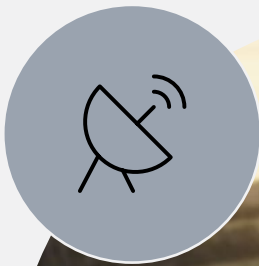
Analysis of performance

The unverified 2022–23 results show that the majority of services and infrastructure were delivered. A number of services in Norfolk Island are still in transition (from New South Wales legislation to Queensland legislation) and do not yet have a formal arrangement.

As data is insufficient to make a subjective and unbiased judgement on whether delivery has been 'comparable to mainland Australia' the department is unable to make an overall assessment of its performance against the measure.

This measure has been amended in the 2023–24 Portfolio Budget Statements (PBS) to remove 'comparable to mainland Australia'.

Communications Connectivity — Outcome 5



Purpose — Communications Connectivity

Enabling people in Australia to connect to effective, safe communications services.
Enabling investment in communications technologies, for inclusiveness and sustainable economic growth.

Outcome 5 — Promote an innovative and competitive communications sector through policy development, advice and program delivery, so all Australians can realise the full potential of digital technologies and communications services.

Performance snapshot

Purpose	Target met	Target substantially met	Target partially met	Target not met	No Target	Data not available	Unable to make an assessment
Program 5.1 — Digital Technologies and Communications Services	2	2	0	0	0	0	2
Total ²⁴	2	2	0	0	0	0	2



24 Performance measure 36 relates to Program 5.1 — Digital Technologies and Communications Services and Program 6.1 — Arts and Cultural Development. Results are reflected in Program 6.1 results.

Program 5.1 — Digital Technologies and Communications Services

To provide an environment in which all Australians can access and benefit from digital technologies and communications services, supporting inclusiveness and sustainable economic growth.

Table of changes

Measure	Change type	Rationale
25	Key activity	The key activity was amended to remove the <i>Peri Urban Mobile Program</i> and <i>Regional Connectivity Program</i> as performance measure 25 only relates to the <i>Mobile Black Spot Program</i> . The Corporate Plan 2023–24 includes performance measures related to all 3 digital connectivity programs.
26	Target	Target amended to remove the term 'legislative'. Contractual arrangements to impose conditions on the use and provision of satellite services are legislated under the <i>Broadcasting Services Act 1992</i> and implied in VAST funding deeds.
26	Data source and methodology	Amended to include additional information on total number of KPIs included in funding deed.
26	Key activity	Performance measure 26 was misaligned with a policy advice related key activity in the Corporate Plan 2022–23 — it has been relocated to directly relate to the relevant key activity.
26	Key activity	The key activity was amended to remove the term and reference to <i>Effectiveness measure</i> .
28	Key activity	The key activity was amended to remove the term and reference to <i>Effectiveness measure</i> .
29	Key activity	The key activity was amended to remove the term and reference to <i>Effectiveness measure</i> .
30	Key activity	The key activity was amended to remove the term and reference to <i>Effectiveness measure</i> .
30	Methodology	The methodology has been amended to include analysis of previous financial year data. This change is to accommodate for a lag in data and enable reporting against the data.
36	Key activity	The key activity was amended to remove the term and reference to <i>Effectiveness measure</i> .
Case study: 2022 ITU Plenipotentiary Conference	Removal from Annual Performance Statements	Illustrative of the department's work, the case study has been removed from the performance section and will be reflected in another section of the Annual Report, see p. 59.

Key activities

Key activity	Performance measure
Implementing and administering the Mobile Black Spot Program	25
Enabling safe, effective and inclusive communications services and technologies	26, ²⁵ 28, 29 and 30
Protecting and promoting Australian content and classification	36

Results

Performance measure 25	Amount of new and improved mobile coverage delivered in regions under the Mobile Black Spot Program
2022–23 Target	≥90% of total contracted (predictive) ²⁶ coverage is delivered through new assets for which asset completion reports are received in the financial year
2022–23 Result	Target met
Result summary	During 2022–23, a total of 6,420 km ² new handheld mobile coverage was delivered from 79 base stations. This results in 158% of the total contracted coverage of 4,056km ² from these assets.
Data source and methodology	Analysis of contracts and Asset Completion Reports (ACRs) to compare contracted coverage with delivered coverage across the program.

Source: DITRDCA October 2022–23 Portfolio Budget Statements p. 81, DITRDCA Corporate Plan 2022–23 p. 55

25 Performance measure 26 was misaligned with a policy advice related key activity in the Corporate Plan 2022–23 — it has been relocated to directly relate to the relevant key activity.

26 Predictive coverage modelling is the most recognised, efficient and accurate means by which mobile network operators plan, design, operate and maintain their mobile networks. Application software, such as Atoll, is commonly used across the mobile industry for this purpose, including in measuring the amount of coverage provided from a mobile base station.

Analysis of performance

A key objective of the Mobile Black Spot Program is to maximise the amount of new and improved mobile coverage being delivered to regional areas with poor or no existing coverage. This aims to ensure people living, working and travelling in the regions are able to realise the social, economic and safety benefits of improved mobile coverage.

The department closely manages the administration of the program with mobile providers to ensure contracted coverage outcomes are achieved. The funding agreements include provisions requiring that mobile providers seek approval for any variations to contracted handheld coverage of <90%, such as cases where a base station cannot be built at the contracted location for reasons beyond control of the mobile provider.

During the 2022–23 financial year, ACRs were received and approved for 79 new base stations delivered under the program. The total contracted coverage for these 79 base stations was 4,056km². When built, these 79 base stations exceeded the contracted metric, instead delivering new handheld coverage of 6,420km². This exceeded the total contracted coverage metric by 58%, providing greater handheld coverage benefits from these base stations in regional, rural and remote areas.

Additionally, in 2022–23, a total of 11,560 premises received new handheld mobile coverage from these assets. The department also exceeded the total contracted metric by 50%.

Performance measure 26	Access to Viewer Access Satellite Television (VAST), for viewers in terrestrial blackspots to receive a direct-to-home free to air television safety net service
2022–23 Target	In each financial year, satellite free-to-air television services, including on-air availability requirements, maintained in accordance with contractual arrangements
2022–23 Result	Target met
Result summary	The commercial free-to-air satellite television services were maintained in accordance with contractual arrangements, including meeting the on-air availability requirement.
Data source and methodology	Quarterly reporting from Regional Broadcasters against 3 of 4 key performance indicators (KPIs) in the funding deeds. The fourth KPI is not applicable as the parties to the VAST funding deed did not agree to a 'delay period'.

Source: DITRDCA October 2022–23 Portfolio Budget Statements p. 81, DITRDCA Corporate Plan 2022–23 p. 55

Analysis of performance

Providing effective communication services and technologies is essential to an inclusive and prosperous society. The VAST service provides free-to-air television services largely in regional and remote Australia, with programming sourced from the metropolitan networks.

VAST is a satellite safety net service for viewers in terrestrial television blackspots. The Australian Government has subsidised the costs of commercial free-to-air television channels on the VAST platform where reliable reception is not available. Around 260,000 Australian households rely on VAST direct to home services.

The continued availability of the VAST free-to-air satellite television safety net service has benefited viewers, particularly in remote and regional Australia, who are unable to access terrestrial transmissions due to remoteness or terrain. Without government funding these Australians would no longer have access to a commercial free-to-air television broadcasting service.

Performance measure 27	Effectiveness of support for sustainability of news and media industry²⁷
2022–23 Target	<ul style="list-style-type: none"> a. 100% of grant opportunities are published/announced b. 100% of grant agreements executed are consistent with the program objectives c. 95% of eligible applicants received funds within four weeks of decision
2022–23 Result	Unable to make an assessment
Result summary	The department has determined it is unable to provide assurance that reporting against this target is a valid measure of its performance to demonstrate achievement of the effectiveness of support for sustainability of the news and media industry. This is consistent with the findings of our internal assurance review of the performance information. Additionally, the result was unable to be supported by verifiable evidence against the measure.
Data source and methodology	Analysis of data from program management records.

Source: DITRDCA October 2022–23 Portfolio Budget Statements p. 81, DITRDCA Corporate Plan 2022–23 p. 56

27 This is the final reporting period for this performance measure. This measure will not be reported on in 2023–24.

Analysis of performance

The department has removed this measure for the 2023–24 reporting period. The contribution the department’s grant funding programs make to the effectiveness of support for sustainability of the news and media industry is not able to be measured by analysing the data provided by program management records. For this reason, the target measures are not valid. For future reporting periods, the department will aim to use more valid measures of effectiveness, such as program evaluations and other broader assessments of the effectiveness of policy interventions in the sector.

During 2022–23, the department provided support for the sustainability of the news and media industry through 4 grant funding programs: The Community Broadcasting Program, Journalist Fund, Supporting Regional and Local Newspapers and Supporting the Australian Associated Press.

Performance measure 28	Affordability of telecommunications services (mobile and fixed) on offer
2022–23 Target	Reporting in each financial year indicates affordability is maintained or increased
2022–23 Result	Unable to make an assessment
Result summary	<p>The department has determined it is unable to provide assurance that reporting against the affordability indicators is a valid measure of its performance. This is consistent with the findings of our internal assurance review of the performance information. As such, the department will be reconsidering this measure in future.</p> <p>In the current inflationary environment, prices for communications services have been increasing. The price rises however are slower than other increases across the economy overall. When considering other affordability data there is no clear trend, with one source indicating improvements (ADII), while the others reporting mixed results (ACCC and HILDA).</p>
Data source and methodology	Monitoring of reporting from the ABS, Australian Competition and Consumer Commission (ACCC), the Australian Digital Inclusion Index (ADII) and results from affordability indexes tracked by the BCARR, based on Household, Income and Labour Dynamics in Australia (HILDA) data.

Source: DITRDCA October 2022–23 Portfolio Budget Statements p. 81, DITRDCA Corporate Plan 2022–23 p. 57

Analysis of performance

Affordability is an important element of ensuring that all Australians can access telecommunication services. Affordability of telecommunications services is an inclusiveness issue, which impacts on social inclusion, participation and productivity.

During the period we analysed data from the ABS, ACCC, ADII as well as results from affordability indexes tracked by BCARR based on HILDA data. The unverified 2022–23 results show that:

ABS Consumer Price Index (CPI)

The weighted average of 8 capital cities' CPI for the Communications Group increased by 0.7% between the June 2022 quarter and June 2023 quarter. While this indicates an increase in the price of communication services, this price increase was the second lowest amongst all CPI groups. By comparison, the overall CPI for the same period increased by 6%.

ACCC price measurement

The ACCC price measurement shows mixed results, with increasing raw prices for telecommunications services, although once inclusions are considered the prices are lower. In the year to June 2022, the median price of fixed-line broadband plans increased 11.1%, mobile phone plans were steady and mobile broadband plans fell 11.5%. When considering the feature-adjusted prices, fixed-line plans fell 6%, mobile phone plans fell 11.6% and mobile broadband fell 15.3%.

ADII affordability measure

The ADII index improved from 93.1 in 2021 to 95 in 2022 at a national level. The number of households paying more than 10% of their household income to gain quality, reliable connectivity dropped by almost 10 percentage points from 14.1% in 2021 to 4.3% in 2022.

HILDA measures

The 3 affordability indexes tracked by BCARR are:

- > average expenditure on telecommunications
- > proportion of low-income, low-spending households
- > proportion of low-income, high-spending households.

Between wave 20 and 21, the proportion of low-income, high spending households increased (+0.7%) which indicates reduced affordability and increased financial stress. The other 2 indexes remained relatively stable (within +/- 0.25% compared to the previous year) indicating affordability was maintained.

The department continues to monitor affordability of telecommunications which remains important for ongoing awareness of digital inclusion, in particular for low-income earners.

This performance measure is under review and may be amended and/or removed in future corporate documents.

Performance measure 29	Access to communications for people with a disability, indicated through: a. National Relay Service (NRS) performance b. Audio description implementation by the national broadcasters c. Broadcaster captioning compliance
2022–23 Target	Reporting in each financial year indicates access is maintained or improved: a. NRS: Provider meets or exceeds contractual service levels b. Audio description: National broadcasters provide no less than 14 hours per week, on average, of audio described content c. Captioning: Broadcasters meet or exceed statutory captioning obligations
2022–23 Result	Target substantially met
Result summary	<p>a. Target met Internal assurance reviews of monthly performance reporting confirm that all service levels were met and the service delivered in accordance with contracted requirements</p> <p>b. Target met The national broadcasters exceeded target levels for the provision of audio described content</p> <p>c. Target substantially met In 2021–22, all 9 free-to-air broadcasters met or exceeded statutory requirements. In the same calendar year, all but one subscription TV licensee met or exceeded captioning requirements</p>
Data source and methodology	Analysis of the following data sources: a. NRS provider performance monthly reports b. Reporting on audio description from the national broadcasters c. ACMA annual captioning compliance report, published on its website each December for the prior financial year ²⁸

Source: DITRDCA October 2022–23 Portfolio Budget Statements p. 81, DITRDCA Corporate Plan 2022–23 p. 58

²⁸ There is a data lag for assessments of captioning levels.

Analysis of performance

National Relay Service

During the 2022–23 financial year, the NRS performance standards were met and the service provider fulfilled all contractual obligations. Under the NRS contract, Concentrix is required to provide an agreed range of call services for people who are deaf, hard of hearing and/or have speech communication difficulty.²⁹ The department conducted an internal assurance review of monthly performance reporting to confirm that all service levels were met and service delivered in accordance with contracted requirements.

Audio description

The Australian Broadcasting Corporation (ABC) reported that it provided an average of 89 hours per week of audio described content during 2022–23. The Special Broadcasting Service (SBS) reported that it provided an average of 145 hours per week of audio described content during 2022–23.

Captioning

The department receives data for captioning 9 months after the end of the reporting year cycle. For this reason, the department is reporting on results obtained for the 2021–22 financial year. The department will capture and report on the 2022–23 financial year data, as part of the 2023–24 Annual Performance Statements.

During the 2021–22 financial year, all 9 free-to-air broadcasters met or exceeded their captioning statutory requirements.³⁰ Where a failure or failures occurred, these were attributable to unforeseen technical difficulties and explained in accordance with the requirements at section 130ZZAB of the *Broadcasting Services Act 1992*.

Out of the 5 licensed subscription television broadcasters required to offer captioning, all but one met or exceeded required levels of captioning in the 2021–22 financial year.³¹ One broadcaster that did not meet required levels of captioning reported meeting or exceeding captioning requirements under the *Broadcasting Services Act* in the general entertainment, news and music categories. Two of its channels did not meet captioning targets in the sport category — this broadcaster has since surrendered its licence.

29 More detail on services offered by the NRS is available from www.accesshub.gov.au/about-the-nrs.

30 The captioning obligations of free-to-air television broadcasting licensees exist in Division 2 of Part 9D of the *Broadcasting Services Act 1992*. The captioning obligations of subscription television licensees exist in Division 3 of Part 9D of the *Broadcasting Services Act 1992*. Free-to-air broadcasters experienced technical difficulties which affected the percentage of captioning in 2022–23. Pursuant to the exceptions in section 130ZZAB *Broadcasting Services Act 1992*, these breaches were disregarded and it is determined the licensees fully complied with statutory obligations.

31 One additional licensee failed to meet captioning targets in one category in 2021–22, but has since surrendered its broadcasting license.

Performance measure 30	Levels of consumer complaint in telecommunications and post sectors ³²
2022–23 Target	12 month reporting shows maintained or improved consumer experience
2022–23 Result	Target substantially met
Result summary	<p>Reporting for the period shows generally lower complaints which is indicative of maintained or improved consumer experience in the telecommunications sector.</p> <p>Reporting for the period shows higher complaints which is indicative of maintained or decreased consumer experience in the postal sector, noting complaint levels are extremely low relative to the overall usage of postal services by consumers.</p>
Data source and methodology	<p>Data is not available for Quarter 4 of 2022–23 at the time of reporting. Therefore, complaints figures for Quarter 4 of 2021–22, and Quarters 1, 2 and 3 of 2022–23 were used for this report.³³</p> <p>Analysis of reporting on telecommunications complaints from the Telecommunications Industry Ombudsman (TIO) and the ACMA. We note the number of formal complaints measured by the TIO and the ACMA paints an incomplete picture of consumer experience. Other research and reports are also relevant, for example, What consumers want — Consumer expectations for telecommunications safeguards: A position paper for the telecommunications sector.</p> <p>Analysis of reporting from the Postal Industry Ombudsman (PIO) about Australia Post and analysis of broader postal trends.</p>

Source: DITRDCA October 2022–23 Portfolio Budget Statements p. 82, DITRDCA Corporate Plan 2022–23 p. 58

Analysis of performance

The department has limited or no direct control over consumer complaints and the resultant datasets. As such, this is the final reporting period for this measure.

The department receives Quarter 4 data for telecommunications and postal services after the end of the reporting year cycle. For this reason, the department is reporting on results obtained in Quarter 4 of 2021–22 and Quarters 1, 2 and 3 of 2022–23.

32 This is the final reporting period for this performance measure. This measure will not be reported on in 2023–24.

33 ACMA, TIO and PIO complaints data for Quarter 4 of 2022–23 is not available at the time the department completed its 2022–23 annual report. For this reason, the department has analysed figures for the year covering Quarter 4 of 2021–22 to Quarter 3 of 2022–23.

Telecommunications

Table 4.4 Reportable consultancy contracts 2022–23 (Telecommunications)

TIO overall complaints	2022–23	2021–22	2020–21
Quarter 1 (July – Sept)	16,283	21,432	34,396
Quarter 2 (Oct – Dec)	17,881	18,334	30,494
Quarter 3 (Jan – Mar)	17,777	21,928	30,315
Quarter 4 (Apr – June)	Not available	17,840	24,195

The overall TIO complaints figures in Quarter 4 of 2021–22 and Quarters 1, 2 and 3 during 2022–23 were lower than the equivalent periods in 2020–21 and 2021–22.

It should be noted that the figures in Quarters 2 and 3 for 2022–23 were materially impacted by the Optus data breach. However, despite this one-off event, complaints figures are trending down overall.

During the 12 months covering Quarter 4 of 2021–22 and Quarters 1, 2 and 3 of 2022–23, the overall number of complaints escalated to the TIO was lower than in the 12 months prior (Quarter 4 of 2020–21 and Quarters 1, 2 and 3 of 2022–23) — 69,781 compared to 85,889.

Table 4.5 Overall complaints to ACMA

ACMA overall complaints	2022–23	2021–22	2020–21
Quarter 1 (July – Sept)	255,034	277,050	270,356
Quarter 2 (Oct – Dec)	302,542	258,457	267,687
Quarter 3 (Jan – Mar)	240,683	247,931	274,115
Quarter 4 (Apr – June)	Not available	230,593	277,055

The overall ACMA complaints figures in Quarter 4 of 2021–22 and Quarters 1, 2 and 3 of 2022–23 were generally lower than the equivalent periods in 2020–21 and 2021–22. In Quarter 4 of 2021–22, there were 16.8% fewer complaints than in Quarter 4 of 2020–21, and a 17.5% decrease in complaints per 10,000 services in operation. In Quarter 1 of 2022–23 there were 7.9% fewer complaints than in Quarter 1 of the previous year (2021–22), and a 9.5% decrease in complaints per 10,000 services in operation. In Quarter 2, complaints figures increased by 17.1% when compared to Quarter 2 of the previous year (2021–22), with complaints per 10,000 services in operation rising by 13.6%. In Quarter 3, complaints decreased by 2.9% compared to the same period of the previous year (2021–22), with complaints per 10,000 services in operation also decreasing by 5.4%.

While ACMA complaints data is aggregated, complaints figures in Quarters 2 and 3 of 2021–22 would have been impacted heavily by the Optus data breach.

During the 12 months covering Quarter 4 of 2021–22 and Quarters 1, 2 and 3 of 2022–23 complaints were lower than in the 12 months prior (Quarter 4 of 2020–21 and Quarters 1, 2 and 3 of 2022–23) — 1,028,852 compared to 1,060,493.

Postal

Table 4.6 Overall complaints to the PIO

PIO overall complaints	2022–23	2021–22	2020–21
Quarter 1 (July – Sept)	1,053	922	1,042
Quarter 2 (Oct – Dec)	1,318	1,329	1,060
Quarter 3 (Jan – Mar)	1,092	1,062	851
Quarter 4 (Apr – June)	Not available	1,155	630

During the 12 months covering Quarter 4 of 2021–22 and Quarters 1, 2 and 3 of 2022–23, the overall number of complaints escalated to the PIO was higher than in the 12 months prior (Quarter 4 of 2020–21 and Quarters 1, 2 and 3 of 2022–23). Complaints levels are however still extremely low relative to the overall usage of postal services by consumers. Consumers may raise complaints about postal services when their experience doesn't meet their expectations. Generally, most complaints to the PIO originate when a consumer's experience seeking assistance from an operator has been unsatisfactory. Complaints in relation to systemic issues are less common within the operator's business based on information available from the PIO. The PIO process therefore largely assists to address gaps or deficiencies in processes and procedures that improves service levels and as a result, benefits consumers over time.

Creativity and Culture — Outcome 6



Purpose — Creativity and Culture

Supporting sustainable and inclusive creative and cultural sectors, and protecting and promoting Australian content and culture.

Outcome 6 — Participation in, and access to, Australia's arts and culture through developing and supporting cultural expression.

Performance snapshot

Purpose	Target met	Target substantially met	Target partially met	Target not met	No Target	Data not available	Unable to make an assessment
Program 6.1 — Arts and Cultural Development	2	0	1	1	1	1	2
Total	2	0	1	1	1	1	2

Program 6.1 — Arts and Cultural Development

To provide an environment in which all Australians can access and benefit from creative experiences and culture, supporting inclusiveness and growth in Australia's creative sector, and protecting and promoting Australian content and culture.

Table of changes

Measure	Change type	Rationale
32	Data sources	Data sources updated to better enable the department to assess its performance against the target.
34	Measure description	Arts fairs were included in the measure description in the 2022-23 Corporate Plan in error. The 2023–27 Corporate Plan reflects the correct measure description. Current and forward targets, as well as data and methodology directly relate exclusively to art centres.
36	Target a	Removed reference to streaming video on demand as these services are not considered in statutory obligations.
36	Key activity	The key activity was amended to remove the term and reference to <i>Effectiveness measure</i>
37	Key activity	The key activity was amended to remove the term and reference to <i>Effectiveness measure</i>
38	Key activity	The key activity was amended to remove the term and reference to <i>Effectiveness measure</i>
Case study: International Decade of Indigenous Languages 2022–2023	Removal from Annual Performance Statements	Illustrative of the department's work, the case study has been removed from the performance section and will be reflected in another section of the Annual Report, see p. 60.

Key activities

Key activity	Performance measure
Deliver policy and programs that support the cultural and creative sectors and enable all Australians to access and participate in cultural and creative activities	31, 32 and 33
Deliver policies and programs to support Australian cultural heritage, including Indigenous cultural heritage, arts, languages and repatriation	34 and 35
Protecting and promoting Australian content and classification	36
Supporting inclusive creative and cultural sectors	37 and 38

Results

Performance measure 31	Progress against the National Arts and Disability Associated Plan
2022–23 Target	The National Arts and Disability Strategy is renewed and implemented as a Commonwealth-only National Arts and Disability Associated Plan, including updating and maintaining the arts and disability resource hub
2022–23 Result	Target not met
Result summary	<p>In January 2023, the Australian Government committed \$5 million for implementation of a new Arts and Disability Associated Plan under the National Cultural Policy, <i>Revive: a place for every story, a story for every place (Revive)</i>. Work is underway to develop the new Associated Plan which will replace the National Arts and Disability Strategy.</p> <p>The arts and disability resource hub was maintained noting the focus on developing the Associated Plan.</p>
Data source and methodology	<p>Analysis of departmental records including the arts and disability resource hub. Key data sources include:</p> <ul style="list-style-type: none"> > <i>Revive</i>, Australia’s Cultural Policy for the next 5 years here: (arts.gov.au). > Records relating to the briefing of government on the Arts and Disability Associated Plan and relating to stakeholder engagement activities undertaken in 2022–23. > Maintenance activities occurred on the resource hub here: Arts and Disability Office for the Arts. On 11 April 2023 the webpage was updated to reflect the commitment to develop the new Arts and Disability Associated Plan under <i>Revive</i>.

Source: DITRDCA October 2022–23 Portfolio Budget Statements p. 91, DITRDCA Corporate Plan 2022–23 p. 66

Analysis of performance

The Australian Government committed to develop, fund and implement the new Arts and Disability Associated Plan in January 2023. Work is underway to deliver this commitment including stakeholder engagement activities. Throughout 2022–23, the arts and disability resource hub was maintained, noting that the focus of activities in 2022–23 has been to progress work on the National Arts and Disability Associated Plan.

The commitment to deliver the Associated Plan was informed by submissions from the arts and disability sector received as part of the *Revive* consultation, and targeted consultation with the sector on priorities. The Associated Plan is expected to be considered by government in 2024.

This measure has been amended for 2023–24 to reflect the commitment to develop a National Arts and Disability Associated Plan.

Performance measure 32	Number of students enrolled in courses at national performing arts training organisations
2022–23 Target	≥800 students in each calendar year
2022–23 Result	Unable to make an assessment
Result summary	The department determined it was unable to verify third-party data to enable reliable reporting of the target for this measure. This is consistent with the findings of our internal assurance review of the performance information.
Data source and methodology	Analysis of departmental records and training organisations' regular progress reports to the department.

Source: DITRDCA October 2022–23 Portfolio Budget Statements p. 91, DITRDCA Corporate Plan 2022–23 p. 67

Analysis of performance

The unverified 2022–23 results show that across the 7 funded national performing arts training organisations, 1,620 students enrolled in courses in their chosen field in the 2022 calendar year. This is a significant increase on 2021 which reflected an unverified result of 1,084 student enrolments.

Additionally, 3,196 students auditioned and 492 students successfully completed courses at these organisations. This is a slight decrease from the 2021 reporting period, and reflects the ongoing impacts following the COVID-19 pandemic.

Facilitating access to world-class training for all aspiring artists benefits all Australians.

Direct beneficiaries include students, audiences and arts organisations. Increased enrolments at the 7 national performing arts training organisations indicates a greater number of students training to meet the needs of the creative sector. Of the 7 funded organisations, the Australian Youth Orchestra offers only unaccredited courses and the Australian National Academy of Music predominantly offers unaccredited courses.

Data is included for students enrolled in courses at these organisations as they are core training programs.

Performance measure 33	Number of payments made to claimants (including authors, illustrators and publishers) through lending rights
2022–23 Target	≥16,000 payments to claimants in each financial year
2022–23 Result	Target met
Result summary	Under the Public and Educational Lending Right Schemes, 17,751 payments were made to eligible claimants totalling \$23.3 million. This result is consistent with previous program years.
Data source and methodology	Analysis is undertaken of the Lending Right System, including claimants' data and current and historical payment information for program years.

Source: DITRDCA October 2022–23 Portfolio Budget Statements p. 91, DITRDCA Corporate Plan 2022–23 p. 67

Analysis of performance

Lending right payments help to supplement lost income for creators and publishers due to the availability of their books in libraries and support the enrichment of Australian culture by encouraging the growth and development of Australian writing and publishing.

There was an increase in the number of eligible claimants and books included in the Public and Educational Lending Right surveys in 2022–23, and this correlates with an increase to the number of payments delivered to claimants.

Performance measure 34	Number of art centres funded through the Indigenous Visual Arts Industry Support (IVAIS) program
2022–23 Target	≥80 centres in the financial year
2022–23 Result	Target met
Result summary	87 Indigenous Art Centres were funded in 2022–23.
Data source and methodology	Analysis of data from the SmartyGrants grants management system and departmental records.

Source: DITRDCA October 2022–23 Portfolio Budget Statements p. 91, DITRDCA Corporate Plan 2022–23 p. 68

Analysis of performance

During the 2022–23 financial year, 87 Indigenous Art Centres were provided funding to support a professional, viable and ethical Indigenous visual arts industry that features strong participation, provides economic opportunities for First Nations people, and to fosters the continued production, exhibition, critique, purchase and collection of Indigenous visual art.

Indigenous art centres provide the infrastructure and relationships that allow artists to create new art, generate income, develop professional skills and connect to the commercial art market through partnerships with dealers and galleries, online sales and marketing and the transmission of culture.

Performance measure 35	Repatriation activities that support: a. securing new international agreements and facilitation of the repatriation of Aboriginal and Torres Strait Islander ancestral remains (ancestors) b. funding agreements executed under the Indigenous Repatriation Program — Museum Grants and facilitation of the repatriation of ancestors and secret sacred objects
2022–23 Target	Activities are responsive to domestic and international negotiations
2022–23 Result	No target
Result summary	<p>a. The department progressed international negotiations to secure 3 in-principle agreements and 2 formal agreements to repatriate from 5 collecting institutions in Germany, New Zealand and Switzerland. A new expert committee was formed with France to facilitate the future return of ancestors from public collections in that country. We also worked closely with First Nations communities to facilitate the return of 25 ancestors from the Smithsonian Institute in the United States of America (USA); 6 ancestors from the Oxford Museum of Natural History and 12 ancestors from the Pitt Rivers Museum in the United Kingdom (UK); and 6 ancestors from the State Ethnographic Collections in Germany. We also supported 7 communities to travel overseas to repatriate their ancestors from these institutions.</p> <p>b. 6 funding agreements were executed with domestic museums to support repatriation activities.</p>
Data source and methodology	Data is collated and aggregated through department program management systems.

Source: DITRDCA October 2022–23 Portfolio Budget Statements p. 91, DITRDCA Corporate Plan 2022–23 p. 68

Analysis of performance

The department achieved the results by working in partnership with First Nations people and their representative organisations in collaboration with other domestic and international stakeholders. The lifting of travel restrictions enabled the department to resume international and domestic travel to support consultations and returns to Australia and Country.

There has been a focus on improving collaboration with and between the domestic museums which included facilitating the annual museum repatriation officers’ meeting in April 2023. The return of ancestors and secret sacred objects offers healing to First Nations people consistent with the Australian Government’s National Cultural Policy and its Policy on Indigenous Repatriation.

Performance measure 36	Effectiveness of the current Australian content and classification frameworks
2022–23 Target	Reporting in each financial year shows organisations are meeting or exceeding statutory obligations: <ul style="list-style-type: none"> a. Australian content quota compliance b. 100% of classification decisions by the Classification Board and Classification Review Board made and published on the National Classification Database within statutory timeframes
2022–23 Result	Target partially met
Result summary	<p>a. Target met</p> <p>Statutory reporting to the ACMA in each financial year shows free-to-air commercial broadcasters and subscription television broadcasters are meeting and/or exceeding statutory obligations³⁴ in relation to Australian content quota compliance³⁵</p> <p>b. Target not met</p> <p>The Classification Board made and published 99.81% of decisions within statutory timeframes, with 4 decisions made outside the statutory timeframe. The Classification Review Board made and published 100% of decisions within the statutory timeframes. The target was not met due to technical constraints</p>
Data source and methodology	<ul style="list-style-type: none"> a. Analysis of ACMA compliance reports. b. Analysis of decision-making timeframes by the Classification Board and Classification Review Board and publication of decisions on the National Classification Database.

Source: DITRDCA October 2022–23 Portfolio Budget Statements p. 91, DITRDCA Corporate Plan 2022–23 p. 69

Analysis of performance

The Australian community benefits from having access to content that is produced in Australia and that reflects Australian culture and identity. Those benefits are cultural, social and economic. While streaming services continue to report voluntarily to ACMA, there is no statutory obligation to ensure their compliance.

Classification

Publishing classification decisions on the National Classification Database allows the Australian public to make informed decisions about what they, or those in their care, watch, read and play. Decisions are made by the Classification Board, Classification Review Board and by approved classification tools. Due to a technical changeover

34 While streaming services continue to report voluntarily to ACMA, there is no statutory obligation to ensure their compliance.

35 Statutory requirements for free-to-air commercial television broadcasters are in Part 9, Section 121G, 121H and 122 of the *Broadcasting Services Act 1992*. Statutory requirements for subscription television broadcasters are in Part 7, Division 2A of the *Broadcasting Services Act 1992*.

error, 3 decisions made by the Classification Board were one day overdue and one decision was 2 days overdue, resulting in the target not being met.

Under classification legislation, classification tool decisions are taken to be decisions of the Classification Board and they are published on the National Classification Database. There is no statutory timeframe for classification tool decisions. There are 3 approved classification tools which made the following volume of decisions in 2022–23:

- > Spherex Classification Tool for online films — 441
- > Netflix Classification Tool for online films — 1,421
- > IARC Global Rating Tool for mobile/online computer games — 300,596.

This performance measure relates to Program 5.1 — Digital Technologies and Communications Services and Program 6.1 — Arts and Cultural Development.

Performance measure 37	Impact of our activities to support Indigenous visual arts, languages and culture indicated through the number of Indigenous language centres and Indigenous art centres funded, the number of arts workers employed and artists active with funded art centres
2022–23 Target	Reporting in each financial year shows: <ul style="list-style-type: none"> a. ≥20 language centres in the financial year funded b. ≥450 Indigenous art centre workers employed c. ≥8000 artists engaged
2022–23 Result	Data not available
Result summary	<p>a. Target met Twenty-four Indigenous language centres were provided with annual operational funding.</p> <p>b. Data not available Data will be available in December 2023 and results will be reported in the 2023–24 annual report.</p> <p>c. Data not available Data will be available in December 2023 and results will be reported in the 2023–24 annual report.</p>
Data source and methodology	SmartyGrants grants management system and departmental records, including grant funding reports.

Source: DITRDCA October 2022–23 Portfolio Budget Statements p. 92, DITRDCA Corporate Plan 2022–23 p. 70

Analysis of performance

Language centres

Twenty-four language centres were provided with operational funding through the Indigenous Languages and Art program to deliver Indigenous language conservation and revitalisation services to the Indigenous language groups of their area. Community

members accessing the services of their local language centre can participate in cultural expression through language learning and usage activities.

Indigenous Art Centre and artists

Data not available. Data will be available in December 2023 and results will be reported in the 2023–24 Annual Report. The timing of data availability has changed since the 2021–22 reporting period. The 2021–22 Annual Report reports results for the 2021–22 year.

Performance measure 38	Impact of our arts and cultural activities to support regional access and participation, indicated through: a. projected audience numbers/participants involved with funded projects b. number of regional/remote locations that hosted funded projects
2022–23 Target	2021–22 was the first year of data capture. It is not envisaged that the numbers will increase each year, given the variety of projects funded and the fact that the programs are competitive grant programs
2022–23 Result	Unable to make an assessment
Result summary	The department has determined that the data sources could not be verified within the reporting timeframe to enable reliable reporting of the measure. This is consistent with the findings of our internal assurance review of the performance information. There was also no set target for this performance measure in the 2022–23 financial year.
Data source and methodology	Comparative analysis undertaken of departmental program data sourced from SmartyGrants, with Regional Arts Fund data provided by the program administrators Regional Arts Australia. Information collected from Office for the Arts programs that fund activities available to the public.

Source: DITRDCA October 2022–23 Portfolio Budget Statements p. 93, DITRDCA 2022–23 Corporate Plan p. 71

Analysis of performance

The department did not undertake analysis of 2022–23 data for this measure as it determined that data sources could not be verified. Additionally, the department identified a risk of potential distortion of data in the selection of datasets (due to the exclusion of grant activities for which data on part a and b of the measure were not available due to the nature of the funded activity).

The data for this measure is drawn from grant applications which identify forecast audience and participation numbers, and planned arts activity locations. Due to the timing of reporting on the financial year basis, the actual results of the activity are not known until a grant is acquitted.



PART 5

Financial Statements





INDEPENDENT AUDITOR'S REPORT

To the Minister for Infrastructure, Transport, Regional Development and Local Government

Opinion

In my opinion, the financial statements of the Department of Infrastructure, Transport, Regional Development Communications and the Arts (the Entity) for the year ended 30 June 2023:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2023 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2023 and for the year then ended:

- Statement by the Secretary and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Administered Schedule of Comprehensive Income;
- Administered Schedule of Assets and Liabilities;
- Administered Reconciliation Schedule;
- Administered Cash Flow Statement; and
- Notes to and forming part of the financial statements, comprising a Summary of Significant Accounting Policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

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Key audit matter**Valuation of Administered Advances and Loans**

Refer to Note 4.1B 'Administered – Trade and other receivables' and Note 7.3 'Administered – Financial Instruments'

I focused on this balance due to its significance to the financial statements and the complexity of the accounting treatment required for the measurement and valuation of advances and loans. The Entity administers a number of advances and loans, the most significant of which is the loan to NBN Co Limited.

Advances and loans are complex as they are required to be assessed by the Entity for impairment based on an expected credit loss model. This model requires the Entity to make judgements and assumptions about the likelihood that advances and loans will not be recovered, resulting in a credit loss. These judgements are predominantly based on expected cash flow forecasts, credit ratings and probabilities of default events occurring.

As at 30 June 2023 the value of administered trade and other receivables for advances and loans was \$8.6 billion.

How the audit addressed the matter

To audit the valuation of advances and loans, I performed the following procedures:

- evaluated the methodology adopted by the Entity to assess outstanding advances and loans for expected credit losses and impairment at 30 June 2023;
- assessed the reasonableness of key assumptions made by the Entity in the expected credit loss model by comparing them to:
 - publicly available information for comparable instruments relating to credit quality of loan counter parties, such as credit ratings and cash flow forecasts, where such information was available;
 - entity or industry benchmarks with appropriate adjustment for the specific loan arrangements; and
 - calculation and measurement of concessional loan discounts applied.
- tested the accuracy of calculations performed by the Entity within the expected credit loss model; and
- tested, on a sample basis, loans advanced and repayments receipted during the year to loan contracts to assess the accuracy of the amounts and actual interest rates applied.

Key audit matter**Valuation of Administered Investments accounted for using the discounted cash flow method**

Refer to Note 4.1D 'Administered - Other Investments'

I focused on this balance given the significant value of these investments to the financial statements and the judgement and estimation applied by the Entity in determining the fair value of these investments.

The discounted cash flow models used to determine the fair value of these investments require a high level of judgement and estimation by the Entity. This is because the primary inputs into these models, particularly estimated future cash flows, discount rates, taxation assumptions, terminal values and weighted average cost of capital applied, are not based on observable market data.

The complexity in determining the estimated fair value include the following inputs which have a significant impact on the estimation of the fair value of the investments:

How the audit addressed the matter

To address the key audit matter I have:

- assessed the competence and objectivity of management's valuation experts who performed the valuation for the Entity;
- tested the mathematical accuracy of the discounted cash flow model used to determine the investment value;
- assessed the appropriateness of the Entity's assumptions and inputs used in the valuation model, including cash flow, growth forecasts and the discount rate applied. This involved:
 - evaluating management's assessment of prior period evidence and the difference between estimates and current year actuals to assess the reliability of inputs used in the valuation process;

- the estimated future cash flow of the investments. This primarily relates to revenue, capital and operating expenditure forecasts. The complexity of estimating these cash flows is increased for NBN Co Limited due to further upgrade of the NBN network which will connect additional premises to fibre to the node technology and is estimated by the Entity to contribute to increased revenue growth;
- the estimation of the terminal value, including estimates of the amount of debt, gearing structure and associated financing assumptions included in the calculation;
- assumptions relating to whether the use of accumulated tax losses of investments should be included in the cash flow forecast, given there is uncertainty as to whether these losses would be available to a hypothetical purchaser;
- the determination of a discount rate and weighted average cost of capital, particularly whether the rate has been appropriately adjusted to reflect any specific risk and market premiums; and
- the level of complexity related to the preparation and presentation of financial statement disclosures relating to these financial instruments because the valuation models are based on unobservable market data.

As at 30 June 2023 the value of the investments recognised on the basis of discounted cashflows was:

- NBN Co Limited was \$19.5 billion;
- Australian Rail Track Corporation was \$1.8 billion; and
- Airservices Australia was \$0.7 billion.

- assessing the reasonableness of assumptions underpinning future cash flows, particularly future revenue and cost assumptions applied in the valuation model against estimates contained within corporate plans produced by each entity;
 - assessing the reasonableness of assumptions underpinning future cash flows, particularly future revenue and cost assumptions applied in the valuation model against estimates contained within corporate plans produced by each entity; and
 - assessing the reasonableness of assumptions underpinning the selection of an appropriate discount rate, particularly specific risk and market premiums influencing the rate calculated.
- assessed the Entity's comparison of key inputs used in the valuation model against available market information. This included comparing each company's earnings before income tax, depreciation and amortisation as a proportion of the investment value to similar listed companies with comparable business activities to confirm that they fall within a consistent range;
 - considered the sensitivity of the valuation by adjusting the discount rate, terminal value growth rate, probabilities attached to future scenarios to other outcomes that I considered reasonably foreseeable to confirm the value of the investment calculated by the Entity was within a reasonable range; and
 - assessed the adequacy of disclosures included in note 4.1D to the financial statements to determine whether the notes contained sufficient information relating to significant judgements and the impact of these in relation to the financial instruments.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Secretary is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Reduced Disclosure Requirements and the rules made under the Act. The Secretary is also responsible for such internal control as the Secretary determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Secretary is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Secretary is also responsible for disclosing, as applicable,

matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

From the matters communicated with the Accountable Authority, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Australian National Audit Office



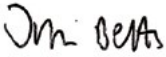
Rona Mellor PSM
Acting Auditor-General

Canberra
18 September 2023

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS
STATEMENT BY THE SECRETARY AND CHIEF FINANCIAL OFFICER**

In our opinion, the attached financial statements are based on properly maintained financial records and give a true and fair view of the Department of Infrastructure, Transport, Regional Development, Communications and the Arts' operations and financial position for the year ended 30 June 2023.

The financial statements comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act. In our opinion, at the date of this statement, there are reasonable grounds to believe that the department will be able to pay its debts as and when they fall due.



Jim Betts
Secretary

15 September 2023



Cha Jordanoski
Chief Financial Officer

15 September 2023

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS**
STATEMENT OF COMPREHENSIVE INCOME
for the period ended 30 June 2023

		2023	2022	Original Budget 2023
	Notes	\$'000	\$'000	\$'000
NET COST OF SERVICES				
Expenses				
Employee benefits	1.1A	267,309	241,662	261,106
Suppliers	1.1B	142,943	134,293	131,408
Grants and contributions	1.1C	5,580	7,873	4,400
Depreciation and amortisation	3.2A	42,222	38,266	36,963
Finance costs	1.1D	1,258	1,140	2,008
Write-down and impairment of assets	1.1E	7,015	1,375	-
Total expenses		466,327	424,609	435,885
Own-source income				
Own-source revenue				
Revenue from contracts with customers	1.2A	3,569	7,205	6,330
Rental income	1.2B	5,711	4,869	1,954
Other revenue	1.2C	2,720	3,129	5,580
Total own-source revenue		12,000	15,203	13,864
Gains				
Other gains	1.2D	10	298	570
Total gains		10	298	570
Total own-source income		12,010	15,501	14,434
Net cost of services		454,317	409,108	421,451
Revenue from Government	1.2E	428,356	414,308	404,420
Surplus/(Deficit) on continuing operations		(25,961)	5,200	(17,031)
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassification to net cost of services				
Changes in asset revaluation reserve		10,828	4,606	-
Total other comprehensive income		10,828	4,606	-
Total comprehensive income/(loss)		(15,133)	9,806	(17,031)

The above statement should be read in conjunction with the accompanying notes, including the budget variance commentary.

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS**
STATEMENT OF FINANCIAL POSITION
as at 30 June 2023

		2023	2022	Original Budget 2023
	Notes	\$'000	\$'000	\$'000
ASSETS				
Financial assets				
Cash and cash equivalents	3.1A	18,360	17,339	18,384
Trade and other receivables	3.1B	149,606	161,336	144,069
Accrued revenue		2,978	3,431	3,431
Total financial assets		170,944	182,106	165,884
Non-financial assets¹				
Buildings	3.2A	106,348	113,261	91,123
Heritage and cultural	3.2A	43,038	42,516	42,374
Property, plant and equipment	3.2A	20,264	20,318	16,620
Intangibles	3.2A	59,038	53,563	76,254
Other non-financial assets	3.2C	10,052	7,718	7,335
Total non-financial assets		238,740	237,376	233,706
Total assets		409,684	419,482	399,590
LIABILITIES				
Payables				
Suppliers	3.3A	25,017	28,166	25,966
Other payables	3.3B	13,992	13,206	5,246
Total payables		39,009	41,372	31,212
Interest bearing liabilities				
Leases	3.4A	87,075	98,148	79,457
Total interest bearing liabilities		87,075	98,148	79,457
Provisions				
Employee provisions	6.1A	76,870	70,619	84,153
Other provisions	3.5	700	631	631
Total provisions		77,570	71,250	84,784
Total liabilities		203,654	210,770	195,453
Net assets		206,030	208,712	204,137
EQUITY				
Contributed equity		45,277	32,826	45,282
Retained surplus		103,318	129,279	112,248
Reserves		57,435	46,607	46,607
Total equity		206,030	208,712	204,137

¹ Right-of-use assets are included in Buildings and Property, plant and equipment.

The above statement should be read in conjunction with the accompanying notes, including the budget variance commentary.

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS**
STATEMENT OF CHANGES IN EQUITY
as at 30 June 2023

	2023	2022	Original Budget 2023
	\$'000	\$'000	\$'000
CONTRIBUTED EQUITY			
Opening balance as at 1 July	32,826	11,837	32,826
Transactions with owners			
Return of contributed equity ¹	(5)	-	-
Contributions by owners			
Departmental Capital Budget	12,456	20,989	12,456
Total transactions with owners	12,451	20,989	12,456
Closing balance as at 30 June	45,277	32,826	45,282
RETAINED SURPLUS			
Opening balance as at 1 July	129,279	124,079	129,279
Comprehensive income			
Surplus/(Deficit) for the period	(25,961)	5,200	(17,031)
Total comprehensive income	(25,961)	5,200	(17,031)
Closing balance as at 30 June	103,318	129,279	112,248
ASSET REVALUATION RESERVE			
Opening balance as at 1 July	46,607	42,001	46,607
Comprehensive income			
Other comprehensive income			
Changes in asset revaluation reserve			
Non-financial assets	10,828	4,606	-
Total comprehensive income	10,828	4,606	-
Closing balance as at 30 June	57,435	46,607	46,607

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS**
STATEMENT OF CHANGES IN EQUITY
as at 30 June 2023

	2023	2022	Original Budget
	\$'000	\$'000	2023 \$'000
TOTAL EQUITY			
Opening balance as at 1 July	208,712	177,917	208,712
Comprehensive income			
Surplus/(Deficit) for the period	(25,961)	5,200	(17,031)
Changes in asset revaluation reserve			
Non-financial assets	10,828	4,606	-
Total comprehensive income	(15,133)	9,806	(17,031)
Transactions with owners			
Return of contributed equity ¹	(5)	-	-
Contributions by owners			
Departmental Capital Budget	12,456	20,989	12,456
Total transactions with owners	12,451	20,989	12,456
Closing balance as at 30 June	206,030	208,712	204,137

¹ Return of contributed equity relates to section 51 - *Appropriation Act (No. 1) 2021-22*.

The above statement should be read in conjunction with the accompanying notes, including the budget variance commentary.

Accounting Policy

Equity Injections

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and Departmental Capital Budget (DCB) are recognised directly in contributed equity in that year.

Restructuring of Administrative Arrangements

Net assets received from or relinquished to another Government entity under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity.

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS**
CASH FLOW STATEMENT
for the period ended 30 June 2023

	Notes	2023 \$'000	2022 \$'000	Original Budget 2023 \$'000
OPERATING ACTIVITIES				
Cash received				
Appropriations		460,342	424,199	416,412
Revenue from contracts with customers		4,604	4,948	-
Net GST received		16,560	15,402	15,402
Other		7,313	6,877	4,680
Total cash received		488,819	451,426	436,494
Cash used				
Employees		260,684	238,913	252,772
Suppliers and grants		165,653	162,534	140,803
Interest payments on lease liabilities		1,241	1,140	1,942
Section 74 receipts transferred to Official Public Account (OPA)		21,249	21,934	-
Total cash used		448,827	424,521	395,517
Net cash from operating activities		39,992	26,905	40,977
INVESTING ACTIVITIES				
Cash used				
Purchase of buildings		2,539	821	2,789
Purchase of property, plant and equipment		5,331	9,796	7,362
Purchase of intangibles		20,302	18,367	22,305
Total cash used		28,172	28,984	32,456
Net cash (used by) investing activities		(28,172)	(28,984)	(32,456)
FINANCING ACTIVITIES				
Cash received				
Departmental Capital Budget		12,519	28,984	12,456
Total cash received		12,519	28,984	12,456
Cash used				
Principal payments of lease liabilities		23,318	21,666	19,932
Total cash used		23,318	21,666	19,932
Net cash from/(used by) financing activities		(10,799)	7,318	(7,476)
Net increase in cash held		1,021	5,239	1,045
Cash and cash equivalents at the beginning of the reporting period		17,339	12,100	17,339
Cash and cash equivalents at the end of the reporting period	3.1A	18,360	17,339	18,384

The above statement should be read in conjunction with the accompanying notes, including the budget variance commentary.

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS**

for the period ended 30 June 2023

Explanations of Major Departmental Budget Variances

The table below provides explanations for significant variances between the departmental budget estimates, as published in the 2022–23 October Portfolio Budget Statements, and the actual financial performance and position for the year. The budget is not audited. Variances are treated as significant when it is considered important for a reader's understanding or is relevant to an assessment of the discharge of accountability and for the analysis of the department's performance. The nature and timing of the Australian Government budget process can also contribute to the variances.

Affected line items	Explanation of major variances
Grants and contributions (Statement of Comprehensive Income)	The increase of \$1.2 million primarily relates to a transfer of appropriation from departmental to administered within the Public Interest Telecommunications Services Special Account and a grant paid to state museums.
Depreciation and amortisation (Statement of Comprehensive Income), Non-financial assets (Statement of Financial Position), Reserves (Statement of Changes in Equity)	All departmental asset classes, except for heritage and cultural, were revalued. This has resulted in increased depreciation and amortisation for non-financial assets. Other adjustments were driven from asset management, including stocktake and impairment.
Revenue from contracts with customers (Statement of Comprehensive Income)	The decrease of \$2.8 million in revenue from contracts with customers is due to a reduction in secondees to other departments.
Rental income (Statement of Comprehensive Income)	The increase of \$3.8 million in rental income is due to higher Artbank artwork leasing and property subleasing.
Other revenue (Statement of Comprehensive Income)	The decrease of \$2.9 million in other revenue is due to lower than expected annual contributions into special accounts.
Other non-financial assets (Statement of Financial Position)	The increase of \$2.7 million for other non-financial assets is primarily due to timing of prepayments relating to administration of grants and information technology expenses.
Other payables (Statement of Financial Position)	The increase of \$8.7 million for other payables is related to higher employee benefits accrued due to more working days up to 30 June.

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS
ADMINISTERED SCHEDULE OF COMPREHENSIVE INCOME**
for the period ended 30 June 2023

		2023	2022	Original Budget 2023
	Notes	\$'000	\$'000	\$'000
NET COST OF SERVICES				
Expenses				
Employee benefits	2.1A	17,255	15,871	16,948
Suppliers	2.1B	583,413	586,428	700,419
Subsidies	2.1C	1,080,866	1,832,724	1,017,995
Grants	2.1D	6,338,496	6,800,195	4,680,531
Depreciation and amortisation	4.2A	56,829	50,904	62,482
Impairment loss on financial instruments	4.1C	174,970	31,372	24,559
Write-down and impairment of assets	2.1E	2,761	920	-
Payments to corporate Commonwealth entities	2.1F	2,156,760	2,116,640	2,160,012
Concessional loans		54,092	82,880	-
Other expenses	2.1G	13,346	16,557	148,877
Total expenses		10,478,788	11,534,491	8,811,823
Income				
Revenue				
Taxation revenue				
Taxes	2.2A	31,658	34,160	29,872
Total taxation revenue		31,658	34,160	29,872
Non-taxation revenue				
Revenue from contracts with customers	2.2B	48,443	43,807	52,891
Levies, fees and fines	2.2C	151,925	149,640	166,853
Interest	2.2D	382,151	464,431	379,632
Dividends	2.2E	21,805	124,086	21,805
Rental income	2.2F	4,412	4,485	4,382
Other revenue	2.2G	14,781	5,344	9,865
Total non-taxation revenue		623,517	791,793	635,428
Total revenue		655,175	825,953	665,300
Gains				
Gains from sale of assets		8	27,610	-
Other gains	2.2H	6,151	1,253	-
Total gains		6,159	28,863	-
Total income		661,334	854,816	665,300
Net cost of services		(9,817,454)	(10,679,675)	(8,146,523)
(Deficit)		(9,817,454)	(10,679,675)	(8,146,523)
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassification to net cost of services				
Changes in asset revaluation reserve		(2,740,596)	1,451,750	-
Total other comprehensive income/(loss)		(2,740,596)	1,451,750	-
Total comprehensive (loss)		(12,558,050)	(9,227,925)	(8,146,523)

The above statement should be read in conjunction with the accompanying notes, including the budget variance commentary.

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS**
ADMINISTERED SCHEDULE OF ASSETS AND LIABILITIES
as at 30 June 2023

		2023	2022	Original Budget 2023
	Notes	\$'000	\$'000	\$'000
ASSETS				
Financial assets				
Cash and cash equivalents	4.1A	65,176	50,039	50,039
Trade and other receivables	4.1B	8,635,934	9,204,135	8,880,866
Investments	4.1D	39,254,275	38,601,862	42,681,499
Other financial assets	4.1E	-	77,577	82,305
Total financial assets		47,955,385	47,933,613	51,694,709
Non-financial assets				
Land and buildings	4.2A	213,510	224,466	210,454
Heritage and cultural	4.2A	184,866	185,576	183,695
Property, plant and equipment	4.2A	469,756	492,848	537,504
Intangibles	4.2A	69,975	4,407	4,407
Inventories	4.2B	3,074	3,067	3,067
Prepayments		3,305	3,078	3,158
Total non-financial assets		944,486	913,442	942,285
Total assets administered on behalf of Government		48,899,871	48,847,055	52,636,994
LIABILITIES				
Payables				
Suppliers	4.3A	351,784	338,561	272,749
Subsidies	4.3B	12,729	44,675	38,573
Grants	4.3C	178,774	145,219	147,657
Other payables	4.3D	6,329	8,073	377,686
Total payables		549,616	536,528	836,665
Provisions				
Employee provisions	6.1B	3,623	3,900	4,242
Loan commitment provision		171,237	271,361	-
Other provisions	4.4	877,127	809,524	767,772
Total provisions		1,051,987	1,084,785	772,014
Total liabilities administered on behalf of Government		1,601,603	1,621,313	1,608,679
Net assets		47,298,268	47,225,742	51,028,315

The above statement should be read in conjunction with the accompanying notes, including the budget variance commentary.

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS
ADMINISTERED RECONCILIATION SCHEDULE**
for the period ended 30 June 2023

	Notes	2023 \$'000	2022 \$'000
Opening assets less liabilities as at 1 July		47,225,742	51,386,367
Net (cost of)/contribution by services			
Income		661,334	854,816
Expenses			
Payments to entities other than corporate Commonwealth entities		(8,322,028)	(9,417,851)
Payments to corporate Commonwealth entities		(2,156,760)	(2,116,640)
Other comprehensive income			
Revaluations and impairments transferred to reserves - non-financial assets		(4,267)	101,826
Revaluations transferred to reserves - investments		(2,736,329)	1,349,924
Transfers (to)/from Australian Government			
Appropriation transfers from Official Public Account (OPA)			
Administered asset and liabilities appropriations			
Other administered asset and liabilities appropriations		3,454,400	1,531,040
Annual appropriations			
Payments to entities other than corporate Commonwealth entities		2,825,168	4,612,048
Payments to corporate Commonwealth entities		2,160,653	2,118,140
GST		104,722	251,569
Special appropriations (limited)			
Northern Australia Infrastructure Facility		584,976	457,681
Special appropriations (unlimited)			
Payments to corporate Commonwealth entities		256,810	220,763
Refund of administered receipts - section 77 PGPA Act		455	323
Protection of the Sea Pollution Compensation Fund		2	358
Special appropriations - Financial Assistance Grants		3,896,008	3,483,245
Funds provided from related entity to the Public Interest Telecommunications Services Special Account		217,797	225,578
Regional Broadband Scheme			
Funds provided from related entity to the Regional Broadband Scheme Special Account		23,620	10,992
Settlement of provision ¹		714,296	327,711
Appropriation transfers to OPA			
Transfers to OPA		(652,218)	(1,194,544)
Airservices Australia capital return		(52,500)	-
Transfers to OPA non-cash		(2)	(358)
Repayments of loans		(903,611)	(6,831,914)
Early repayment of loans		-	(123,709)
Other transfers			
Restructuring	8.3B	-	(21,623)
Closing assets less liabilities as at 30 June		47,298,268	47,225,742

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS**
ADMINISTERED RECONCILIATION SCHEDULE
for the period ended 30 June 2023

¹ As at 30 June 2022, NBN Co was the only eligible funding recipient for the Regional Broadband Scheme (the scheme) and its entitlement under the scheme was \$737.3 million in subsidies, for the period 1 July 2021 to 30 June 2022. NBN Co applied for a charge offset certificate in March 2023 for that same period under section 98 of the *Telecommunications (Consumer Protection and Services Standards) Act 1999*. The charge offset certificate allows NBN Co to offset its entitlement under the scheme against its charge liability, for the period 1 July 2021 to 30 June 2022. A total of \$23.0 million remained owing to NBN Co and was subsequently paid in May 2023. Refer Note 4.4.

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

Accounting Policy

Administered cash transfers from and to the Official Public Account

Revenue collected by the department for use by the Government rather than the department is administered revenue. Collections are transferred to the OPA maintained by the Department of Finance. Conversely, cash is drawn from the OPA to make payments under Parliamentary appropriation on behalf of the Government. These transfers to and from the OPA are adjustments to the administered cash held by the department on behalf of the Government and reported as such in the Schedule of Administered Cash Flows and the Administered Reconciliation Schedule.

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS**
ADMINISTERED CASH FLOW STATEMENT
for the period ended 30 June 2023

	Notes	2023 \$'000	2022 \$'000
OPERATING ACTIVITIES			
Cash received			
Revenue from contracts with customers		47,665	43,941
Fees and fines		151,133	149,857
Interest		25	-
Dividends		21,805	124,086
Rental income		2,887	2,960
Royalties		1,587	1,213
Net GST received		159,193	207,437
Other taxes		31,658	34,160
Other revenue		17,092	5,665
Total cash received		433,045	569,319
Cash used			
Employees		17,455	16,149
Grants		6,304,941	6,749,638
Subsidies		312,531	1,167,478
Suppliers		673,353	848,106
Biodiversity offset credits		-	733
Payments to corporate Commonwealth entities		2,160,653	2,118,140
Other expenses		9,610	14,951
Total cash used		9,478,543	10,915,195
Net cash (used by) operating activities		(9,045,498)	(10,345,876)
INVESTING ACTIVITIES			
Cash received			
Repayments of loans		903,611	6,955,623
Interest		244,977	348,478
Proceeds from sale of land		-	293,000
Proceeds from return of equity by corporate Commonwealth entities		52,500	-
Total cash received		1,201,088	7,597,101
Cash used			
Advances and loans made		584,976	457,681
Investments		3,441,242	1,527,298
Purchase of property, plant and equipment		23,322	15,844
Purchase of land and buildings		1,547	3,545
Purchase of heritage and cultural assets		1,631	-
Purchase of intangibles - Biodiversity offset credits		4,015	-
Purchase of intangibles - Other		-	19
Total cash used		4,056,733	2,004,387
Net cash from/(used by) investing activities		(2,855,645)	5,592,714

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS**
ADMINISTERED CASH FLOW STATEMENT
for the period ended 30 June 2023

	Notes	2023 \$'000	2022 \$'000
FINANCING ACTIVITIES			
Cash received			
Funds provided from related entity to the Public Interest Telecommunications Services Special Account		217,797	225,578
Funds provided from related entity to the Regional Broadband Scheme Special Account		23,620	10,992
Total cash received		241,417	236,570
Net cash from financing activities		241,417	236,570
Net decrease in cash held		(11,659,726)	(4,516,592)
Cash and cash equivalents at the beginning of the reporting period		50,039	41,989
Cash from Official Public Account			
Appropriations		12,698,216	12,217,128
Advances and loans made		584,976	457,681
Total cash from official public account		13,283,192	12,674,809
Cash to official public account			
Appropriations		(704,718)	(1,194,544)
Repayments of loans		(903,611)	(6,955,623)
Total cash to official public account		(1,608,329)	(8,150,167)
Cash and cash equivalents at the end of the reporting period	4.1A	65,176	50,039

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

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS**

for the period ended 30 June 2023

Explanations of Major Administered Budget Variances

The table below provides explanations for significant variances between the administered budget estimates, as published in the 2022–23 October Portfolio Budget Statements, and the actual financial performance and position for the year. The budget is not audited. Variances are treated as significant when it is considered important for a reader's understanding or is relevant to an assessment of the discharge of accountability and for the analysis of the department's performance. The nature and timing of the Australian Government budget process can also contribute to the variances.

Affected line items	Explanation of major variances
Suppliers (Administered Schedule of Comprehensive Income)	The decrease of \$0.1 billion is primarily due to delays and decreased demand across a number of programs.
Grants (Administered Schedule of Comprehensive Income)	The increase of \$1.7 billion is due to a Government decision to bring forward payments to local governments from 2023-24 in June 2023.
Impairment loss on financial instruments (Administered Schedule of Comprehensive Income)	The increase of \$0.2 billion is due to higher impairment of the Northern Australia Infrastructure Facility loans due to increased credit and exposure risks.
Other expenses and Concessional loans (Administered Schedule of Comprehensive Income)	The decrease of \$0.1 billion against other expenses is due to the misclassification of concessional loans being recorded as other expenses in the original budget.
Other payables (Administered Schedule of Assets and Liabilities)	The decrease of \$0.4 billion is mainly due to the misclassification of the loan commitment provision and biodiversity offset credits provision being recorded as other payables in the original budget and not as a loan commitment provision and other provisions respectively.
Other provisions (Administered Schedule of Assets and Liabilities)	The increase of \$0.1 billion largely relates to a higher provision under the Regional Broadband Scheme (RBS) than anticipated, mainly due to the process of forecasting total expected charges to be collected under the scheme, which is greatly influenced by the increase in the consumer price index used to determine the levy under RBS legislation.

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

Overview	157
1. Departmental Financial Performance	158
1.1 Expenses	158
1.2 Own-Source Revenue and Gains	160
2. Income and Expenses Administered on Behalf of Government	162
2.1 Administered – Expenses	162
2.2 Administered – Income	165
3. Departmental Financial Position	168
3.1 Financial Assets	168
3.2 Non-Financial Assets	169
3.3 Payables	172
3.4 Interest Bearing Liabilities	173
3.5 Other Provisions	173
4. Assets and Liabilities Administered on Behalf of Government	174
4.1 Administered – Financial Assets	174
4.2 Administered – Non-Financial Assets	182
4.3 Administered – Payables	185
4.4 Administered – Other Provisions	186
5. Funding	187
5.1 Appropriations	187
5.2 Special Accounts	191
5.3 Regulatory Charging Summary	194
5.4 Net Cash Appropriation Arrangements	195
6. People and Relationships	196
6.1 Employee Provisions	196
6.2 Key Management Personnel Remuneration	197
6.3 Related Party Disclosures	197
7. Managing Uncertainties	198
7.1 Contingent Assets and Liabilities	198
7.2 Financial Instruments	203
7.3 Administered – Financial Instruments	205
7.4 Administered – Fair Value Measurement	207
8. Other Information	210
8.1 Current/Non-current Distinction for Assets and Liabilities	210
8.2 Assets Held in Trust	212
8.3 Restructuring	212

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

Overview

The Basis of Preparation of the Financial Statements

The financial statements are required by section 42 of the PGPA Act.

The financial statements have been prepared in accordance with:

- a) the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR), and
- b) Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

As required by the FRR, administered financial assets, administered financial instruments and administered fair value measurement are reported in accordance with Tier 1 disclosures under *AASB 1053 Application of Tiers of Australian Accounting Standards*. All other notes and schedules are reported in accordance with *Reduced Disclosure Requirements (Tier 2) under AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified. Transactions denominated in foreign currency are converted at the exchange rate at the date of the transaction. Foreign exchange gains and losses are reported in the Statement of Comprehensive Income.

New Australian Accounting Standards

Two amending standards (AASB 2021-2 and AASB 2021-6) were adopted earlier than the application date as stated in the standard. These amending standards have been adopted for the 2022-23 reporting period. These interpretations were issued prior to the sign-off date and are applicable to the current reporting period but did not have a material effect on the entity's financial statements.

Standard	Nature of change in accounting policy, transitional provisions, and adjustment to financial statements
<i>AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates</i>	AASB 2021-2 amends AASB 7, AASB 101, AASB 108, AASB 134 and AASB Practice Statement 2. The amending standard requires the disclosure of material, rather than significant, accounting policies, and clarifies what is considered a change in accounting policy compared to a change in accounting estimate.
<i>AASB 2021-6 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards</i>	AASB 2021-6 amends the Tier 2 reporting requirements set out in AASB 1049, AASB 1054 and AASB 1060 to reflect the changes made by AASB 2021-2.

Taxation

The department is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST). Revenues, expenses, assets and liabilities are recognised net of GST except:

- a) where the amount of GST incurred is not recoverable from the Australian Taxation Office, and
- b) for receivables and payables.

Reporting of administered activities

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the administered schedules and related notes.

Except where otherwise stated, administered items are accounted for on the same basis and using the same policies as for departmental items, including the application of Australian Accounting Standards.

Events after the Reporting Period

There were no subsequent events between balance date and signing of the financial statements that had the potential to significantly affect the ongoing structure and financial activities of the department.

DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1. Departmental Financial Performance

This section analyses the financial performance of the department for the year ended 30 June 2023.

1.1 Expenses

	2023	2022
	\$'000	\$'000
1.1A: Employee benefits		
Wages and salaries	197,420	184,775
Superannuation		
Defined contribution plans	22,069	19,030
Defined benefit plans	15,723	16,900
Leave and other entitlements	30,680	18,511
Separation and redundancies	693	2,224
Other employee expenses	724	222
Total employee benefits	267,309	241,662
1.1B: Suppliers		
Goods and services supplied or rendered		
Communications	3,856	4,100
Consultants	12,092	13,056
Contracted services	49,651	49,550
Contractors	25,070	24,911
Information technology services	13,227	12,111
Legal	4,229	4,314
Property operating costs	10,432	9,389
Training and conferences	4,485	3,576
Travel and accommodation	6,743	2,230
Other goods and services	10,438	9,470
Total goods and services supplied or rendered	140,223	132,707
Goods supplied	10,517	11,243
Services rendered	129,706	121,464
Total goods and services supplied or rendered	140,223	132,707
Other suppliers		
Variable leases	1,557	819
Workers compensation expenses	1,163	767
Total other suppliers	2,720	1,586
Total suppliers	142,943	134,293
The department has no short-term lease commitments as at 30 June 2023 (2022: \$0.6 million).		
Lease disclosures should be read in conjunction with the accompanying Notes 1.1D, 1.2B, 1.2D, 3.2A and 3.4.		
1.1C: Grants and Contributions		
Australian Government entities (related parties)	4,400	6,750
State and Territory Governments	282	325
Not-for-profit organisations	-	150
Contributions to special accounts	869	648
Other	29	-
Total grants and contributions	5,580	7,873
1.1D: Finance costs		
Interest on lease liabilities	1,241	1,140
Unwinding of provision for restoration	17	-
Total finance costs	1,258	1,140

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	2023	2022
	\$'000	\$'000
<u>1.1E: Write-down and impairment of assets</u>		
Heritage and cultural assets	42	52
Property, plant and equipment	1,923	1,162
Intangible assets	4,995	161
Financial assets	55	-
Total write-down and impairment of assets	7,015	1,375

Accounting Policy

Employee Benefits

Accounting policies for employee related expenses are contained in the People and Relationships section (Note 6.1).

Short-term leases and leases of low-value assets

The department has elected not to recognise right-of-use assets and lease liabilities for short-term leases of assets that have a lease term of 12 months or less and leases of low-value assets (less than \$10,000 per asset). The department recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The department does not recognise right-of-use assets for shared accommodation arrangements for less than 10 work points where a specific underlying asset cannot be identified.

DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1.2 Own-Source Revenue and Gains

	2023	2022
	\$'000	\$'000
Own-Source Revenue		
1.2A: Revenue from contracts with customers		
Rendering of services	3,569	7,205
Total revenue from contracts with customers	3,569	7,205
Disaggregation of revenue from contracts with customers		
Corporate services	447	254
Cost recovery	1,694	6,104
Overseas projects	1,428	847
Total revenue from contracts with customers	3,569	7,205
1.2B: Rental Income		
Operating lease		
Lease income	2,223	2,082
Artwork	3,488	2,787
Total rental income	5,711	4,869
Operating Leases		
Maturity analysis of operating lease receivables		
Within 1 year	2,132	2,067
One to two years	2,204	2,132
Two to three years	2,277	2,205
Three to four years	2,303	2,277
Four to five years	1,083	2,303
More than 5 years	-	1,083
Total undiscounted lease payments receivable	9,999	12,067
1.2C: Other revenue		
Resources received free of charge		
Remuneration of auditors	900	900
Seconded employees	197	215
Assets received free of charge	39	-
Special account contributions	1,272	1,626
Other	312	388
Total other revenue	2,720	3,129

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	2023 \$'000	2022 \$'000
1.2D: Other gains		
Reversal of provision for restoration	-	118
Reversal of impairment on financial assets	-	142
Change in discount rate - provision for restoration	10	37
Foreign exchange gains - non-speculative	-	1
Total other gains	10	298
1.2E: Revenue from Government		
Appropriations		
Departmental appropriations	428,356	414,308
Total revenue from Government	428,356	414,308

Accounting Policy

Revenue from contracts with customers

The majority of departmental revenue sources have specific performance obligations and the contract is enforceable through legal or equivalent means. Contracts are considered to be enforceable through equivalent means where there are specific rights documented in the agreement, the parties can reasonably be expected to act on their obligations, there are consequences for non-performance and/or unspent funds must be refunded.

Revenue from contracts with customers is recognised when the performance obligation has been met, either:

1. at a point in time where the ownership or control of the goods or services is passed to the customer at a specific time, or
2. over time where the services are provided and consumed simultaneously.

The department requires customers to pay in accordance with its payment terms. Trade receivables are due for settlement within 30 days.

Corporate Services

The department's performance obligation is the provision of information technology and corporate services to other Australian Government entities in accordance with a Memorandum of Understanding. Revenue is recognised over time where the services are provided and consumed simultaneously.

Cost recovery

The department's performance obligation is the undertaking of functions or incurring of costs on behalf of other Australian Government entities in accordance with a Memorandum of Understanding. Revenue is recognised over time as costs are incurred where there is an expectation they will be recovered.

Delivery of overseas transport projects

The department's performance obligation is the delivery of overseas transport projects in Papua New Guinea and Indonesia. The projects are undertaken under a Record of Understanding that outlines specific activities and the budgeted amount of each activity. Revenue is recognised as activities are completed or over time.

Foreign exchange gains

The department recognises a gain or loss on foreign exchange at the date of the transaction. Exchange gains and losses are reported in the Statement of Comprehensive Income. The department does not enter into hedging arrangements for its foreign currency transactions and all foreign exchange gains and losses are considered non-speculative in nature. Foreign exchange gains relate to the cash balance held in a bank account at Montreal, Canada.

Revenue from Government

Amounts appropriated for departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when the entity gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned. Appropriations receivable are recognised at their nominal amounts.

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

2. Income and Expenses Administered on Behalf of Government

This section analyses the activities that the department does not control but administers on behalf of the Government. Unless otherwise noted, the accounting policies adopted are consistent with those applied for departmental reporting.

2.1 Administered – Expenses

	2023	2022
	\$'000	\$'000
2.1A: Employee benefits		
Wages and salaries	13,083	11,962
Superannuation		
Defined contribution plans	1,746	1,646
Defined benefit plans	55	47
Leave and other entitlements	1,875	1,713
Other employee expenses	496	503
Total employee benefits	17,255	15,871
2.1B: Suppliers		
Goods and services supplied or rendered		
Advertising campaigns	319	3,748
Contracted services	8,068	11,662
Fuel and oil	14,323	15,595
Information, communication and technology	2,138	2,423
Medical supplies	4,166	4,602
Property and operating costs	6,555	5,227
Rail and road research	5,742	12,768
Repairs and maintenance	11,018	9,977
Royalty payments	23,221	22,750
Service delivery arrangements	127,559	109,827
Service fees	366,386	367,546
Travel and accommodation	351	291
Other goods and services	12,659	19,511
Total goods and services supplied or rendered	582,505	585,927
Goods supplied	18,489	20,197
Services rendered	564,016	565,730
Total goods and services supplied or rendered	582,505	585,927
Other suppliers		
Variable leases	41	111
Workers compensation expenses	867	390
Total other suppliers	908	501
Total suppliers	583,413	586,428

The department has short-term lease commitments for residential and storage leases. There were no material commitments for these leases at 30 June 2023 (2022: nil).

Lease disclosures should be read in conjunction with the accompanying notes 2.2F, 4.2A and 4.3D.

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

Accounting Policy

Employee Benefits - Accounting policies for employee related expenses are contained in the People and Relationships section (Note 6.1).

Short-term leases and leases of low-value assets - Operating lease rentals represent short term residential and storage leases that are cancellable by the department with less than 12 months' notice. The department has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets (less than \$10,000 per asset). The department recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

	2023	2022
	\$'000	\$'000
2.1C: Subsidies		
Subsidies in connection with		
Tasmanian Freight Equalisation Scheme	178,523	170,671
Bass Strait Passenger Vehicle Equalisation Scheme	59,165	41,850
Regional Broadband Scheme	817,103	731,869
Airservices Australia - waiver of charges	-	45,667
Other aviation subsidies	-	820,179
Other subsidies	26,075	22,488
Total subsidies	1,080,866	1,832,724
2.1D: Grants		
Public sector		
Australian Government entities (related parties)	461,519	1,063,572
State and Territory Governments	3,996,980	3,587,242
Local Governments	828,929	1,081,326
Private sector		
Not-for-profit organisations	720,721	745,207
Commercial entities	327,848	320,145
Overseas	2,499	2,703
Total grants	6,338,496	6,800,195
Grants to State and Territory Governments include \$3.9 billion (2022: \$3.5 billion) paid to local government bodies through State and Territory Governments, under the Financial Assistance Grant program payments.		
2.1E: Write-down and impairment of assets		
Land and buildings	2,052	-
Heritage and cultural assets	-	795
Property, plant and equipment	709	125
Total write-down and impairment of assets	2,761	920

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	2023 \$'000	2022 \$'000
<u>2.1F: Payments to corporate Commonwealth entities</u>		
Australia Council (Creative Australia) ¹	220,531	219,794
Australian Broadcasting Corporation	1,107,158	1,070,097
Australian Film, Television and Radio School	22,997	22,738
Australian Maritime Safety Authority	90,757	87,804
Australian National Maritime Museum	24,017	24,125
Civil Aviation Safety Authority	91,155	122,082
Infrastructure Australia	12,524	12,853
National Film and Sound Archive of Australia	29,702	28,026
National Gallery of Australia	48,045	49,592
National Library of Australia	60,989	57,493
National Museum of Australia	50,912	41,383
National Portrait Gallery of Australia	12,615	12,475
National Transport Commission	4,777	4,464
Northern Australia Infrastructure Facility	20,681	14,227
Old Parliament House ²	15,261	-
Screen Australia	27,834	39,466
Special Broadcasting Service Corporation	316,805	310,021
Total payments to corporate Commonwealth entities	2,156,760	2,116,640

¹ Australia Council became known as Creative Australia on 1 July 2023 in accordance with the *Creative Australia Act 2023*.

² Responsibility for reporting the Australian Government's interest in Old Parliament House was transferred from the Department of the Prime Minister and Cabinet following amendments to the Administrative Arrangements Order made on 23 June 2022. The effective date for the transfer was 1 July 2022.

Accounting Policy

Grants and Subsidies

The department administers a number of grant and subsidy schemes on behalf of the Government. Grant and subsidy liabilities are recognised to the extent that (i) the services required to be performed by the applicant have been performed or (ii) the grant eligibility criteria have been satisfied, but payments due have not been made.

Payments to corporate Commonwealth entities

Payments to corporate Commonwealth entities from amounts appropriated for that purpose are classified as administered expenses, equity injections or loans of the relevant portfolio department. The appropriation to the department is disclosed under the Funding section – Appropriations (Note 5.1A).

2.1G: Other expenses

International membership fees	7,596	7,537
Prizes and awards	600	595
Spectrum pricing transitional support	-	4,772
Contributions	1,105	1,357
Protection of the sea levy payment	2	358
Biodiversity offset credits	4,023	1,938
Other expenses	20	-
Total other expenses	13,346	16,557

DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

2.2 Administered – Income

	2023	2022
	\$'000	\$'000
2.2A: Taxes		
Levies	1,399	1,630
Land tax equivalents	25,168	28,153
Other tax equivalents	5,091	4,377
Total taxes	31,658	34,160
2.2B: Revenue from contracts with customers		
Rendering of services	20,478	20,481
Regulatory and other fees	27,965	23,326
Total revenue from contracts with customers	48,443	43,807
Disaggregation of revenue from contracts with customers		
Major product / service line:		
Classification fees	2,916	3,040
Electricity services	10,411	10,539
Health services	405	494
Marine shipping and wharfage services	733	542
Plant and equipment hire	534	511
Water and sewerage services	5,479	5,355
Rendering of services	20,478	20,481
Airport Building Controllers	9,587	7,539
Airport Environment Officers	1,842	1,914
Motor Vehicle Standards	1,638	5,255
Road Vehicle Standards	11,811	5,828
Other fees	3,087	2,790
Regulatory and other fees	27,965	23,326
Total revenue from contracts with customers	48,443	43,807
2.2C: Levies, fees and fines		
Drone levies	891	916
Marine Navigation levies	95,313	95,876
Protection of the Sea levies	38,304	38,813
Levies from regulatory services	134,508	135,605
Loan fees	16,972	13,786
Fines	445	249
Total levies, fees and fines	151,925	149,640
2.2D: Interest		
Loan to NBN Co Limited	224,079	336,032
Other loans	114,225	95,589
Unwinding of discount - concessional loans	43,822	32,810
Other interest	25	-
Total interest	382,151	464,431

Accounting Policy

Interest revenue is recognised using the effective interest method.

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	2023	2022
	\$'000	\$'000
<u>2.2E: Dividends</u>		
Australian Postal Corporation	21,805	36,329
Australian Rail Track Corporation Limited	-	87,757
Total dividends	21,805	124,086
<u>2.2F: Rental income</u>		
Indefeasible Rights of Use	1,529	1,529
Other rental income	2,883	2,956
Total rental income	4,412	4,485

Lease disclosures should be read in conjunction with the accompanying Notes 2.1B, 4.2A and 4.3D.

Accounting Policy

Rental Income is recognised over the term of the Indefeasible Rights of Use granted by the Commonwealth to external parties for use of Regional Blackspot telecommunications infrastructure (refer Note 4.2A).

Other rental income is mainly associated with residential and commercial properties in the Indian Ocean Territories and Jervis Bay Territory. Residential lease agreements are cancellable by either the lessor or the lessee by giving the required notice.

2.2G: Other revenue

Refund of previous years payments	9,356	2,015
Phosphate mine royalties	1,587	1,213
Contributions	869	1,653
Other revenue	2,969	463
Total other revenue	14,781	5,344

2.2H: Other gains

Resources received free of charge	-	50
Biodiversity offset credits	-	1,203
Reversal of prior year expenses	6,151	-
Total other gains	6,151	1,253

Accounting Policy

Revenue

The majority of administered revenue sources have specific performance obligations and the contract is enforceable through legal or equivalent means. Contracts are considered to be enforceable through equivalent means where there are specific rights documented in the agreement, the parties can reasonably be expected to act on their obligations, there are consequences for non-performance and/or unspent funds must be refunded.

Revenue from contracts with customers is recognised when the performance obligation has been met, either:

1. at a point in time where the ownership or control of the goods or services is passed to the customer at a specific time, or
2. over time where the services are provided and consumed simultaneously.

The department requires customers to pay in accordance with its payment terms. Trade receivables are due for settlement within 30 days.

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

The main sources of administered revenue are:

Taxes

- a) land tax and similar equivalency payments for commercial use of Commonwealth owned land (mainly at regulated airports)
- b) other tax equivalency payments applied in the Indian Ocean Territories and Jervis Bay Territory, and
- c) royalties associated with phosphate mining activities on Christmas Island.

Revenue from contracts with customers

Provision of goods and services in the Indian Ocean Territories and Jervis Bay Territory including electricity supply, water and sewerage and medical fees.

Supply of electricity and water in the Indian Ocean Territories and Jervis Bay Territory have agreements in place with consumers. Revenue is recognised over time based on a fixed fee for network connection and a variable fee for actual use.

Other services provided in the territories include marine wharfage, medical and dental services and short-term hire of equipment.

The department charges application and licence fees under the *Road Vehicle Standards Act 2018*, *Airports Act 1996*, *Coastal Trading (Revitalising Australian Shipping) Act 2012* and the *Classification (Public, Films and Computer Games) Act 1995*. These charges are recognised under AASB 15 *Revenue from Contracts with Customers* irrespective of whether there is a written contract with a customer.

The costs of monitoring environmental conditions at regulated airports is recovered from airport lessees in accordance with the lease agreements.

Levies, fees and fines

Levies are collected for regulatory functions including Marine Navigation and Protection of the Seas levies which are remitted to the Commonwealth by the Australian Maritime Safety Authority (AMSA) who collect the levies from commercial shipping operators. An equivalent amount is paid to AMSA from a special appropriation administered by the department (refer Note 5.1C).

Loans fee revenue relates to the Northern Australia Infrastructure Facility loans.

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

3. Departmental Financial Position

This section analyses the department's assets used to conduct its operations and the operating liabilities incurred as a result. Employee related information is disclosed in the People and Relationships section.

3.1 Financial Assets

	2023	2022
	\$'000	\$'000
3.1A: Cash and cash equivalents		
Cash on hand or on deposit	10,310	9,961
Cash held in the OPA (special accounts)	7,535	6,872
Cash in special accounts	219	168
Other	296	338
Total cash and cash equivalents	18,360	17,339
3.1B: Trade and other receivables		
Goods and services receivables		
Contract assets	3,383	3,936
Total goods and services receivables	3,383	3,936
Appropriations receivable		
Existing programs	142,782	153,582
Total appropriations receivable	142,782	153,582
Other receivables		
GST receivable from the Australian Taxation Office	3,577	3,902
Other	58	55
Total other receivables	3,635	3,957
Total trade and other receivables (gross)	149,800	161,475
Less impairment loss allowance		
Contract assets	(194)	(139)
Total impairment loss allowance	(194)	(139)
Total trade and other receivables (net)	149,606	161,336

Contract assets are associated with the provision of information technology and corporate services to other Australian Government entities, recovery of costs from other entities, transfer of leave entitlements and Artbank rental agreements.

Credit terms for goods and services were within 30 days (2022: 30 days).

Accounting Policy

Cash and Cash Equivalents

Cash is recognised at its nominal amount. Cash and cash equivalents include cash on hand and cash in special accounts.

Financial assets

Trade receivables and other receivables are held for the purpose of collecting contractual cash flows, where the cash flows are solely payments of principal and interest that are not provided at below-market interest rates, are subsequently measured at amortised cost using the effective interest method adjusted for any loss allowance.

Impairment

All financial assets are assessed for impairment at the end of each reporting period based on expected credit losses. Impairment of trade receivables is assessed on lifetime credit losses. The loss is recognised in the Statement of Comprehensive Income.

DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT, COMMUNICATIONS AND THE ARTS
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

3.2 Non-Financial Assets

3.2A: Reconciliation of the opening and closing balances of property, plant and equipment and intangibles

Reconciliation of the opening and closing balances of property, plant and equipment and intangibles for 2023

	Buildings \$'000	Heritage and cultural \$'000	Property, Plant and Equipment \$'000	Intangibles			Total \$'000
				Computer Software Internally Developed \$'000	Computer Software Purchased \$'000		
As at 1 July 2022							
Gross book value	193,362	43,038	34,383	94,990	6,610	372,383	
Accumulated depreciation, amortisation and impairment	(80,101)	(522)	(14,065)	(42,050)	(5,987)	(142,725)	
Total as at 1 July 2022	113,261	42,516	20,318	52,940	623	229,658	
Additions							
Purchase	2,209	664	5,500	-	-	8,373	
Internally developed	-	-	-	18,010	-	18,010	
Right-of-use assets	10,947	-	54	-	-	11,001	
Revaluation recognised in other comprehensive income	8,255	-	2,573	-	-	10,828	
Impairments and write downs recognised in net cost of services	-	(42)	(1,923)	(4,995)	-	(6,960)	
Depreciation and amortisation	(5,329)	(100)	(5,511)	(7,806)	(429)	(19,175)	
Depreciation on right-of-use assets	(22,995)	-	(52)	-	-	(23,047)	
Reclassifications	-	-	(695)	695	-	-	
Total as at 30 June 2023	106,348	43,038	20,264	58,844	194	228,688	
Total as at 30 June 2023 represented by							
Gross book value	198,846	43,660	24,369	107,686	6,610	381,171	
Accumulated depreciation, amortisation and impairment	(92,498)	(622)	(4,105)	(48,842)	(6,416)	(152,483)	
Total as at 30 June 2023	106,348	43,038	20,264	58,844	194	228,688	
Carrying amounts of right-of-use assets	81,220	-	52	-	-	81,272	

The above table discloses property, plant and equipment not subject to operating leases.

The buildings, artwork and other property, plant and equipment asset classes are measured at fair value in accordance with AASB 13 Fair Value Measurement.

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

Revaluations of non-financial assets

All revaluations were conducted in accordance with the revaluation policy stated below. In line with the department's asset revaluation schedule, an independent valuer conducted a revaluation of all departmental assets excluding the artwork asset class as at 30 June 2023.

A revaluation increment of \$8.3 million related to buildings (2022: nil) and a revaluation increment of \$1.2 million related to property, plant and equipment (2022: nil) was made to the asset revaluation reserve.

Impairment of non-financial assets

No impairment losses were recognised for all asset classes at 30 June 2023 (2022: \$1.6 million). The recognition of impairment adjustments is in accordance with the impairment policy stated below.

Accounting Policy

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor entity's accounts immediately prior to the restructuring.

Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the Statement of Financial Position, except for purchases costing less than \$5,000, which are expensed in the year of acquisition (other than laptops, which are capitalised regardless of their acquisition costs).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to 'makegood' provisions in property leases taken up by the department where there exists an obligation to restore the property to its original condition. These costs are included in the value of the department's leasehold improvements with a corresponding provision for the 'makegood' recognised.

Leased Right of Use (ROU) Assets

Leased ROU assets are capitalised at the commencement date of the lease and comprise the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received. These assets are recognised as separate asset classes but disclosed in the same column as similar assets owned by the department.

An impairment review is undertaken for any ROU asset that shows indicators of impairment and an impairment loss is recognised. The impairment of ROU assets includes instances where the department has entered into leases for office accommodation that are surplus to requirements at the reporting date. ROU assets continue to be measured at cost after initial recognition by the department.

Revaluations

Following initial recognition at cost, property, plant and equipment assets (excluding ROU assets) are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure the carrying amount does not differ materially from the asset's fair value as at the reporting date. The regularity of valuations depends on the volatility of movements in market values for the relevant assets. Revaluations are conducted at least once every three years.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation surplus except to the extent it reverses a previous revaluation decrement of the same asset class previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent they reverse a previous revaluation increment for the class.

Any accumulated depreciation at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

Heritage and Cultural

Artworks managed by Artbank are considered heritage and cultural items of national, historical or cultural significance. Artbank maintains separate curatorial and preservation policies for heritage and cultural assets: (<http://artbank.gov.au/legal/#preservation-policy>). The department holds other artwork that is not material to the asset class.

Depreciation and amortisation

Depreciable property, plant and equipment assets are written-off to their estimated residual value over their estimated useful life to the department using, in all cases, the straight-line method.

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2023	2022
Buildings - Leasehold improvements	Shorter of lease term or expected useful economic life	Shorter of lease term or expected useful economic life
Plant and equipment	1 to 100 years	1 to 100 years
Computer software	1 to 9 years	1 to 9 years
Heritage and cultural	1 to 480 years	1 to 480 years
Heritage and cultural	1 to 50 years or indefinite	1 to 50 years or indefinite
Phosphate mining lease	Lease term	Lease term

Impairment

All assets were assessed for impairment at 30 June 2023, except for assets reported at fair value where the assets were assessed for impairment since the last valuation. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the department were deprived of the asset, its value in use is taken to be its current replacement cost.

Impairments are recorded as an expense unless assets are carried at a revalued amount. The impairment loss on a revalued asset is recorded as a revaluation decrement and recorded against the asset revaluation surplus up to the value of the reserve with any excess impairment loss recorded in the net cost of services as a loss.

Derecognition

An item of property, plant and equipment is derecognised upon disposal when no further future economic benefits are expected from its use or on disposal.

Intangibles

The department's intangibles comprise internally developed software over \$50,000 and purchased software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the department's software vary from 1 to 9 years (2022: 1 to 9 years).

All software assets were assessed for indications of impairment as at 30 June 2023.

Accounting Judgements and Estimates

Buildings

The fair value of buildings has been taken to be the current replacement cost of leasehold improvements in office leases and the related makegood requirements as determined by an independent qualified valuer as at 30 June 2023.

Property, plant and equipment

The fair value of property, plant and equipment has been taken to be the market value or current replacement cost as determined by an independent qualified valuer as at 30 June 2023.

Heritage and cultural assets

The fair value of artworks has been taken to be the market value or current replacement cost as determined by an independent qualified valuer as at 30 June 2022, adjusted for subsequent depreciation, acquisitions and disposals. The valuer subsequently confirmed there were no material differences between the carrying value and fair value at 30 June 2023.

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

3.2B: Capital Commitments Acquisition

Contractual commitments for the acquisition of property, plant, equipment and intangible assets for 2023

	Within 1 year	Between 1 to 5 years
	\$'000	\$'000
Buildings	491	1
Property, plant and equipment	957	350
Computer software internally developed	8,043	5
Total capital commitments	9,491	356

The above commitment amounts are GST exclusive.

	2023	2022
	\$'000	\$'000
<u>3.2C: Other non-financial assets</u>		
Prepayments	8,860	6,459
Operating lease rentals - sublease	880	876
Lease incentive - sublease	312	383
Total other non-financial assets	10,052	7,718

No indicators of impairment were found for other non-financial assets.

3.3 Payables

	2023	2022
	\$'000	\$'000
<u>3.3A: Suppliers</u>		
Trade creditors	1,415	1,956
Accrued expenses	23,602	26,210
Total suppliers	25,017	28,166

Settlement is usually made within 20 days (2022: 20 days).

3.3B: Other payables

Unearned revenue	4,885	4,911
Salaries and wages	6,708	5,110
Superannuation	987	791
Separations and redundancies	702	2,059
Other	710	335
Total other payables	13,992	13,206

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

3.4 Interest Bearing Liabilities

	2023	2022
	\$'000	\$'000
3.4A: Leases		
Lease liabilities ¹	87,075	98,148
Total lease liabilities	87,075	98,148

Total cash outflow for leases for the year ended 30 June 2023 was \$24.6 million (2022: \$22.8 million).

Maturity analysis - contractual undiscounted cash flows

Within 1 year	24,752	21,880
Between 1 to 5 years	64,357	75,112
More than 5 years	34	3,699
Total leases	89,143	100,691

¹ The department, in its capacity as lessee, has leasing arrangements for the office accommodation in Canberra, States and Territories, internationally and motor vehicles.

The above lease disclosures should be read in conjunction with the accompanying Notes 1.1B, 1.1D, 1.2B, 1.2D and 3.2A.

Accounting Policy

For all new contracts entered into, the department considers whether the contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

Once it has been determined that a contract is, or contains a lease, the lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease, if the rate is readily determinable, or the department's incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification to the lease. When the lease liability is remeasured, the corresponding adjustment is reflected in the ROU asset or profit and loss depending on the nature of the reassessment or modification.

3.5 Other Provisions

	Provision for restoration	Other Provisions	Total
	\$'000	\$'000	\$'000
Opening balance as at 1 July 2022	631	-	631
Additional provisions made	-	62	62
Unwinding of discount or change in discount rate	7	-	7
Total as at 30 June 2023	638	62	700

The department has five agreements at 30 June 2023 (2022: five) for the lease of office premises which have provisions requiring the department to restore the premises to their original condition at the conclusion of the lease. The department has made a provision to reflect the present value of these obligations.

Other provisions relate to locally engaged staff employed (through the Department of Foreign Affairs and Trade) at overseas posts entitled to separation benefits under local labour laws.

DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

4. Assets and Liabilities Administered on Behalf of Government

This section analyses assets and liabilities that the department does not control but administers on behalf of the Government. Unless otherwise noted, the accounting policies adopted are consistent with those applied for departmental reporting.

4.1 Administered – Financial Assets

	2023	2022
	\$'000	\$'000
4.1A: Cash and cash equivalents		
Cash in special accounts	64,324	49,066
Cash on hand or on deposit	652	773
Other	200	200
Total cash and cash equivalents	65,176	50,039

The closing balance of cash in special accounts does not include amounts held in trust \$0.04 million (2022: \$0.5 million). See Notes 5.2 Special Accounts and 8.2 Assets Held in Trust for more information.

4.1B: Trade and other receivables

Advances and loans

NBN Co Limited	5,500,000	6,375,000
NAIF loans	1,122,092	665,064
Commercial entities	2,161,457	2,074,758
State and Territory Governments	35,346	39,065
Total advances and loans	8,818,895	9,153,887

Other receivables

Contract assets	7,788	7,368
GST receivable from Australian Taxation Office	46,112	104,997
Other revenue	7	27
Total other receivables	53,907	112,392

Total trade and other receivables (gross)

8,872,802 **9,266,279**

Less impairment allowance

Loan to NBN Co Limited	(3,463)	(388)
NAIF loans	(232,647)	(60,684)
Commercial entities	(489)	(482)
Other receivables	(269)	(590)
Total impairment allowance	(236,868)	(62,144)

Total trade and other receivables (net)

8,635,934 **9,204,135**

Credit terms for goods and services were within 30 days (2022: 30 days). Refer Note 4.3A for information relating to contract liabilities.

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

4.1C: Reconciliation of the impairment allowance

Movements in relation to 2023

	Loan to NBN Co Limited \$'000	NAIF loans \$'000	Loans to Commercial entities \$'000	Other receivables \$'000	Total \$'000
Opening balance as at 1 July 2022	388	60,684	482	590	62,144
Amounts written off	-	-	-	(245)	(245)
Increase/(Decrease) recognised in net cost of services	3,075	171,963	7	(76)	174,969
Total as at 30 June 2023	3,463	232,647	489	269	236,868

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	2023	2022
	\$'000	\$'000
4.1D: Investments		
Investments accounted for using the net assets method		
Australian Government authorities		
Australia Council (Creative Australia) ¹	17,150	17,008
Australian Broadcasting Corporation	1,171,921	1,110,961
Australian Film, Television and Radio School	11,074	10,704
Australian Maritime Safety Authority	220,465	224,178
Australian National Maritime Museum	290,765	293,226
Civil Aviation Safety Authority	106,245	88,082
Infrastructure Australia	3,101	3,038
National Film and Sound Archive of Australia	424,716	413,585
National Gallery of Australia	7,468,479	7,468,579
National Library of Australia	1,557,347	1,536,181
National Museum of Australia	470,985	467,315
National Portrait Gallery of Australia	157,210	155,435
National Transport Commission	1,209	1,074
Northern Australia Infrastructure Facility	14,742	6,776
Old Parliament House ²	120,577	-
Screen Australia	14,733	14,460
Special Broadcasting Service Corporation	242,180	253,777
Total Australian Government authorities	12,292,899	12,064,379
Australian Government companies		
Australian Postal Corporation ³	1,539,200	-
Bundanon Trust	101,368	99,488
Creative Partnerships Australia	9,578	8,122
National Intermodal Corporation Limited	801,874	382,391
WSA Co Limited	2,496,655	1,478,954
Total Australian Government companies	4,948,675	1,968,955
Australian Government controlled entities		
Norfolk Island Health and Residential Aged Care Service	5,101	4,728
Total Investments accounted for using the net assets method	17,246,675	14,038,062
Investments accounted for using the discounted cash flow method		
Australia Government authorities		
Airservices Australia	722,400	343,700
Australian Government companies		
Australian Postal Corporation ³	-	1,872,000
Australian Rail Track Corporation Limited	1,785,200	2,648,100
NBN Co Limited	19,500,000	19,700,000
Total Investments accounted for using the discounted cash flow method	22,007,600	24,563,800
Total Investments	39,254,275	38,601,862

¹ Australia Council became known as Creative Australia on 1 July 2023 in accordance with the *Creative Australia Act 2023*.

² Amendments to the Administrative Arrangements Order on 23 June 2022 transferred responsibility for reporting of Old Parliament House from the Department of the Prime Minister and Cabinet. The effective date for the transfer was 1 July 2023.

³ Australian Postal Corporation for 2023 was valued at \$1.5 billion using the net assets method (2022: \$1.9 billion using the discounted cash flow method). Further information is in the disclosure note on accounting judgements and estimates.

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	2023	2022
	\$'000	\$'000
4.1E: Other financial assets		
Biodiversity offset credits	-	77,577
Total other financial assets	-	77,577

Accounting Policy

Loans and Receivables

Credit terms for goods and services were within 30 days (2022: 30 days).

Loans have been provided to States, Territories, Commercial Entities and Government Business Enterprises. The loans are made for a period ranging from 9 to 118 years. No security is generally required. Interest rates are fixed on most loans. Interest payment arrangements vary in each loan agreement, with some agreements allowing for capitalisation of interest for specified periods.

Where loans and receivables are not subject to concessional treatment, they are carried at amortised cost using the effective interest method. Gains and losses due to impairment, derecognition and amortisation are recognised in the Administered Schedule of Comprehensive Income.

Administered Investments

Administered investments in subsidiaries, joint ventures and associates are not consolidated because their consolidation is relevant only at the Whole of Australian Government level.

Administered investments, other than those held for sale, are classified as fair value through other comprehensive income (FVOCI) and are measured at their fair value as at 30 June 2023. Fair value has been determined using the Australian Government's proportional interest in the net assets of the entities at the end of the reporting period or a discounted cash flow valuation.

The Australian Government has a 100 per cent interest in the following entities, except the National Transport Commission (35 per cent). The principal activities of entities are:

1. Airlines Australia: Provides safe, secure, efficient and environmentally responsible air navigation and aviation rescue and firefighting services to the aviation industry.
2. Australia Council (Creative Australia): The Australian Government's arts funding and advisory body. Australia Council is the national advocate for the arts and its purpose is to champion and invest in Australian arts. Australia Council became Creative Australia on 1 July 2023 when the *Creative Australia Act 2023* commenced.
3. Australian Broadcasting Corporation (ABC): National broadcaster and digital media service provider contributing to and reflecting Australia's national identity, fostering creativity and the arts, encouraging cultural diversity and providing independent news and information services, including emergency broadcasting and international services.
4. Australian Film, Television and Radio School (AFTRS): AFTRS is the national institution for specialist education, training and research for screen and broadcast industries. AFTRS works hand-in-hand with the screen and broadcast industries to provide Australians with the highest level of screen and broadcast education, training and research so that Australian stories and culture thrive at home and around the world.
5. Australian Maritime Safety Authority (AMSA): Provides maritime safety and other services to the Australian maritime industry, aviation and maritime search and rescue and marine environment protection services.
6. Australian National Maritime Museum (ANMM): Leads the promotion and conservation of Australia's maritime heritage and culture.
7. Australian Postal Corporation (Australia Post): Australia's leading logistics, postal and integrated services business that provides accessible and reliable postal services, at a uniform price, for all Australians.
8. Australian Rail Track Corporation Ltd (ARTC): Operates and manages standard gauge rail track across Australia and is responsible for the construction of the Inland Rail project. The Australian Government has entered into an equity agreement with ARTC to provide equity financing of up to \$14.0 billion to support the delivery of Inland Rail.
9. Bundanon Trust: Owns and manages the properties and art collection donated by Arthur and Yvonne Boyd as a gift to the nation.
10. Civil Aviation Safety Authority (CASA): Regulates the safety of civil air operations in Australia and Australian registered aircraft operating outside Australian territory.

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

11. Creative Partnerships Australia: Promotes investments in the arts. Creative Partnerships Australia transferred into Creative Australia (formerly Australia Council) on 1 July 2023.
12. Infrastructure Australia: Advises the Commonwealth Government on a wide range of issues including Australia's current and future infrastructure needs in terms of projects, policy and regulation; and their impact on investment and the efficient delivery, operation and use of national infrastructure.
13. National Film and Sound Archive of Australia: Collects and preserves Australian film, recorded sound, broadcast and news media.
14. National Gallery of Australia: Develops and maintains a national collection of works of art.
15. National Intermodal Corporation Ltd (National Intermodal): National Intermodal facilitates the development and operation of a national network of modern, state-of-the-art, open access intermodal precincts. The Australian Government has entered into an agreement with National Intermodal to provide equity funding for the terminal development.
16. National Library of Australia: Develops, maintains and provides access to a national collection of library material, including a comprehensive collection relating to Australia and the Australian people.
17. National Museum of Australia: Develops and maintains a national historical collection for the benefit of the nation.
18. National Portrait Gallery of Australia: Develops, preserves, maintains and promotes a national collection of portraits and other works of art.
19. National Transport Commission (NTC): Advises the Infrastructure and Transport Ministers' Meeting on uniform regulatory and operational policies and model legislation for road, rail and intermodal transport. NTC is jointly funded by the Australian and State and Territory Governments.
20. NBN Co Limited: Responsible for the construction and operation of the National Broadband Network. The Australian Government has provided \$29.8 billion in equity and a loan facility of \$19.5 billion to NBN Co Limited.
21. Norfolk Island Health and Residential Aged Care Service (NIHRACS): A body corporate established under the *Norfolk Island Health and Residential Aged Care Service Act 1986* that provides health and residential aged care services to the Norfolk Island community. NIHRACS is not subject to the PGPA Act but is considered to be controlled by the Australian Government for financial reporting purposes. NIHRACS receives the majority of its funding through a Service Delivery Agreement with the Australian Government.
22. Northern Australia Infrastructure Facility (NAIF): Enables economic growth in Northern Australia, by facilitating private sector investment in economic infrastructure, primarily through the provision of concessional financing delivered through the State and Territory Governments.
23. Old Parliament House: Promotes an enhanced application and understanding of the political and social heritage of Australia for members of the public through activities including the conservation and upkeep of, and the provision of access to, Old Parliament House and the development of its collection, exhibitions and educational programs.
24. Screen Australia: Supports enduring and culturally significant Australian storytelling that resonates with local audiences and succeeds in a global marketplace, created by a skilled and entrepreneurial screen industry.
25. Special Broadcasting Service Corporation: Provides multicultural and multilingual television, radio and digital media services that inform, educate and entertain all Australians.
26. WSA Co Limited: Responsible for the construction and operation of the Western Sydney International (Nancy-Bird Walton) Airport at Badgerys Creek, NSW.

Other financial assets

During 2022-23, the department changed its accounting policy for the classification and measurement of biodiversity offset credits from a financial asset held at fair value under *AASB 9 Financial Instruments* to an intangible asset held at cost under *AASB 138 Intangible Assets* (AASB 138). The application of AASB 138 more accurately presents the nature of the biodiversity offset credits and their intended purpose, which is their utilisation to offset the environmental impact of development on native ecosystems and species. The cost model will provide reliable and more relevant information to the users of the financial statements.

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

Accounting Judgements and Estimates

Loans and Receivables

Loans are initially recognised at their fair value. If the rate of interest charged is lower than the counterparty's borrowing rate and/or the loan agreement includes terms that are more favourable than those available in the market, the difference between the amount advanced and the fair value of the loan is treated as an expense. The expense is recognised at the inception of the loan agreement and a provision is recognised for the concessional cost of loan advances that have been committed, but not paid, at the reporting date.

WestConnex Stage 2 concessional loan

Advances and loans to commercial entities comprise of a concessional loan facility provided to a subsidiary of the Sydney Motorway Corporation for construction of Stage 2 of the WestConnex Motorway in Sydney. The loan facility comprised multiple advances totalling \$2.0 billion between 22 July 2016 and 2 January 2020.

As the loan facility was the first made by the Australian Government for a major road project, no comparable products were identified in the market and the prevailing market interest rate was determined based on external valuation advice.

The loan facility includes mandatory repayment of principal and/or interest in certain circumstances from the 2020-21 financial year. An impairment allowance of \$0.5 million for these repayments has been made at 30 June 2023.

NBN Co Limited loan

The Australian Government provided a loan facility of up \$19.5 billion to NBN Co Limited (NBN Co) in December 2016. The loan was provided on commercial terms with drawings available on a monthly basis. The loan must be repaid in full by 30 June 2024. The loan has a fixed interest rate with interest payable monthly over the life of the facility. Interest on the loan will be capitalised when the limit of the loan facility is reached. The loan facility limit was reached in July 2020. Subsequent repayments of principal and interest were made by NBN Co, reducing the loan to \$5.5 billion at 30 June 2023.

NAIF loans

The department records concessional loans issued by the NAIF corporate Commonwealth entity on behalf of the Commonwealth. The concessional element for each loan is tailored to the specific needs of each investment, with varying rates of interest and terms, consistent with the *Northern Australia Infrastructure Facility Investment Mandate Direction 2021*.

Other loans

The Australian Government has also provided loans to the Northern Territory Government on concessional terms.

Administered Investments

In the absence of an observable market value for administered investments, the department is required to use an appropriate valuation technique to determine their fair value. The use of discounted cash flows is the preferred valuation method for those entities that generate significant non-government cash inflows if the cash flows can be reliably predicted.

A review of administered investments is performed on an annual basis to ensure the appropriate valuation method is used. Apart from Airservices Australia, Australian Rail Track Corporation Limited and NBN Co Limited, fair value has been taken to be the Australian Government's proportional interest in the net assets of the entities as at the end of the reporting period.

Airservices Australia (Airservices)

Airservices generates significant non-government cash inflows from the aviation sector, and historically its cash flows have demonstrated to be reliably predicted. As the aviation sector progresses in its recovery from the significant economic impact of COVID-19, Airservices is receiving less funding support from the Australian Government and is forecast to rely more on external revenue sources.

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

The department engaged an external valuation expert to provide advice on the valuation of the business as at 30 June 2023. The discounted cash flow valuation incorporates Airservices' 10 year draft strategic plan cash flow forecasts which are then extrapolated by the external valuation expert to 30 June 2038. An estimated terminal value was assumed beyond 30 June 2038. The cash flows are discounted using a Weighted Average Cost of Capital (WACC) of 10.0 per cent (2022: 7.75 per cent), determined with reference to entities that operate in similar industries. The increase in the discount rate is primarily driven by an increase in the company specific risk premium to account for the increased risks in the forecast cash flows associated with cost savings initiatives and pricing increases. The terminal value is escalated by the terminal growth rate of 2.0 per cent (2022: 2.0 per cent) based on aggregate forecast long-term earnings. The cash flow forecasts are estimated with reference to probability weighted projections of aeronautical revenue, cost reduction initiatives and the resulting long-term Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) margins. The revenue and terminal growth rate are dependent on the increase of revenues achieved through forecasted growth in passenger volumes. The fair value is considered reasonable in the context of comparison to EBITDA multiples with similar airline and airport businesses.

A sensitivity analysis was also performed by the external valuation expert over the key assumptions used in the valuation. The sensitivity analysis is outlined in the below table:

Assumption	Selection	Sensitivity	Value (\$m)	
			Low	High
WACC	10.00%	+/-0.25%	638.8	806.0
Terminal growth rate	2.00%	-/+0.50%	656.7	796.9

Australian Postal Corporation (Australia Post)

The fair value for Australia Post at 30 June 2023 has been determined based on a net assets method. In the previous year, a discounted cash flow method was used to determine the fair value. A discounted cash flow method was not used this year because Australia Post's forecast cash flows were not considered to be reliably measurable.

Due to the uncertainty of Australia Post's future cash flows resulting in significant measurement uncertainty, the net assets valuation methodology was used for 2022-23. The department engaged an external valuation expert to provide advice on the valuation methodology.

The net assets valuation (\$1,539.2 million) is based on Australia Post's net assets as at 30 June 2023 (\$2,339.7 million), less net superannuation assets (\$800.5 million).

Australian Rail Track Corporation Limited (ARTC)

ARTC generates significant non-government cash flows. Due to the nature of its operations and assets, there are no readily comparable market examples for fair value determination purposes. The department has estimated the fair value using a discounted cash flow method with reference to ARTC's valuation of its interstate and Hunter Valley rail network assets, modified where necessary for cash flows associated with its other asset and liability categories. As ARTC's rail network assets represent a substantial portion of its total assets, and are valued based on external expert advice using discounted cash flows and the ARTC weighted average cost of capital, the method provides a reasonable basis for the determination of fair value.

ARTC measures assets arising from construction of the Inland Rail project at cost, with subsequent impairment using multiple valuation methods, including market assessments and discounted cash flow calculations. At 30 June 2023, the future capital cost and incremental benefits associated with the Inland Rail project has been ring fenced from the fair value assessment of ARTC's interstate network assets, and existing expenditure has been significantly impaired. These assets will be integrated into the valuation of ARTC's interstate network assets once the project is substantially complete. The department and ARTC consider that a hypothetical acquirer would take into account the impairment of these assets as part of their price for the interstate rail network.

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

Sensitivity analysis was performed by an external valuation expert over the key assumptions used in the valuation. Selected sensitivity analysis is outlined in the below table:

Assumption	Selection	Sensitivity	Value (\$bn)	
			Low	High
Discount rate	6.2% to 7.3%	-19.5% / 30.0%	1.7	3.1
Terminal value growth rate	-3.0% to 2.0%	-8.3% / 12.5%	2.4	2.4

NBN Co Limited (NBN Co)

The department has estimated the fair value of the investment in NBN Co using the discounted cash flow valuation method, with modelling input prepared by NBN Co with assistance from external experts. The department engaged an external valuation expert to provide advice on the valuation and underpinning assumptions.

The discounted cash flow valuation calculates the equity value using the free cash flows forecast in NBN Co's Board endorsed Integrated Operating Plan from 2024-27 (IOP24) and beyond this point using detailed management assumptions until 2040. The cash flow forecasts were adjusted, where appropriate, for assumptions relating to financing and other decisions that would be adopted by a hypothetical acquirer, including the calculation of a terminal value. The forecast cash flows available to equity holders were discounted using an assumed required rate of return on equity of 9.35 per cent (2022: 9.30 per cent). The discount rate reflects current market conditions as well as an assessment of the risks in the cash flow forecast underpinning the discounted cash flow calculation. The assumptions used in the valuation are based on circumstances that a hypothetical acquirer would consider in an acquisition of the equity in NBN Co as at 30 June 2023 in an arm's length transaction. These assumptions do not in any way reflect the structure, terms and conditions that could be required by the Australian Government in the event of an actual sale of NBN Co in the future.

No decisions have been made by the Australian Government to sell all or part of the NBN. Any sale of NBN Co is prohibited by legislation until the mandatory pre-sale steps in the *National Broadband Network Companies Act 2011* have been completed in full. The assumptions adopted within the valuation do not seek to pre-empt the Australian Government's approach to a future sale of NBN Co.

The department has adopted a fair value estimate of \$19.5 billion (2022: \$19.7 billion), which considers the sensitivity of the valuation to changes in key assumptions. Expert advice indicated the fair value was supported by cross-checks against valuation multiples of entities operating in similar industries.

Key financing assumptions

The valuation assumes a market participant acquirer would provide an equity injection on 30 June 2023, such that the level of debt held by NBN Co reflected an amount which could be supported by a standalone investment grade credit rating as at 30 June 2023.

The financing assumptions underpinning the fair value are considered to be in line with the assumptions that a market participant would make if valuing the equity in NBN Co at 30 June.

The sensitivity to the key assumptions in the valuation are set out below:

Assumption	Selection	Sensitivity	Value (\$bn)	
			Low	High
Discount rate	9.35%	+/-0.5%	17.6	21.7
Forecast total revenue	Per valuation model	+/-5% in each year	15.4	23.7
Forecast operating expenditure	Per valuation model	+/-10% in each year	17.3	21.7
Forecast capital expenditure	Per valuation model	+/-2.5% of revenue in each year	17.7	21.3
Debt interest	Per valuation model	+/-0.5%	17.7	21.2
Terminal growth rate	2.50%	+/-0.5%	18.9	20.2

We note that the value of NBN Co's historical tax losses and franking credits have been included in the valuation at respective values of \$938 million and \$546 million.

National Intermodal Corporation Limited and WSA Co Limited have not generated significant non-government cash flows to date and have been reliant on equity funding from the Australian Government. The department has determined the net assets method remains the most appropriate estimate of fair value for these entities as at 30 June 2023. WSA Co has measured the lease of Commonwealth-owned land at the airport site at nil value. The net asset position has been adjusted to incorporate the fair value of land subject to the airport lease of \$511 million (2022: \$500 million) as determined by an external valuation expert at 30 June 2023.

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT, COMMUNICATIONS AND THE ARTS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

4.2 Administered – Non-Financial Assets

4.2A: Reconciliation of the opening and closing balances of property, plant and equipment and intangibles

Reconciliation of the opening and closing balances of property, plant and equipment and intangibles for 2023

	Intangibles									
	Land \$'000	Buildings \$'000	Heritage and cultural \$'000	Property, plant & equipment \$'000	Computer software purchased \$'000	Phosphate mine leases \$'000	Biodiversity offset credits \$'000	Total \$'000		
As at 1 July 2022	76,151	148,315	185,576	492,848	437	3,970	-	-	-	907,297
Gross book value	76,151	149,115	185,576	501,335	503	3,970	-	-	-	916,650
Accumulated depreciation, amortisation and impairment	-	(800)	-	(8,487)	(66)	-	-	-	-	(9,353)
Total as at 1 July 2022	76,151	148,315	185,576	492,848	437	3,970	-	-	-	907,297
Additions										
Assets first recognised	-	-	-	-	-	-	-	-	62,347	62,347
Purchase	-	2,961	1,649	23,695	-	-	-	-	4,015	32,320
Revaluations and impairments recognised in other comprehensive income	-	(5)	(141)	(4,121)	-	-	-	-	-	(4,267)
Impairments and write downs recognised in net cost of services	-	(2,052)	-	(709)	-	-	-	-	-	(2,761)
Depreciation and amortisation	-	(12,262)	(2,218)	(41,555)	-	(794)	-	-	-	(56,829)
Reclassifications	-	402	-	(402)	-	-	-	-	-	-
Total as at 30 June 2023	76,151	137,359	184,866	469,756	437	3,176	66,362	-	-	938,107
Total as at 30 June 2023 represented by										
Gross book value	76,151	150,396	187,084	519,540	503	3,970	66,362	-	-	1,004,006
Accumulated depreciation, amortisation and impairment	-	(13,037)	(2,218)	(49,784)	(66)	(794)	-	-	-	(65,899)
Total as at 30 June 2023	76,151	137,359	184,866	469,756	437	3,176	66,362	-	-	938,107

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

Land, buildings and other property, plant and equipment that meet the definition of a heritage and cultural item are disclosed in the heritage and cultural asset class.

Revaluations of non-financial assets

The department conducts revaluations for all administered asset classes every three years. No revaluations of non-financial assets were conducted during the 2022-23 financial year.

Impairment of non-financial assets

An impairment loss of \$4.8 million was recognised for non-financial assets for 2022-23 (2022: nil). Recognition of impairment adjustments is in accordance with the impairment policy stated below.

Contractual commitments for the acquisition of property, plant, equipment assets for 2023

	Within 1 year	Between 1 to 5 years
	\$'000	\$'000
Buildings	1,027	-
Property, plant and equipment	20,098	9,361
Total capital commitments	21,125	9,361

Accounting Policy

Administered artworks and other heritage and cultural assets

The administered artworks asset class comprises paintings and other artworks by Sir Sidney Nolan (Nolan collection) with an aggregated value of \$38.7 million (2022: \$38.7 million), along with artworks held on Norfolk Island. The Nolan collection is maintained by the Canberra Museum and Gallery (CMAG), an ACT Government entity, on behalf of the Commonwealth. Curatorial and preservation arrangements are managed in accordance with a Memorandum of Understanding between CMAG and the department. The collection is deemed to have an indefinite useful life.

The heritage and cultural assets class comprises assets held and/or used primarily for purposes relating to their historical or cultural significance. They include:

- a) buildings, ruins, reserves and collections on Norfolk Island of historical significance with an aggregated value of \$84.7 million (2022: \$84.8 million). The conservation and preservation of these assets are managed in accordance with the Kingston and Arthur's Vale Historic Area Heritage Management Plan 2016
- b) memorials, reserves and temples on Christmas Island with an aggregated value of \$0.6 million (2022: \$0.6 million), and
- c) historic aircrafts with an aggregated value of \$8.4 million (2022: \$8.4 million) on display at Brisbane Airport and Adelaide Airport. The conservation and preservation of each aircraft is managed through an agreement with the relevant entity.

The National Institute of Dramatic Arts (NIDA) building is recognised as a heritage and cultural asset due to its cultural significance. The building is located on land leased from the University of New South Wales. The building is sub-let to NIDA for nominal consideration but is classified as an operating lease from the perspective of the department, as the lessor, as the department funds maintenance and capital upgrades to the building.

All assets in the class, except the NIDA building, are deemed to have indefinite useful lives due to the curatorial and preservation policies and arrangements in place. The policies are developed and monitored by qualified personnel and include the following:

- a) a clearly stated objective about the holding and preservation of items
- b) a well-developed plan to achieve the objective, including demonstration of how the policy will be implemented based on advice by appropriately qualified experts
- c) monitoring procedures, and
- d) periodic reviews.

Administered Intangibles

Administered intangibles include purchased software and phosphate mining lease rights on Christmas Island. The useful lives of administered intangibles are 1 to 9 years or the lease term.

Software assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Phosphate mining lease rights are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses.

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS**
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Administered Intangibles – Biodiversity offset credits

The department holds biodiversity offset credits on behalf of the Australian Government to offset the environmental impact of development at the Western Sydney Airport. Biodiversity offset credits are registered with the NSW Office of Environment and Heritage under the *Biodiversity Conservation Act 2016* (NSW) for specific ecosystems and species.

During 2022-23, the department changed its accounting policy for the classification and measurement of biodiversity offset credits from a financial asset held at fair value under *AASB 9 Financial Instruments* to an intangible asset held at cost under *AASB 138 Intangible Assets* (AASB 138). The application of AASB 138 more accurately presents the nature of the biodiversity offset credits and their intended purpose, which is their utilisation to offset the environmental impact of development on native ecosystems and species. The cost model will provide reliable and more relevant information to the users of the financial statements. The department also recognises a corresponding provision for the obligation to use biodiversity offset credits to offset the impact of development in accordance with the relevant environment management plans (Note 4.4).

Accounting Judgements and Estimates

Revaluations

Following initial recognition at cost, property, plant and equipment are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure the carrying amount does not differ materially from the asset's fair values as at the reporting date. The regularity of valuations depends upon the volatility of movements in market values for the relevant assets. Each asset class carried at fair value is revalued at least every three years.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation surplus except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly as a surplus/deficit except to the extent they reverse a previous revaluation increment for that class.

Any accumulated depreciation at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

Land

The fair value of land administered on behalf of the Australian Government has been taken to be the market value of similar assets as determined by an independent qualified valuer at 30 June 2022. The valuer subsequently confirmed there were no material differences between the carrying value and fair value at 30 June 2023. The fair value of individual land parcels is considered representative of their highest and best use and the fundamental assumption that they could be sold on a freehold basis.

Buildings and other property, plant and equipment

The fair value of buildings and other property, plant and equipment assets has been taken to be either the market value or current replacement cost of similar assets as determined by an independent qualified valuer as at 30 June 2022, adjusted for subsequent depreciation, acquisitions and disposals. The valuer subsequently confirmed there were no material differences between the carrying value and fair value at 30 June 2023.

Other property, plant and equipment includes infrastructure used to provide essential services in the Territories and Regional Backbone Blackspot Program (RBBP) network infrastructure assets. The fair value of RBBP assets is taken to be the current replacement cost for each identified component of the assets. Components include fibre optic cable, Controlled Environment Vault Shelters and Backbone Point of Interconnect cabinets.

Artworks, museum collections and other heritage and cultural assets

The fair value of artworks and other collections administered on behalf of the Australian Government have been taken to be the market value of similar assets as determined by an independent qualified valuer at 30 June 2022 or the current replacement cost (NIDA building). The valuer subsequently confirmed there were no material differences between the carrying value and fair value at 30 June 2023. High value items are valued on an individual basis. The fair value of museum collections comprising a large number of similar artefacts were valued based on a stratified multi-stage sampling basis.

Intangible assets

The fair value of phosphate mining lease rights was determined by an independent qualified valuer as at 30 June 2022, measured as the present value of expected royalties on the estimated phosphate reserves remaining. The valuer subsequently confirmed there were no material differences between the carrying value and fair value at 30 June 2023.

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

Land and structures at Australian Government owned airports and the Moorebank Logistics Park

The land and structures at 21 civilian airports owned by the Australian Government and leased to private sector interests are subject to lease arrangements with an initial lease term of 50 years and a 49-year extension option exercisable by the lessees. Consideration consisted of upfront payments by the lessees, without any subsequent lease payments being payable, including in the event of the exercise of the lease extension option. These leases have been assessed as having no reportable fair value because of the extended period before any future revenue stream will accrue.

Land at the Western Sydney Airport site was leased to WSA Co on 17 May 2018 for no consideration at an initial term of 50 years and is also reported at nil value.

Land owned by the Australian Government at Moorebank NSW has been leased to a subsidiary of National Intermodal Corporation Ltd for 99 years for a nominal annual rental to develop an intermodal freight terminal. The lease has been assessed as having no reportable fair value as the present value of minimum lease payments is negligible.

	2023	2022
	\$'000	\$'000
4.2B: Inventories		
Inventories held for distribution ¹	3,074	3,067
Total inventories	3,074	3,067

¹ During 2023, \$8.9 million (2022: \$9.0 million) of inventory held for distribution was recognised as an expense.

Accounting Policy

Inventories

All inventories are expected to be distributed in the next 12 months. Inventories held for distribution are valued at cost, adjusted for any loss of service potential.

4.3 Administered – Payables

	2023	2022
	\$'000	\$'000
4.3A: Suppliers		
Trade creditors and accruals	351,784	338,561
Total suppliers	351,784	338,561

Settlement is usually made within 20 days (2022: 20 days).

4.3B: Subsidies

Subsidies in connection with

Aviation subsidies	1,531	28,716
Tasmanian Freight Equalisation Scheme	8,274	11,425
Other subsidies	2,924	4,534
Total subsidies	12,729	44,675

Settlement was due according to the terms and conditions of each grant within 30 days of performance eligibility.

4.3C: Grants

Australian Government entities	6,443	6,561
State and Territory Governments	134,960	85,979
Local Governments	104	-
Non-profit organisations	5,986	6,072
Commercial entities	31,169	46,607
Overseas	112	-
Total grants	178,774	145,219

DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

4.3D: Other payables

	2023 \$'000	2022 \$'000
Lease income received in advance	5,230	6,759
Classification fees received in advance	474	687
Salaries and wages	314	260
Superannuation	40	35
Other	271	332
Total other payables	6,329	8,073

4.4 Administered – Other Provisions

	Biodiversity Offset Credits \$'000	Regional Broadband Scheme \$'000	Other Provisions \$'000	Total \$'000
As at 1 July 2022	77,577	727,672	4,275	809,524
Additional provisions made	4,015	807,506	1,345	812,866
Amounts used	-	(737,269)	(2,046)	(739,315)
Remeasurement	(15,229)	9,597	(316)	(5,948)
Total as at 30 June 2023	66,363	807,506	3,258	877,127

Accounting Policy

Biodiversity offset credits

There are constructive obligations to use biodiversity offset credits to offset the environmental impact of development at the Western Sydney Airport. The biodiversity obligations are derived from the Western Sydney Airport Biodiversity Offset Delivery Plan.

Regional Broadband Scheme

The Regional Broadband Scheme reflects the constructive obligation to provide financial assistance to eligible funding recipients. The financial assistance obligation is derived from the *Telecommunications (Consumer Protection and Service Standards) Act 1999* and *Telecommunications (Regional Broadband Scheme) Charge Act 2020*.

Other Provisions

The phosphate mine rehabilitation provision reflects the Australian Government's obligation to rehabilitate land on Christmas Island affected by phosphate mining. The asbestos remediation provision reflects an obligation to remediate asbestos in buildings or structures owned by the Commonwealth where there is a present obligation and the cost of remediation can be reliably measured. Other provisions represent estimated costs to settle legal claims made against the department where settlement is considered probable.

Accounting Judgements and Estimates

Biodiversity offset credits

Amounts provided for biodiversity offset credits are equivalent to the value of the associated intangible asset.

Regional Broadband Scheme

The Regional Broadband Scheme (RBS) started on 1 January 2021, with an aim to ensure transparent and sustainable funding for essential broadband services supplied to regional, rural and remote Australians, and specifically to cover the net losses of NBN fixed wireless and satellite services. Under the RBS, carriers are required to pay \$7.97 per month for each premise on their network during 2022-23 with an active high speed superfast broadband service provided over a local access line. NBN Co will pay around 95 per cent of total charges imposed on carriers under the RBS with the Commonwealth expecting to fund eligible funding recipients, through charges collected under the RBS.

The Australian Communications and Media Authority is responsible for assessing and collecting charges from carriers and the department is responsible for entering into contracts or making grants of financial assistance to eligible funding recipients. As at 30 June 2023, NBN Co is the only eligible funding recipient and is estimated to receive a total of \$807.5 million in subsidies for the period 1 July 2022 to 30 June 2023.

Other provisions

The provision for phosphate mine rehabilitation is equal to the balance of the Christmas Island Phosphate Mining Rehabilitation Special Account, adjusted for accrued payments and revenue at year end.

Amounts are provided for settlement of claims against the department where settlement is probable and the amount can be reliably estimated using professional judgement.

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT, COMMUNICATIONS AND THE ARTS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

5. Funding

This section identifies the department's funding structure.

5.1 Appropriations

5.1A: Annual Appropriations ('Recoverable GST exclusive')

Annual Appropriations for 2022-23

	Annual Appropriation ¹ \$'000	Adjustments to appropriation ² \$'000	Total appropriation \$'000	Appropriation applied in 2022-23 (current and prior years) \$'000	Variance ³ \$'000
Departmental					
Ordinary annual services	436,668	16,377	453,045	(462,229)	(9,184)
Capital Budget ⁴	12,456	-	12,456	(12,519)	(63)
Total departmental	449,124	16,377	465,501	(474,748)	(9,247)
Administered					
Ordinary annual services					
Capital Budget ⁴	39,260	-	39,260	(13,132)	26,128
Administered items	2,562,840	(8,682)	2,554,158	(1,936,577)	617,581
Payments to corporate Commonwealth entities	2,154,415	6,238	2,160,653	(2,160,653)	-
Other services					
States, ACT, NT and Local government	1,160,211	-	1,160,211	(875,459)	284,752
Administered assets and liabilities	3,829,129	-	3,829,129	(3,411,029)	418,100
Payments to corporate Commonwealth entities	41,532	1,839	43,371	(43,371)	-
Total administered	9,787,387	(605)	9,786,782	(8,440,221)	1,346,561

1. Current year departmental appropriations withheld under section 51 of the PGPA Act are Supply Act (No. 3) 2022-23 \$1.8 million. Administered appropriations withheld under section 51 of the PGPA Act are Supply Act (No. 3) 2022-23 \$355.9 million.
2. Adjustments to appropriations include adjustments to current year annual appropriations including PGPA Act section 74 receipts and PGPA Act section 75 transfers.
3. Variances in administered items mainly relate to milestone delays for regional grant expenditure due to ongoing impacts associated with COVID-19 and natural disasters. The variance in the States and Territories appropriations mainly relates to the delay in project completion under the Local Roads and Community Infrastructure program and significant weather events preventing project construction for the demand-driven Roads to Recovery program. The variance in administered assets and liabilities is due to drawdowns made from prior years' appropriations and undrawn current year appropriations.
4. Departmental and Administered Capital Budgets are appropriated through Appropriation Acts (No. 1.3.5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts.

DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT, COMMUNICATIONS AND THE ARTS NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

5.1A: Annual Appropriations ('Recoverable GST exclusive') (continued)

Annual Appropriations for 2021-22

	Annual Appropriation \$'000	Adjustments to appropriation ¹ \$'000	Total appropriation \$'000	Appropriation applied in 2021-22 (current and prior years) \$'000	Variance ² \$'000
Departmental					
Ordinary annual services	405,452	30,790	436,242	(419,662)	16,580
Capital Budget ³	20,989	-	20,989	(28,985)	(7,996)
Total departmental	426,441	30,790	457,231	(448,647)	8,584
Administered					
Ordinary annual services					
Capital Budget ³	19,857	-	19,857	(18,331)	1,526
Administered items	3,755,554	265,777	4,021,331	(3,462,800)	558,531
Payments to corporate Commonwealth entities	2,103,913	14,227	2,118,140	(2,118,140)	-
Other services					
States, ACT, NT and Local government	1,491,351	-	1,491,351	(1,130,918)	360,433
Administered assets and liabilities	2,163,637	-	2,163,637	(1,455,520)	708,117
Payments to corporate Commonwealth entities	75,520	-	75,520	(75,520)	-
Total administered	9,609,832	280,004	9,889,836	(8,261,229)	1,628,607

- Administered adjustments include additional appropriation received through the Advance to the Finance Minister (AFM), to support making a grant payment of \$480 million to NBN Co Limited (AFM amount: \$235 million *Appropriation Act (No. 1) 2022-23*). Departmental adjustments comprise receipts retained under s74 of the PGPA Act. In addition, the departmental and administered adjustments include amounts transferred under s75 of the PGPA Act. This relates to amendments to the Administrative Arrangements Order on 2 July 2021, which transferred responsibility for Northern Australia policy including the *Northern Australia Infrastructure Facility Act 2016* from the Department of Industry, Science, Energy and Resources.
- Variances in annual administered appropriations mainly relate to expenditure associated with the COVID-19 aviation response packages, which are demand-driven in nature, and delays in meeting milestones for the regional grant and digital technology and communications programs, to those impacted by severe weather events and COVID-19. The variance in the State and Territories appropriations mainly relates to the delay in project completion under the Local Roads and Community Infrastructure program. The variance in administered assets and liabilities is due to drawdowns made from prior years' appropriations and undrawn current year appropriations.
- Departmental and Administered Capital Budgets are appropriated through Appropriation Acts (No. 1.3.5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts.

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS**
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
5.1B: Unspent Annual Appropriations ('Recoverable GST exclusive')

	2023	2022
	\$'000	\$'000
Departmental		
Appropriation Act (No. 1) 2020-21 ¹	9,208	9,208
Appropriation Act (No. 1) 2021-22 ¹	5	143,994
Appropriation Act (No. 1) 2021-22 Departmental Capital Budget	-	63
Appropriation Act (No. 3) 2021-22	-	9,525
Appropriation Act (No. 1) 2021-22 unspent cash	-	10,299
Supply Act (No. 1) 2022-23 ^{3,4}	131	-
Supply Act (No. 3) 2022-23 ¹	73,480	-
Appropriation Act (No. 1) 2022-23 ⁴	43,861	-
Appropriation Act (No. 3) 2022-23 ⁴	27,146	-
Appropriation Act (No. 1) 2022-23 unspent cash	10,606	-
Total departmental	164,437	173,089
Administered		
Appropriation Act (No. 1) 2019-20 ⁵	-	3,872
Appropriation Act (No. 3) 2019-20 ⁵	-	12,525
Appropriation Act (No. 5) 2019-20 ⁵	-	3,299
Appropriation Act (No. 2) 2019-20 - Administered Assets and Liabilities ⁵	-	311,685
Supply Act (No. 2) 2019-20 - Administered Assets and Liabilities ⁵	-	210,245
Appropriation Act (No. 4) 2019-20 - Administered Assets and Liabilities ⁵	-	13,195
Supply Act (No. 1) 2020-21	2,877	137,932
Appropriation Act (No. 1) 2020-21 ²	278,489	416,763
Supply Act (No. 2) 2020-21 - Administered Assets and Liabilities ²	454,667	509,593
Appropriation Act (No. 2) 2020-21 - Administered Assets and Liabilities	-	1
Appropriation Act (No. 2) 2020-21 - Payments to States, ACT, NT and local government ²	270,970	275,083
Appropriation Act (No. 1) 2020-21 - Advance to Finance Minister ²	222,973	222,973
Appropriation Act (No. 3) 2020-21 ²	126,629	126,629
Appropriation Act (No. 1) 2021-22	499,316	1,272,252
Appropriation Act (No. 1) 2021-22 - Administered Capital Budget (ACB)	241	3,750
Appropriation Act (No. 2) 2021-22 - Administered Assets and Liabilities	40,519	1,080,882
Appropriation Act (No. 2) 2021-22 - Payments to States, ACT, NT and local government	-	462,675
Appropriation Act (No. 3) 2021-22	688,522	767,532
Appropriation Act (No. 3) 2021-22 - Administered Capital Budget (ACB)	43	2,099
Appropriation Act (No. 4) 2021-22 - Administered Assets and Liabilities	1,280	98,445
Appropriation Act (No. 4) 2021-22 - Payments to States, ACT, NT and local government	-	629
Supply Act (No. 1) 2022-23 ³	489,737	-
Supply Act (No. 1) 2022-23 - Administered Capital Budget (ACB)	3,470	-
Supply Act (No. 2) 2022-23 - Administered Assets and Liabilities	1,007,582	-
Supply Act (No. 2) 2022-23 - Payments to States, ACT, NT and local government	228,410	-
Appropriation Act (No. 1) 2022-23	107,912	-
Appropriation Act (No. 1) 2022-23 - Administered Capital Budget (ACB)	15,644	-
Appropriation Act (No. 2) 2022-23 - Administered Assets and Liabilities	45,632	-
Supply Act (No. 3) 2022-23 ²	1,142,177	-
Supply Act (No. 3) 2022-23 - Administered Capital Budget (ACB)	12,580	-
Supply Act (No. 4) 2022-23 - Administered Assets and Liabilities	557,342	-
Supply Act (No. 4) 2022-23 - Payments to States, ACT, NT and local government	523,759	-
Appropriation Act (No. 3) 2022-23	3,030	-
Total administered	6,723,801	5,932,059

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

1. Includes departmental amount held under section 51 - Appropriation Act (No. 1) 2020-21: \$9.2 million; Appropriation Act (No. 1) 2021-22: \$5,000; Supply Act (No. 3) 2022-23: \$1.8 million.
2. Includes administered amounts held under section 51 of the PGPA Act - Appropriation Act (No. 1) 2020-21: \$275.5 million, Supply Act (No. 2) 2020-21 - Administered Assets and Liabilities: \$338 million, Appropriation Act (No. 2) 2020-21 - Payments to States, ACT, NT and local government: \$254 million, Appropriation Act (No. 1) 2020-21 - Advance to the Finance Minister: \$223 million, Appropriation Act (No. 3) 2020-21: \$126.6 million, Appropriation Act (No. 2) 2021-22 - Administered Assets and Liabilities: \$27.9 million, Supply Act (No. 3) 2022-23 \$355.9 million.
3. Includes amounts transferred under s75 of the PGPA Act. This relates to amendments to the Administrative Arrangements Order on 23 June 2023, which transferred responsibility from 1 July 2023 for the Copyright function to the Attorney-General's Department (\$1.2 million departmental and \$0.3 million administered) and Water function to the Department of Climate Change, Energy, the Environment and Water (\$5.2 million departmental and \$8.4 million administered).
4. Includes receipts retained under s74 of the PGPA Act.
5. 2019-20 appropriations lapsed on 1 July 2022 in accordance with the provisions in the appropriation acts.

5.1C: Special Appropriations ('Recoverable GST exclusive')

Authority	Type	Appropriation applied	
		2023 \$'000	2022 \$'000
<i>Australian Maritime Safety Authority Act 1990, section 48(2)</i>	Unlimited amount	134,642	136,114
<i>Australian National Railways Commission Sale Act 1997, sections 67AH(4), 67AW</i>	Limited amount	-	-
<i>Aviation Fuel Revenues (Special Appropriation) Act 1988, section 4(4)</i>	Unlimited amount	121,281	83,767
<i>Civil Aviation Act 1988, section 46A(4)</i>	Unlimited amount	887	882
<i>Classification (Publications, Films and Computer Games) Act 1995, section 90(2)</i>	Unlimited amount	-	-
<i>Local Government (Financial Assistance) Act 1995, section 19</i>	Unlimited amount	3,896,008	3,483,245
<i>Northern Australia Infrastructure Facility Act 2016, section 41</i>	Limited amount	584,976	457,681
<i>Protection of the Sea (Oil Pollution Compensation Fund) Act 1993, sections 40(4), 46N(4)</i>	Unlimited amount	2	358
<i>Public Governance, Performance and Accountability Act 2013, section 77</i>	Refund provisions	455	323
<i>Sydney Airport Demand Management Act 1997, section 27(4)</i>	Limited amount	-	-
<i>Telstra Corporation Act 1991, section 8BA(3)</i>	Unlimited amount	-	-
Total special appropriations applied		4,738,251	4,162,370

DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT, COMMUNICATIONS AND THE ARTS
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

5.2 Special Accounts

5.2A: Special Accounts (Recoverable GST exclusive¹)

	Art Rental Special Account 2016 ¹	Christmas Island Phosphate Mining Rehabilitation Special Account 2016 ²	Cultural Special Account ³	Indian Ocean Territories Special Account ⁴	Indigenous Repatriation Special Account 2016 ⁵	Jervis Bay Special Account ⁶
	2022 2023 \$'000	2022 2023 \$'000	2022 2023 \$'000	2022 2023 \$'000	2022 2023 \$'000	2022 2023 \$'000
Balance brought forward from previous period	2,973	2,534	-	4,923	3,815	1,248
Increases						
Departmental						
Appropriation credited to special account	-	-	-	-	-	-
Other receipts	4,517	3,802	-	-	890	-
Total departmental	4,517	3,802	-	-	890	-
Administered						
Contribution received	-	-	-	-	-	-
Telecommunication Industry Levy receipts	-	-	-	-	-	-
Appropriation credited to special account	-	-	-	-	-	-
Other receipts	-	1,330	1,217	20,123	-	1,252
Total Administered	-	1,330	1,217	20,123	-	1,252
Total increases	4,517	3,802	-	20,123	890	1,252
Available for payments	7,490	3,864	-	25,046	4,705	2,500
Decreases						
Departmental						
Payments made to suppliers	(3,658)	-	-	-	(1,229)	-
Adjustments to special account	-	-	(832)	-	-	-
Contribution made	-	-	-	-	-	-
Total Departmental	(3,658)	-	(832)	-	(1,229)	-
Administered						
Payments made to suppliers	-	(1,543)	-	(13,823)	-	(920)
Amounts returned to Official Public Account	-	-	-	-	-	-
Total Administered	-	(1,543)	-	(13,823)	-	(920)
Total decreases	(3,658)	(1,543)	(832)	(13,823)	(1,229)	(920)
Total balance carried to the next period	3,832	2,321	-	11,223	3,476	1,580
Balance represented by						
Cash held in bank account	219	-	-	34	-	1
Cash held in the Official Public Account	3,613	2,321	-	11,189	3,476	1,579
Total balance carried to the next period	3,832	2,321	-	11,223	3,476	1,580

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT, COMMUNICATIONS AND THE ARTS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

5.2A: Special Accounts (Recoverable GST exclusive)

	Melbourne Airport New Runway Land Acquisition Special Account ¹		National Cultural Heritage Special Account ²		Public Interest Telecommunications Services Special Account ³		Regional Broadband Scheme Special Account ⁴		Services for Other Entities and Trust Moneys ¹	
	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance brought forward from previous period	47	47	-	-	40,346	34,828	-	-	759	507
Increases										
Departmental										
Appropriation credited to special account	-	-	-	-	4,046	4,046	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	326	1,337
Total departmental	-	-	-	-	4,046	4,046	-	-	326	1,337
Administered										
Contribution received	-	-	500	500	-	-	-	-	-	-
Telecommunication Industry Levy receipts	-	-	-	-	217,797	225,579	23,620	10,992	-	-
Appropriation credited to special account	-	-	-	-	95,954	95,954	-	-	-	-
Other receipts	1,289	-	-	-	869	648	-	-	-	-
Total Administered	1,289	-	500	500	314,620	322,181	23,620	10,992	-	-
Total increases	1,289	-	500	500	318,666	326,227	23,620	10,992	326	1,337
Available for payments	1,336	47	500	500	359,012	361,055	23,620	10,992	1,085	1,844
Decreases										
Departmental										
Payments made to suppliers	-	-	-	-	(3,177)	(3,398)	-	-	(131)	(1,085)
Adjustments to special account	-	-	-	-	-	-	-	-	-	-
Contribution made	-	-	-	-	(869)	(648)	-	-	-	-
Total Departmental	-	-	-	-	(4,046)	(4,046)	-	-	(131)	(1,085)
Administered										
Payments made to suppliers	(1,289)	-	(500)	(500)	(305,836)	(316,663)	(22,972)	(10,992)	-	-
Amounts returned to Official Public Account	-	-	-	-	-	-	(589)	-	(422)	-
Total Administered	(1,289)	-	(500)	(500)	(305,836)	(316,663)	(23,561)	(10,992)	(422)	-
Total decreases	(1,289)	-	(500)	(500)	(309,882)	(320,709)	(23,561)	(10,992)	(553)	(1,085)
Total balance carried to the next period	47	47	-	-	49,130	40,346	59	59	532	759
Balance represented by										
Cash held in bank account	-	-	-	-	-	-	-	-	85	85
Cash held in the Official Public Account	47	47	-	-	49,130	40,346	59	59	447	674
Total balance carried to the next period	47	47	-	-	49,130	40,346	59	59	532	759

1 Appropriation: *Public Governance, Performance and Accountability Act 2013*; section 78. Establishing instrument: *PGPA Act Determination (Art Rental Special Account 2016)*. Purpose: Acquire, deaccession, lease, promote, develop, exhibit, lend, conserve and undertake any other activities in relation to managing an art rental collection for the Commonwealth.

2 Appropriation: *Public Governance, Performance and Accountability Act 2013*; section 78. Establishing instrument: *PGPA Act Determination (Christmas Island Phosphate Mining Rehabilitation Special Account 2016)*. Purpose: To manage the funding provided for the rehabilitation of phosphate mine sites on Christmas Island in accordance with the requirements of the lease between Phosphate Resources Ltd and the Australian Government.

DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT, COMMUNICATIONS AND THE ARTS NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

- 3 Appropriation: *Public Governance, Performance and Accountability Act 2013*; section 78. Establishing Instrument: *Financial Management and Accountability (Establishment of Cultural Special Account) Determination 2011/18*. Purpose: Supporting the performance or administration of cultural activities. The special account was sunset on 1 October 2021 and its balance was transferred to the newly established *Services for Other Entities and Trust Monies (SOETM)* special account. Refer below to the footnote no.11.
- 4 Appropriation: *Public Governance, Performance and Accountability Act 2013*; section 78. Establishing instrument: *PGPA Act (Indian Ocean Territories Special Account 2014 – Establishment) Determination 02*. Purpose: Delivery of essential services and infrastructure within the Indian Ocean Territories. Note that \$0.03 million in this special account is recognised as monies held in trust. This balance does not form part of the financial statements.
- 5 Appropriation: *Public Governance, Performance and Accountability Act 2013*; section 78. Establishing Instrument: *PGPA Act Determination (Indigenous Repatriation Special Account 2016)*. Purpose: Developing and conducting projects, programs and strategies associated with the repatriation of Indigenous ancestral remains and secret sacred objects.
- 6 Appropriation: *Public Governance, Performance and Accountability Act 2013*; section 78. Establishing instrument: *PGPA Act (Jervis Bay Territory Special Account 2014 – Establishment) Determination 03*. Purpose: Delivery of essential services and infrastructure within the Jervis Bay Territory. Note that \$0.001 million in this special account is recognised as monies held in trust. This balance does not form part of the financial statements.
- 7 Appropriation: *Public Governance, Performance and Accountability Act 2013*; section 78. Establishing instrument: *PGPA Act (Melbourne Airport New Runway Land Acquisition Special Account – Establishment) Determination 2015/10*. Purpose: Payments associated with the acquisition of land in connection with the Melbourne (Tullamarine) Airport.
- 8 Appropriation: *Public Governance, Performance and Accountability Act 2013*; section 80. Establishing Instrument: *Protection of Moveable Cultural Heritage Act 1986*, section 25. Purpose: Amounts standing to the credit of the National Cultural Heritage Account may be expended for the purpose of facilitating the acquisition of the Australian protected objects for display or self-keeping.
- 9 Appropriation: *Public Governance, Performance and Accountability Act 2013*; section 80. Establishing Instrument: *Telecommunications (Consumer Protection and Service Standards) Act 1999*, Division 5, section 37. Purpose: Support the delivery of Universal Service Obligation, National Relay Service and other public interest telecommunications services for all Australians. The Australian Communications and Media Authority collects a levy imposed on carriers under *the Telecommunications (Industry Levy) Act 2012* and *the Telecommunications (Consumer Protection and Service Standards) Act 1999*. These levy receipts are credited to the special account, and along with Government funding, are used to pay contractors and grant recipients and to contribute to administrative costs.
- 10 Appropriation: *Public Governance, Performance and Accountability Act 2013*; section 80. Establishing Instrument: *Telecommunications (Consumer Protection and Services Standards) Act 1999*, Division 3, section 89. Purpose: To ensure transparency in use of the funding raised by the Regional Broadband Scheme. The special account quarantines proceeds raised by the charge to pay eligible recipients for providing fixed wireless and satellite broadband services to regional, rural and remote Australians, and to contribute to administrative costs. An administrative cost component of \$589,000 was transferred to the Consolidated Revenue Fund as per section 92A of the Telecommunications (Consumer Protection and Service Standards) Act 1999.
- 11 Appropriation: *Public Governance, Performance and Accountability Act 2013*; section 78. Establishing instrument: *PGPA Act Determination (Infrastructure, Transport, Regional Development and Communications SOETM Special Account 2021)*. Purpose: Expenditure of money temporarily held in trust or otherwise for the benefit of a person other than the Commonwealth.

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

5.3 Regulatory Charging Summary

	2023 \$'000	2022 \$'000
Amounts applied		
Departmental		
Annual appropriations	22,771	14,094
Administered		
Special appropriations (including special accounts)	134,642	136,114
Total amounts applied	157,413	150,208
Expenses		
Departmental	22,773	14,124
Administered	133,617	134,689
Total expenses	156,390	148,813
External Revenue		
Administered	152,130	144,973
Total external revenue	152,130	144,973
Amounts written off		
Departmental	-	3
Administered	245	108
Total amounts written off	245	111

Regulatory charging activities:

- Environment protection and building control at leased federal airports
- Coasting trade permits
- Vehicle safety standards
- Australian Maritime Safety Authority levies
- Classification fees

Documentation (Cost Recovery Impact Statement) for the environmental protection and building control at leased federal airports, coasting trade permits and other minor cost recovery arrangements is available at:

<https://www.infrastructure.gov.au/sites/default/files/migrated/department/cost-recovery-implementation-statements/files/2005-CRIS-Minor-Arrangements.pdf>

Documentation (Cost Recovery Impact Statement) for Noise amelioration at Sydney and Adelaide Airports is available at:

<https://www.infrastructure.gov.au/sites/default/files/migrated/department/cost-recovery-implementation-statements/files/2005-CRIS-Noise-amelioration.pdf>

Documentation (Cost Recovery Impact Statement) for Vehicle Safety Standards is available at

<https://www.infrastructure.gov.au/sites/default/files/migrated/department/cost-recovery-implementation-statements/files/cris-rvsa-26-march-2020.pdf> and
<https://www.infrastructure.gov.au/sites/default/files/migrated/department/cost-recovery-implementation-statements/files/2005-CRIS-Vehicle-Safety-Standards.pdf>

Documentation (Cost Recovery Impact Statement) for Australian Maritime Safety Authority levies is available at:

<https://www.amsa.gov.au/about/fees-levies-and-payments/cost-recovery-implementation-statement-2020-21>

Documentation (Cost Recovery Impact Statement) for classification fees is available at:

<https://www.classification.gov.au/about-us/corporate-reporting/cost-recovery>

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

5.4 Net Cash Appropriation Arrangements

	2023	2022
	\$'000	\$'000
Total comprehensive income/(loss) - as per the Statement of Comprehensive Income	(15,133)	9,806
Plus: depreciation/amortisation of assets funded through appropriations (Departmental Capital Budget funding and/or equity injections)	19,175	16,666
Plus: depreciation of right-of-use assets	23,048	21,600
Less: lease principal repayments	(23,318)	(21,666)
Net Cash Operating Surplus	3,772	26,406

1. From 2010-11, the Government introduced net cash appropriation arrangements where revenue appropriations for depreciation/amortisation expense of non-corporate Commonwealth entities and selected corporate Commonwealth entities were replaced with a separate Capital Budget provided through equity injections. Capital Budgets are to be appropriated in the period when cash payment for capital expenditure is required.

2. Amounts are disclosed for depreciation of ROU assets and principal repayments of leased assets to reflect funding arrangements on adoption of *AASB 16 Leases* and the timing of expense recognition. Lease payments are met from departmental appropriations for ordinary annual services and not Capital Budgets. The inclusion of depreciation/amortisation expenses related to ROU leased assets and the lease liability principal repayment amount reflects the cash impact on implementation of *AASB 16 Leases*, it does not directly reflect a change in appropriation arrangements.

DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

6. People and Relationships

This section describes a range of employment and post-employment benefits provided to our people and our relationships with other key people.

6.1 Employee Provisions

	2023	2022
	\$'000	\$'000
6.1A: Employee provisions		
Leave	76,870	70,619
Total employee provisions	76,870	70,619
6.1B: Administered employee provisions		
Leave	3,623	3,900
Total employee provisions	3,623	3,900

Accounting Policy

Liabilities for 'short-term employee benefits' (as defined in *AASB 119 Employee Benefits*) and termination benefits expected to be wholly settled within 12 months of the end of the reporting period are measured at their nominal amounts.

Annual leave and long service leave provisions are classified as 'other long-term employee benefits' under AASB 119 as they are not expected to be wholly settled within the next 12 months. Other long-term employee benefits are measured as the present value of the expected cash flows.

Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting.

Leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the department's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

Superannuation

The department's staff are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS accumulation plan (PSSap) or other superannuation funds held outside the Australian Government.

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered schedules and notes.

The department makes employer contributions to the employees' defined benefit superannuation schemes at rates determined by an actuary to be sufficient to meet the current cost to the Government. The department accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June represents outstanding contributions for the final pay fortnight of the reporting period.

Accounting Judgements and Estimates

The liability for other long-term benefits has been determined with reference to the department specific probability factors determined by the Australian Government Actuary (AGA) as at 31 January 2022. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

6.2 Key Management Personnel Remuneration

Key management personnel (KMP) are those persons having authority for planning, directing and controlling the activities of the department, directly or indirectly. The department has determined KMP to be Portfolio Ministers¹, Secretary and members of the department's Executive Leadership Team.

During 2022-23, KMP for the department comprised of the Secretary and Deputy Secretaries. KMP remuneration is reported in the table below:

	2023	2022
	\$'000	\$'000
Short-term employee benefits	3,306	3,263
Post-employment benefits	410	535
Other long-term employee benefits	229	108
Termination benefits ²	-	803
Total key management personnel remuneration expenses³	3,945	4,709

The total number of KMP included in the above table are nine (2022: ten).⁴

1. Remuneration reported in this note excludes the remuneration and other benefits of Portfolio Ministers. Portfolio Ministers' remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the department.
2. Other leave of \$171,241 and a termination payment of \$392,479 were paid to a former KMP for service to 23 June 2023. This KMP was on leave for the whole of the 2022-23 financial year and remuneration is not reported in the above table.
3. Remuneration is reported on an accrual basis and excludes short-term acting arrangements.
4. The department had seven KMP positions at 30 June 2023 (2022: eight). The total number of KMP above includes employees occupying KMP positions for part of the year.

6.3 Related Party Disclosures

Related party relationships:

The department is an Australian Government controlled entity. Related parties to the department are KMP (refer Note 6.2), other Australian Government entities and the Norfolk Island Health and Residential Aged Care Service (refer Note 4.1D).

Transactions with related parties:

Given the breadth of Government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. These transactions have not been separately disclosed in this note.

During 2022-23, significant transactions with related parties included:

- principal and interest loan repayments from NBN Co Limited;
- payment to NBN Co Limited under the Regional Broadband Scheme;
- equity payments to portfolio entities;
- Telecommunications Industry Levy receipts from the Australian Communications and Media Authority;
- dividend revenue from Australian Postal Corporation; and
- payments for grants administration to the Department of Industry, Science and Resources.

Considering relationships with related entities, and transactions entered into during the reporting period by the department, it has been determined that there are no other related party transactions to be separately disclosed.

DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

7. Managing Uncertainties

This section analyses how the department manages financial risks within its operating environment.

7.1 Contingent Assets and Liabilities

7.1A: Contingent Assets and Liabilities

	Claims for damages or costs		Total	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Contingent assets				
Balance from previous period	10	-	10	-
New contingent assets recognised	9	10	9	10
Assets realised	(10)	-	(10)	-
Total contingent assets	9	10	9	10
Contingent liabilities				
Balance from previous period	-	-	-	-
Re-measurement	27	-	27	-
Total contingent liabilities	27	-	27	-
Net contingent assets/(liabilities)	(18)	10	(18)	10

Quantifiable Contingencies

Contingent Assets

As at 30 June 2023, there is one insurance claim submitted to recover costs for damage to the property, plant and equipment at the Orange Office due to a power surge. The claim is contingent on acceptance by the department's insurer. (2022: one).

Contingent Liabilities

As at 30 June 2023, there is one known instance of non-remote quantifiable contingent liability from a prior year claim submitted to recover property damage due to water leaking. (2022: nil).

Unquantifiable Contingencies

Legal matters

The department, on behalf of the Commonwealth, is party to matters before various courts. Costs may be awarded to or against the Commonwealth for these matters, subject to the Court's decisions. The potential costs or gains cannot be reliably estimated.

DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

7.1B: Administered - Contingent Assets and Liabilities				
	Claims for damages or costs		Total	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Contingent assets				
Balance from previous period	1,895	535	1,895	535
New contingent assets recognised	1,040	1,874	1,040	1,874
Re-measurement	8,110	(260)	8,110	(260)
Assets realised	(763)	(254)	(763)	(254)
Total contingent assets	10,282	1,895	10,282	1,895
Contingent liabilities				
Balance from previous period	-	2	-	2
Re-measurement	-	(1)	-	(1)
Liabilities realised	-	(1)	-	(1)
Total contingent liabilities	-	-	-	-
Net contingent assets	10,282	1,895	10,282	1,895

Quantifiable Contingencies

Contingent Assets

As at 30 June 2023, there are eight insurance claims submitted to recover costs for damage to properties and infrastructure on Cocos (Keeling) Island, Jervis Bay Territory and Christmas Island (2022: seven). The claim is contingent on acceptance by the department's insurer.

Contingent Liabilities

As at 30 June 2023, there are no known instances of non-remote quantifiable contingent liabilities (2022: nil).

Unquantifiable Administered Contingent Liabilities

Asbestos Remediation Costs

The Australian Government owned properties in the Indian Ocean Territories, Jervis Bay Territory and Norfolk Island where materials containing asbestos have been identified. Asbestos management plans are in place for these properties that include ongoing monitoring and removal or encapsulation of materials containing asbestos where necessary. The department may incur remediation costs in the future if conditions change, such as through damage or renovation. There is uncertainty around the timing of any future cash outflows if such remediation is undertaken.

Remote unquantifiable contingent liabilities

The Australian Government has entered into the following indemnities and arrangements which are considered significant in nature and were disclosed in the *2023-24 Budget Paper No. 1*. The probability the department will incur costs as a result of these arrangements is considered remote and no claims have been identified at 30 June 2023.

Australian Maritime Safety Authority Incident Costs

In the normal course of operations, the Australian Maritime Safety Authority (AMSA) is responsible for the provision of funds necessary to meet the clean-up costs arising from ship-sourced marine pollution and, in all circumstances, is responsible for making appropriate efforts to recover the costs of any such incidents. The Australian Government meets costs that cannot be recovered from such incidents. It is not possible to estimate the amounts of any eventual payments that may be required in relation to these incident costs. AMSA has established a pollution response financial capability of \$50 million, backed by liquid investment funds, to provide funding should the overall clean-up costs exceed the liability limit of the ship-owner.

National Intermodal Corporation – Indemnities

Indemnities have been provided in connection with the development of the Moorebank Intermodal Terminal, including:

- a) costs and liabilities that may be incurred by the State of NSW arising under *the Native Title Act 1993 (Cth)* associated with the construction of a rail bridge over the Georges River to the Moorebank Intermodal Terminal

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

- b) costs that may be incurred by National Intermodal Corporation Limited in the event the Commonwealth terminates the funding agreement between the Commonwealth and National Intermodal Corporation Limited for reasons other than a breach by National Intermodal Corporation Limited, and
- c) costs and liabilities incurred by the private sector owner of the Glenfield Waste Site for any easement for the rail spur across the Glenfield Waste Site, to the extent such costs or liabilities are caused, or contributed to, by the Commonwealth or its agents.

WSA Co Limited – Indemnities

Indemnities have been provided in connection with the establishment of WSA Co, including:

- a) protection for Directors of WSA Co Limited against certain claims relating to their employment as Directors. Unless the indemnity agreements are varied or brought to an end, they cease to apply from the date the Commonwealth has fully satisfied its obligations to subscribe for equity to WSA Co pursuant to the WSA Co Equity Subscription Agreement.
- b) liabilities that may be incurred by WSA Co Limited related to the integration of the Sydney Metro Western Sydney Airport project (delivered by the New South Wales Government) with the Western Sydney International (Nancy-Bird Walton) Airport, to the extent such liabilities are established in the Airport Rail Integration Deed.
- c) liabilities and costs that may be incurred by WSA Co in the event the Commonwealth terminates the Equity Subscription Agreement between WSA Co and the Commonwealth.

Optus Financial Guarantee

The Australian Government has provided a guarantee in respect of NBN Co's financial obligations to Optus Networks Pty Ltd, Optus Internet Pty Limited, Optus Vision Media Pty Limited and SingTel Optus Pty Ltd (collectively, Optus) under the Optus HFC Subscriber Agreement (the Agreement). An amended version of the Agreement came into effect on 22 January 2019. The Guarantee continues to apply to that Agreement. The Agreement extends for the period of the National Broadband Network roll-out in Optus Hybrid Fibre Coaxial (HFC) areas. The Australian Government is only liable in the event NBN Co does not pay an amount when due under the Agreement. As at 30 June 2023, NBN Co had generated liabilities covered by the Optus Agreement which are estimated at an amount less than \$50.0 million. There is a low risk that a claim would be made under the Guarantee.

Telstra Financial Guarantee

The Australian Government has provided Telstra Corporation Limited (Telstra) a guarantee in respect of NBN Co's financial obligations under the Definitive Agreements. The Agreements were amended on 14 December 2014. The Guarantee was not amended at that time and it continues in force in accordance with its terms in respect of the amended Definitive Agreements. The liabilities under the Definitive Agreements between Telstra and NBN Co arise progressively during the roll-out of the National Broadband Network as Telstra's infrastructure is accessed and Telstra's customers are disconnected from its copper and Hybrid Fibre Coaxial cable networks. The Government is only liable in the event NBN Co does not pay an amount when due under the Definitive Agreements. As at 30 June 2023, NBN Co had liabilities covered by the Guarantee estimated at \$11 billion.

The Guarantee will terminate when:

- a) NBN Co achieves specified credit ratings for a period of two continuous years;
- b) the company is capitalised by the Commonwealth to the agreed amount; and
- c) the Communications Minister declares, under the *National Broadband Network Companies Act 2011*, that, in his or her opinion, the National Broadband Network should be treated as built and fully operational. This declaration was made on 11 December 2020.

Inland Rail – Termination of the Equity Financing Agreement

The Australian Government will provide sufficient funding to cover all costs and liabilities incurred by the Australian Rail Track Corporation (ARTC) for delivery of Inland Rail in the event the Commonwealth terminates the Equity Financing Agreement between the Commonwealth and the ARTC.

New South Wales Rural Fire Fighting Service - indemnity

The New South Wales Rural Fire Service (NSW RFS) provides fire-fighting services in the Jervis Bay Territory (JBT). Due to the cross-border delivery of fire services from NSW to the JBT, the NSW RFS requires the Australian Government to provide an uncapped indemnity whereby the Australian Government would be liable for any damages, arising in good faith, from the provision of the agreed scope of fire management services. The likelihood of an event occurring that may result in a liability for the Australian Government has been assessed as remote. Risks are mitigated through the training and professional qualifications of NSW RFS staff.

Potential per- and poly-fluoroalkyl substances contamination

The Australian Government has identified a number of sites in Australia potentially contaminated with per- and poly-fluoroalkyl substances (PFAS) previously contained in firefighting foams.

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

The identified contaminants do not naturally break down in the environment and several have been listed on the Stockholm Convention as persistent contaminants. Australian health and environmental agencies have set a range of standards for environmental protection and precautionary health measures.

Up to 37 airport sites are potentially contaminated with PFAS relating to the Commonwealth provision of firefighting services. The department is undertaking PFAS investigations at these airports to understand the risks and develop corresponding management plans for any identified PFAS contamination. Airservices Australia (Airservices) is continuing to implement its National PFAS Management Program, which includes PFAS investigations at 18 remaining airport sites. The costs of potential long-term management options cannot be quantified at this time.

For the airports that are owned by the Commonwealth and leased on a long-term basis, Airport Lessee Companies (ALCs) are responsible for environmental management of their airport sites. Airport leases indemnify the Commonwealth in relation to damages or injury to the environment, including in respect of costs and claims arising due to such damages or injury. Nevertheless, in certain circumstances, in relation to some airports, where the Commonwealth historically provided firefighting services (in particular those not leased under the *Airports Act 1996*), such liability (if any) could rest with the Commonwealth.

A number of ALCs have requested the Airport Environment Officer (AEO) issue remediation orders to Airservices for PFAS contamination under the Airports (Environment Protection) Regulations 1997. On 30 March 2023, the AEO issued Airservices with an environmental remedial order in relation to PFAS contamination caused by Airservices at the former fire training ground at Launceston Airport. AEOs are also actively considering regulatory action at Brisbane, Canberra, Moorabbin and Sydney Airports.

Brisbane Airport Corporation has commenced legal proceedings in the Queensland Supreme Court against Airservices in relation to legacy PFAS contamination from Airservices' use of firefighting foams containing PFAS at the airport. Australia Pacific Airports Launceston and Perth Airport Pty Ltd have also commenced legal proceedings against Airservices in relation to PFAS contamination in the Federal Court. Potential costs relating to these matters are unquantifiable at this time.

Service Delivery Arrangement Indemnities — Indian Ocean Territories and Jervis Bay Territory

The Australian Government has been entering into Service Delivery Arrangements with the Western Australian (WA) Government for the provision of services to the Indian Ocean Territories of Christmas Island and the Cocos (Keeling) Islands since 1992. The Australian Government has provided certain indemnities for the WA Government, their respective officers, agents, contractors and employees against civil claims relating to their employment and conduct as officers.

The Australian Capital Territory (ACT) Government provides a number of services to the Jervis Bay Territory under Memoranda of Understanding. The Australian Government has provided certain indemnities for the ACT Government authorities and officials in respect of the delivery of services to the Jervis Bay Territory.

The likelihood of an event occurring that may result in a liability for the Australian Government has been assessed as remote and the risks are currently mitigated through the training and professional qualifications of the staff of these entities, and the existence of systems, processes and standards for the delivery of services.

Tripartite deeds relating to the sale of federal leased airports

The tripartite deeds between the Australian Government, the airport lessee company and financiers, amend airport (head) leases to provide for limited step-in rights for financiers in circumstances where the Australian Government terminates the head lease to enable the financiers to correct the circumstances that triggered such a termination event. The tripartite deeds may require the Australian Government to pay financiers compensation as a result of terminating the (head) lease, once all Australian Government costs have been recovered. The Australian Government's contingent liabilities are considered to be unquantifiable and remote.

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

Accounting Policy

Contingent Assets and Contingent Liabilities

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position or Administered Schedule of Assets and Liabilities but are reported in the notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

Accounting Judgements and Estimates

Indemnities and/or guarantees

The maximum amounts payable under the indemnities given is disclosed above. At the time of completion of the financial statements, there was no reason to believe the indemnities and/or guarantees would be called upon, and no recognition of any liability was therefore required.



DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

7.2 Financial Instruments	2023	2022
	\$'000	\$'000

7.2A: Categories of Financial Instruments

Financial assets at amortised cost		
Cash and cash equivalents	18,360	17,339
Trade and other receivables	3,247	3,852
Accrued revenue	2,978	3,431
Total financial assets at amortised cost	24,585	24,622
Total financial assets	24,585	24,622

Financial Liabilities

Financial liabilities measured at amortised cost		
Suppliers	25,017	28,166
Total financial liabilities measured at amortised cost	25,017	28,166
Total financial liabilities	25,017	28,166

The carrying value of financial assets and liabilities is a reasonable approximation of fair value.

7.2B: Net Gains or Losses on Financial Assets

Financial assets at amortised cost		
Reversal of impairment	-	142
Foreign exchange	-	1
Impairment on financial assets	(55)	-
Net gains/(losses) on financial assets at amortised cost	(55)	143
Net gains/(losses) on financial assets	(55)	143

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

Accounting Policy

Financial assets

The department classifies its financial assets in the following categories:

- a) financial assets at fair value through other comprehensive income, and
- b) financial assets measured at amortised cost.

The classification depends on both the department's business model for managing the financial assets and contractual cash flow characteristics at the time of initial recognition. Financial assets are recognised when the department becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash and derecognise when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date.

Financial Assets at Amortised Cost

Financial assets included in this category need to meet two criteria:

1. The financial asset is held in order to collect contractual cash flows and
2. The cash flows are solely payments of principal and interest (SPPI) on the principal outstanding amount.

Amortised cost is determined using the effective interest rate method.

Effective Interest Method

Income is recognised on an effective interest rate basis for financial assets that are recognised at amortised cost.

Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI)

Financial assets measured at fair value through other comprehensive income are held with the objective of both collecting contractual cash flows and selling the financial assets and the cash flows meet the SPPI test.

Any gains or losses as a result of fair value measurement or the recognition of an impairment loss allowance is recognised in other comprehensive income.

Impairment of Financial Assets

Financial assets are assessed for impairment at the end of each reporting period based on Expected Credit Losses, using the general approach which measures the loss allowance based on an amount equal to lifetime expected credit losses where risk has significantly increased, or an amount equal to 12-month expected credit losses if risk has not increased or remains low.

The simplified approach for trade, contract and lease receivables is used. This approach always measures the loss allowance as the amount equal to the lifetime expected credit losses.

A write-off constitutes a derecognition event where the write-off directly reduces the gross carrying amount of the financial asset.

Financial Liabilities

Financial liabilities are classified as 'financial liabilities at amortised cost'. Financial liabilities are recognised and derecognised upon 'trade date'.

Financial liabilities at amortised cost

Financial liabilities, including borrowings and concessional loan commitments, are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective interest basis.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

All payables are expected to be settled within 12 months except where indicated.

DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

7.3 Administered – Financial Instruments

	2023	2022
	\$'000	\$'000
7.3A: Categories of Financial Instruments		
Financial assets at amortised cost		
Cash and cash equivalents	65,176	50,039
Loan to NBN Co Limited	5,496,537	6,374,612
Other loans	3,085,759	2,717,721
Contract assets	7,519	6,778
Total financial assets at amortised cost	8,654,991	9,149,150
Financial assets at fair value through other comprehensive income		
Investments	39,254,275	38,601,862
Total financial assets at fair value through other comprehensive income	39,254,275	38,601,862
Total financial assets	47,909,266	47,751,012
Financial Liabilities		
Financial liabilities measured at amortised cost		
Suppliers payable	351,784	338,561
Subsidies payable	12,729	44,675
Grants payable	178,774	145,219
Loan commitment provision	171,237	271,361
Total financial liabilities measured at amortised cost	714,524	799,816
Total financial liabilities	714,524	799,816
The carrying value of financial assets and liabilities is a reasonable approximation of fair value.		
7.3B: Net Gains and Losses on Financial Assets		
Financial assets at amortised cost		
Interest revenue earned on:		
Loan to NBN Co Limited	224,079	336,032
Other loans	158,047	128,399
Concessional loan discount expense	(54,092)	(82,880)
Impairment	(174,969)	(31,372)
Net gains on financial assets at amortised cost	153,065	350,179
Financial assets at fair value through other comprehensive income		
Dividend revenue	21,805	124,086
Gains/(losses) recognised in other comprehensive income	(2,736,329)	1,349,924
Net gains/(losses) on financial assets at fair value through other comprehensive income	(2,714,524)	1,474,010
Net gains/(losses) on financial assets	(2,561,459)	1,824,189

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

7.3C: Fair Value of Financial Instruments

The department considers that the carrying amounts reported in the Administered Schedule of Assets and Liabilities are a reasonable approximation of the fair value of these financial assets and liabilities.

7.3D: Credit Risk

The administered activities exposed to credit risk mainly related to loans issued by the NAIF corporate Commonwealth entity, loans to commercial entities and other receivables.

The department assessed expected credit losses on loans and receivables and made an allowance for impairment where appropriate. The department considered whether the credit risk of loans has increased significantly based on assessments of budget papers for state government entities, compliance with loan conditions, reports from credit rating agencies (where available) and other publicly available information including benchmarking against published default rates for entities with similar credit ratings. The department has drawn upon the subject matter expertise of various other parties in conducting the risk assessments.

The carrying amount of financial assets are considered to best represent the maximum exposure to credit risk.

7.3E: Liquidity Risk

The department's administered financial liabilities were trade creditors, subsidies payable, grants payable and loan commitment provision.

The department's administered activities were funded primarily by appropriation from the Australian Government. The department manages its budgeted administered funds to ensure that it has adequate funds to meet payments as they fall due. In addition, the department has policies in place to ensure timely payments are made when due and has no past experience of default.

Maturities for non-derivative financial liabilities in 2023

	On demand \$'000	Within 1 year \$'000	Between 1 to 2 years \$'000	Between 2 to 5 years \$'000	More than 5 years \$'000	Total \$'000
Trade creditors and accruals	-	351,784	-	-	-	351,784
Subsidies payable	-	12,729	-	-	-	12,729
Grants payable	-	178,774	-	-	-	178,774
Loan commitment provision	-	104,189	48,177	18,871	-	171,237
Total	-	647,476	48,177	18,871	-	714,524

Maturities for non-derivative financial liabilities in 2022

	On demand \$'000	Within 1 year \$'000	Between 1 to 2 years \$'000	Between 2 to 5 years \$'000	More than 5 years \$'000	Total \$'000
Trade creditors and accruals	-	338,561	-	-	-	338,561
Subsidies payable	-	44,675	-	-	-	44,675
Grants payable	-	145,219	-	-	-	145,219
Loan commitment provision	-	271,361	-	-	-	271,361
Total	-	799,816	-	-	-	799,816

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

7.3F: Market Risk

The department held basic financial instruments that did not expose the department to certain market risks such as 'Currency risk' or 'Other price risk'.

Interest rate risk

The department is exposed to interest rate risk primarily from administered investments that are valued using the discounted cash flow method. The only interest-bearing items on the statement of financial position were 'loans to State and Territory Governments' and 'NAIF loans'. All of these loans bear interest at a fixed interest rate and their values did not fluctuate due to changes in the market interest rate.

The below sensitivity analysis has been arrived at via adjusting the selected discount rate in isolation of other factors such as cash flows and other assumptions.

Sensitivity analysis of the risk that the Department is exposed to for 2023

	Risk Variable	Change in risk variable %	Effect on	
			Net cost of services	Equity
			\$'000	\$'000
Administered investments using discounted cash flows	Discount rate	(+1.04%)	-	(4,381,710)
Administered investments using discounted cash flows	Discount rate	(-1.04%)	-	5,815,317

Sensitivity analysis of the risk that the Department was exposed to for 2022

	Risk Variable	Change in risk variable %	Effect on	
			Net cost of services	Equity
			\$'000	\$'000
Administered investments using discounted cash flows	Discount rate	(+0.79%)	-	(4,155,290)
Administered investments using discounted cash flows	Discount rate	(-0.79%)	-	4,199,479

7.4 Administered – Fair Value Measurement

The following tables provide an analysis of assets and liabilities that are measured at fair value. The remaining assets and liabilities disclosed in the Statement of Financial Position do not apply the fair value hierarchy.

The different levels of the fair value hierarchy are defined below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the department can access at measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

7.4A: Fair Value Measurement

	Fair value measurements at the end of the reporting period		Category (Level 1, 2 or 3)	Valuation Technique(s) and Inputs Used
	2023	2022		
	\$'000	\$'000		
Financial assets				
Biodiversity offset credits at fair value through profit and loss	-	77,577	1	Market value of equivalent ecosystem or species credits.
Investments accounted for using the net assets method	17,246,675	14,038,062	3	Net assets of entities at balance date, proportionate of the Australian Government's interest.
Investment in NBN Co Limited	19,500,000	19,700,000	3	Present value of future cash flows discounted at a rate of return that would be expected by a market participant in determining a purchase price.
Other Investments accounted for using the discounted cash flow method	2,507,600	4,863,800	3	Present value of future net cash flows discounted at the weighted average cost of capital.
Total financial assets	39,254,275	38,679,439		
Non-financial assets				
Land	180	180	2	Market value of similar assets as determined by an independent qualified valuer.
Land	75,971	75,971	3	Estimated market value of similar assets as determined by an independent qualified valuer.
Buildings	4,695	5,150	2	Market value of similar assets as determined by an independent qualified valuer.
Buildings	132,664	143,165	3	Current replacement cost as determined by an independent qualified valuer.
Artwork	5,473	5,472	2	Market value of similar assets as determined by an independent qualified valuer.
Artworks	33,185	33,185	3	Estimated market value of similar assets as determined by an independent qualified valuer.
Heritage and cultural	33,658	33,658	2	Market value of similar assets as determined by an independent qualified valuer.
Heritage and cultural	112,550	113,261	3	Current replacement cost as determined by an independent qualified valuer.
Other property, plant and equipment	279	347	2	Market value of similar assets as determined by an independent qualified valuer.
Other property, plant and equipment	469,477	492,501	3	Current replacement cost as determined by an independent qualified valuer.
Intangibles - Phosphate mine lease	3,176	3,970	3	Present value of future royalty cash flows as determined by an independent qualified valuer.
Total non-financial assets	871,308	906,860		
Total assets	40,125,583	39,586,299		

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT, COMMUNICATIONS AND THE ARTS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

7.4B: Reconciliation for Recurring Level 3 Fair Value Measurements

	Financial assets						Non-financial assets						
	Investments accounted for using the net assets method		Investments accounted for using the discounted cash flow method		Land	Buildings	Artwork	Heritage and cultural	Other property, plant and equipment	Intangibles - Phosphate mine leases			
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
As at 1 July	14,038,062	12,449,543	24,563,800	23,275,100	31,880	143,165	100,826	33,185	-	113,261	95,216	447,445	5,833
Total gains/(losses) recognised in net cost of services ¹	-	-	-	-	-	(11,561)	(9,548)	-	-	(2,359)	(2,618)	(45,819)	(794)
Total gains/(losses) recognised in other comprehensive income ²	(274,008)	824,719	(2,462,321)	525,202	9,376	-	12,705	-	2,790	-	4,111	-	(696)
Purchases	1,610,621	763,800	1,830,621	763,498	-	1,464	3,604	-	-	1,647	1,613	22,392	-
Transfers into Level 3	-	-	-	-	-	-	35,138	-	30,395	-	14,939	-	-
Returns to the Consolidated Revenue Fund	-	-	(52,500)	-	-	-	-	-	-	-	-	-	-
Other	1,872,000	-	(1,872,000)	-	-	(403)	440	-	-	-	-	403	(52)
Total as at 30 June	17,246,675	14,038,062	22,007,600	24,563,800	75,971	132,665	143,165	33,185	33,185	112,549	113,261	469,477	3,176
Changes in unrealised gains/(losses) recognised in net cost of services	3,208,613	1,588,519	(2,556,200)	1,288,700	-	(10,500)	42,339	-	33,185	(712)	18,045	(23,024)	(794)

1. These gains and losses are presented in the Schedule of Comprehensive Income under depreciation and amortisation expenses and write-down and impairment of other assets.
2. These gains and losses are presented in the Schedule of Comprehensive Income under changes in asset revaluation reserve.

DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

8. Other Information

8.1 Current/Non-current Distinction for Assets and Liabilities

	2023	2022
	\$'000	\$'000
8.1A: Current/Non-current Distinction for Assets and Liabilities		
Assets expected to be recovered in:		
No more than 12 months		
Cash and cash equivalents	18,360	17,339
Trade and other receivables	149,606	161,336
Accrued revenue	2,978	3,431
Other non-financial assets	8,437	6,354
Total no more than 12 months	179,381	188,460
More than 12 months		
Buildings	106,348	113,261
Heritage and cultural	42,634	42,516
Property, plant and equipment	22,844	20,318
Intangibles	60,475	53,563
Other non-financial assets	1,615	1,364
Total more than 12 months	233,916	231,022
Total assets	413,297	419,482
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers	25,017	28,166
Other payables	13,992	13,206
Leases	23,788	19,913
Employee provisions	20,160	19,346
Other provisions	337	-
Total no more than 12 months	83,294	80,631
More than 12 months		
Leases	63,287	78,235
Employee provisions	56,710	51,273
Other provisions	363	631
Total more than 12 months	120,360	130,139
Total liabilities	203,654	210,770

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	2023	2022
	\$'000	\$'000
8.1B: Administered - Current/Non-current Distinction for Assets and Liabilities		
Assets expected to be recovered in:		
No more than 12 months		
Cash and cash equivalents	65,176	50,039
Trade and other receivables	5,578,372	125,340
Other financial assets	-	77,577
Inventories	3,074	3,067
Prepayments	3,305	3,078
Total no more than 12 months	5,649,927	259,101
More than 12 months		
Investments	39,254,275	38,601,862
Trade and other receivables	3,057,562	9,078,795
Land and buildings	213,510	224,466
Heritage and cultural	184,866	185,576
Property, plant and equipment	469,756	492,848
Intangibles	69,975	4,407
Total more than 12 months	43,249,944	48,587,954
Total assets	48,899,871	48,847,055
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers	351,784	338,561
Subsidies	12,729	44,675
Grants	178,774	145,219
Other payables	3,683	3,897
Employee provisions	962	1,174
Loan commitment provision	104,189	180,941
Other provisions	877,127	809,524
Total no more than 12 months	1,529,248	1,523,991
More than 12 months		
Other payables	2,646	4,176
Employee provisions	2,661	2,726
Loan commitment provision	67,048	90,420
Total more than 12 months	72,355	97,322
Total liabilities	1,601,603	1,621,313

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

8.2 Assets Held in Trust

Monetary assets

Monetary assets held in trust are also disclosed in Note 5.2A - Special Accounts in the tables titled 'Services for Other Entities and Trust Moneys.'

The Trust accounts are for moneys received from other Government and non-agency bodies, or moneys which are required to be held in trust for the benefit of a person other than the Commonwealth.

These monies are not available for other purposes of the department and are not recognised in the financial statements.

	2023 \$'000	2022 \$'000
Services to Other Entities and Trust Moneys - Department of Infrastructure, Transport, Regional Development, Communications and the Arts		
As at 1 July	539	534
Receipts	3	6
Payments	(422)	(1)
Total as at 30 June	120	539
Total assets held in trust	120	539

The department has no non-monetary assets held in trust as at 30 June 2023 (2022: nil).

8.3 Restructuring

8.3A: Departmental Restructuring

	RELINQUISHED		ASSUMED
	2023 \$'000	2023 \$'000	2022 \$'000
	Copyright function Attorney-General's Department ¹	Water function Department of Climate Change, Energy, the Environment and Water ²	Northern Australia policy and coordination Department of Industry, Science, Energy and Resources
Assets			
Appropriation receivable	360	1,238	668
Total financial assets	360	1,238	668
Total assets	360	1,238	668
Liabilities			
Provisions			
Employee provisions	360	1,238	668
Total liabilities	360	1,238	668
Net assets/(liabilities)	-	-	-
Income assumed			
Recognised by the receiving entity	-	-	7,108
Recognised by the losing entity	-	-	650
Total income assumed	-	-	7,758
Expenses assumed			
Recognised by the receiving entity	-	-	7,108
Recognised by the losing entity	-	-	650
Total expenses assumed	-	-	7,758

¹ The Copyright function was transferred to the Attorney-General's Department following amendments to the Administrative Arrangements Order made on 23 June 2022. The effective date for the transfer was 1 July 2022.

² The Water function was transferred to the Department of Climate Change, Energy, the Environment and Water following amendments to the Administrative Arrangements Order made on 23 June 2022. The effective date for the transfer was 1 July 2022.

DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

8.3B: Administered Restructuring

ASSUMED		
	2023	2022
	\$'000	\$'000
Old Parliament House		Northern Australia policy and coordination
Department of the Prime Minister and Cabinet¹		Department of Industry, Science, Energy and Resources
Assets		
Trade and other receivables	-	269,492
Investments	117,158	5,189
Total assets	117,158	274,681
Liabilities		
Loan commitment provision	-	291,115
Total liabilities	-	291,115
Net assets/(liabilities)	117,158	(16,434)
Investments reserve	(117,158)	(5,189)
Total restructuring	-	(21,623)
Income assumed		
Recognised by the receiving entity	-	38,085
Recognised by the losing entity	-	-
Total income assumed	-	38,085
Expenses assumed		
Recognised by the receiving entity	15,261	141,798
Recognised by the losing entity	-	4,740
Total expenses assumed	15,261	146,538

¹ Responsibility for reporting the Australian Government's interest in Old Parliament House was transferred from the Department of the Prime Minister and Cabinet following amendments to the Administrative Arrangements Order made on 23 June 2022. The effective date for the transfer was 1 July 2022.

There was no impact on the administered financial statements from the transfer out of the Copyright and Water functions following amendments to the Administrative Arrangements Order made on 23 June 2022. The effective date for the transfer was 1 July 2022.



PART 6

Appendices

Appendix A: Resource statements and expenses for outcomes	216
Appendix B: Audit and Risk Committee members	227
Appendix C: Employee statistics	229
Appendix D: Executive remuneration	240
Appendix E: Advertising and market research	244
Appendix F: Ecologically sustainable development and environmental performance	245
Appendix G: Work health and safety	248
Appendix H: Public broadcasters	250
Appendix I: Aviation legislation	251
Appendix J: National land transport	252
Appendix K: Legal services expenditure	252
Appendix L: Public interest contracts and grants	253
Appendix M: Protection of Movable Cultural Heritage Act 1986	255
Appendix N: Correction to previous Annual Report	257

Appendix A: Resource statements and expenses for outcomes

Table A.1 Entity resource statement 2022–23

		Actual available appropriation ¹ for 2022–23 \$'000	Payments made 2022–23 \$'000	Balance remaining 2022–23 \$'000
Departmental				
Annual appropriations – ordinary annual services ²		626,134	462,229	163,905
Departmental capital budget		12,456	12,519	(63)
Total departmental annual appropriations³	A	638,590	474,748	163,842
Special accounts				
Opening balance		7,680		
Appropriation receipts ⁴		4,046		
Non-appropriation receipts		5,407		
Total special accounts receipts	B	17,133		
Payments made	C		8,933	
Total available special accounts				8,200
<i>less departmental appropriations drawn from annual/special appropriations and credited to special accounts</i>	D	(4,046)	(4,046)	
Total departmental resourcing	A+B+C+D	651,677	479,635	
Administered⁵				
Annual appropriations – ordinary annual services ²				
Prior year appropriations available		2,963,777	1,125,276	
Outcome 1		225,435	4,845	
Outcome 2		336,927	140,118	
Outcome 3		784,113	39,504	

		Actual available appropriation ¹ for 2022–23 \$'000	Payments made 2022–23 \$'000	Balance remaining 2022–23 \$'000
Outcome 4		245,704	180,287	
Outcome 5		310,319	237,319	
Outcome 6		294,977	209,229	
Administered capital budget ⁶		39,244	13,132	
Payments to corporate entities ⁷		2,160,653	2,160,653	
Total annual appropriations – ordinary annual services		7,361,149	4,110,363	3,250,786
Other services – non operating				
Prior year appropriations available		2,224,046	1,192,456	
Administered assets and liabilities		3,829,129	2,218,573	
Administered assets and liabilities – Payments to corporate entities ⁷		43,371	43,371	
Total other services – non operating		6,096,546	3,454,400	2,642,146
Other services – specific payments to states, ACT, NT and local government				
Outcome 1		490,881	358,193	
Outcome 3		669,330	517,266	
Total other services – specific payments to states, ACT, NT and local government		1,160,211	875,459	284,752
Total administered annual appropriations	A	14,617,906	8,440,221	6,177,685
Total available administered special appropriations	B		4,738,251	
Special accounts				
Opening balance		49,066		
Appropriation receipts ⁴		96,454		
Non-appropriation receipts ⁸		266,277		
Total special accounts receipts	C	411,797		
Payments made	D		347,472	

		Actual available appropriation ¹ for 2022-23 \$'000	Payments made 2022-23 \$'000	Balance remaining 2022-23 \$'000
Total available special accounts				64,325
Total resourcing and payments		15,029,703	13,525,944	
<i>less administered appropriations drawn from annual/special appropriations and credited to special accounts</i>	E	(96,454)	(96,454)	
<i>less payments to corporate entities from annual/special appropriations</i>	F	(2,447,700)	(2,460,834)	
Total administered resourcing	A+B+ C+D+ E+F	12,485,549	10,968,656	
Total resourcing and payments⁹		13,137,226	11,448,291	

- Figures in the table represent actual appropriations provided less any legally recognised reductions as outlined in Note 5.1B of the 2022-23 Financial Statements.
- Supply Act (No.1) 2022-23, Appropriation Act (No. 1) 2022-23 and Appropriation Act (No. 3) 2022-23.
- Actual available appropriations for 2022-23 include prior year departmental appropriation and s74 relevant entity receipts.
- Appropriation receipts from departmental and administered appropriations.
- Actual available appropriations for 2022-23 include retained administered funds from previous years.
- Administered capital budgets are not separately identified in Appropriation Bill (No. 1) and form part of ordinary annual services items.
- 'Corporate entities' are corporate Commonwealth entities and Commonwealth companies as defined under the PGPA Act.
- Non-Appropriation receipts from the Public Interest Telecommunications Services Special Account, Regional Broadband Scheme Special Account, Christmas Island Phosphate Mining Rehabilitation Special Account, Indian Ocean Territories Special Account, Jervis Bay Territory Special Account and the Melbourne Airport New Runway Land Acquisition Special Account.
- Total resourcing excludes the actual available appropriation for all special appropriations.

Table A.2 Expenses for Outcome 1: Improved infrastructure across Australia through investment in and coordination of transport and other infrastructure

	Budget ¹ 2022–23 \$'000	Actual expenses 2022–23 \$'000	Variation 2022–23 \$'000
Program 1.1: Infrastructure Investment			
Administered expenses			
Ordinary annual services (Appropriation Acts No.1 and No.3)	223,380	128,343	95,037
Other services (Appropriation Acts No.2 and No.4)	490,881	357,881	133,000
Payments to corporate entities	16,971	12,524	4,447
Expenses not requiring appropriation in the Budget year ²	(51,412)	7,173	(58,585)
Total for Program 1.1	679,820	505,920	173,900
Outcome 1 Total	679,820	505,920	173,900
Outcome 1 totals by appropriation type			
Administered expenses			
Ordinary annual services (Appropriation Acts No.1 and No.3)	223,380	128,343	95,037
Other Services (Appropriation Acts No.2 and No.4)	490,881	357,881	133,000
Payments to corporate entities	16,971	12,524	4,447
Expenses not requiring appropriation in the Budget year ²	(51,412)	7,173	(58,585)
Departmental expenses			
Departmental appropriation ³	86,943	63,070	23,873
s74 External Revenue	–	4,205	(4,205)
Expenses not requiring appropriation in the Budget year ⁴	2,945	3,734	(789)
Total expenses for Outcome 1	769,708	576,929	192,779
Average staffing level (number)	314	330	(16)

1 Budget figures are based on the 2022-23 estimated actuals published in the 2023-24 Portfolio Budget Statements.

2 Administered 'Expenses not requiring appropriation in the Budget year' comprises of expenses relating to impairment losses, depreciation and amortisation, concessional loans, payments made from prior year appropriations and other non-cash expenses.

3 Departmental appropriation includes Ordinary annual services (Appropriation Acts No.1 and No.3).

4 Departmental 'Expenses not requiring appropriation in the Budget year' relates to depreciation and amortisation expenses.

Table A.3 Expenses for Outcome 2: An efficient, sustainable, competitive, safe and secure transport system for all transport users through regulation, financial assistance and safety investigations

	Budget ¹ 2022–23 \$'000	Actual expenses 2022–23 \$'000	Variation 2022–23 \$'000
Program 2.1: Surface Transport			
Administered expenses			
Ordinary annual services (Appropriation Acts No.1 and No.3)	248,012	253,104	(5,092)
Special appropriations	134,698	133,639	1,059
Payments to corporate entities	95,534	95,534	–
Total for Program 2.1	478,244	482,277	(4,033)
Program 2.2: Road Safety			
Administered expenses			
Ordinary annual services (Appropriation Acts No.1 and No.3)	13,500	10,521	2,979
Expenses not requiring appropriation in the Budget year ²	595	536	59
Total for Program 2.2	14,095	11,057	3,038
Program 2.3: Air Transport			
Administered expenses			
Ordinary annual services (Appropriation Acts No.1 and No.3)	72,384	37,557	34,827
Special appropriations	116,832	122,554	(5,722)
Special accounts	–	1,289	(1,289)
Payments to corporate entities	91,155	91,155	–
Expenses not requiring appropriation in the Budget year ²	124,842	70,269	54,573
Total for Program 2.3	405,213	322,824	82,389
Outcome 2 Total	897,552	816,158	81,394

	Budget ¹ 2022–23 \$'000	Actual expenses 2022–23 \$'000	Variation 2022–23 \$'000
Outcome 2 totals by appropriation type			
Administered expenses			
Ordinary annual services (Appropriation Acts No.1 and No.3)	333,896	301,181	32,715
Special appropriations	251,530	256,193	(4,663)
Special accounts	–	1,289	(1,289)
Payments to corporate entities	186,689	186,689	–
Expenses not requiring appropriation in the Budget year ²	125,437	70,805	54,632
Departmental expenses			
Departmental appropriation ³	113,831	128,048	(14,217)
s74 External Revenue	4,155	6,746	(2,591)
Expenses not requiring appropriation in the Budget year ⁴	4,311	6,184	(1,873)
Total expenses for Outcome 2	1,019,849	957,136	62,713
Average staffing level (number)	524	515	9

1 Budget figures are based on the 2022-23 estimated actuals published in the 2023-24 Portfolio Budget Statements.

2 Administered 'Expenses not requiring appropriation in the Budget year' comprises of expenses relating to impairment losses, depreciation and amortisation, concessional loans, payments made from prior year appropriations and other non-cash expenses.

3 Departmental appropriation includes Ordinary annual services (Appropriation Acts No.1 and No.3).

4 Departmental 'Expenses not requiring appropriation in the Budget year' relates to depreciation and amortisation expenses.

Table A.4 Expenses for Outcome 3: Strengthening the sustainability, capacity and diversity of Australia's cities and regions, including northern Australia, including through facilitating local partnerships between all levels of government and local communities; through investment in infrastructure and measures that stimulate economic growth; and providing grants and financial assistance

	Budget ¹ 2022–23 \$'000	Actual expenses 2022–23 \$'000	Variation 2022–23 \$'000
Program 3.1: Regional Development			
Administered expenses			
Ordinary annual services (Appropriation Acts No.1 and No.3)	740,693	356,875	383,818
Expenses not requiring appropriation in the Budget year ²	238,673	232,753	5,920
Total for Program 3.1	979,366	589,628	389,738
Program 3.2: Local Government			
Administered expenses			
Ordinary annual services (Appropriation Acts No.1 and No.3)	670	–	670
Other services (Appropriation Acts No.2 and No.4)	669,330	196,850	472,480
Special appropriations	833,499	3,944,375	(3,110,876)
Expenses not requiring appropriation in the Budget year ²	316,303	316,303	–
Total for Program 3.2	1,819,802	4,457,528	(2,637,726)
Program 3.3: Cities			
Administered expenses			
Ordinary annual services (Appropriation Acts No.1 and No.3)	2,633	1,148	1,485
Expenses not requiring appropriation in the Budget year ²	(1,398)	18	(1,416)
Total for Program 3.3	1,235	1,166	69

	Budget ¹ 2022–23 \$'000	Actual expenses 2022–23 \$'000	Variation 2022–23 \$'000
Program 3.4: Growing a Stronger Northern Australian Economy			
Administered expenses			
Ordinary annual services (Appropriation Acts No.1 and No.3)	38,410	9,323	29,087
Payments to corporate entities	20,681	20,681	–
Expenses not requiring appropriation in the Budget year ²	164,794	233,688	(68,894)
Total for Program 3.4	223,885	263,693	(39,808)
Outcome 3 Total	3,024,288	5,312,015	(2,287,727)
Outcome 3 totals by appropriation type			
Administered expenses			
Ordinary annual services (Appropriation Acts No.1 and No.3)	782,406	367,347	415,059
Other services (Appropriation Acts No.2 and No.4)	669,330	196,850	472,480
Special appropriations	833,499	3,944,375	(3,110,876)
Payments to corporate entities	20,681	20,681	–
Expenses not requiring appropriation in the Budget year ²	718,372	782,762	(64,390)
Departmental expenses			
Departmental appropriation ³	78,395	74,852	3,543
s74 External Revenue	–	3,647	(3,647)
Expenses not requiring appropriation in the Budget year ⁴	2,983	3,534	(551)
Total expenses for Outcome 3	3,105,666	5,394,048	(2,288,382)
Average staffing level (number)	314	275	39

1 Budget figures are based on the 2022-23 estimated actuals published in the 2023-24 Portfolio Budget Statements.

2 Administered 'Expenses not requiring appropriation in the Budget year' comprises of expenses relating to impairment losses, depreciation and amortisation, concessional loans, payments made from prior year appropriations and other non-cash expenses.

3 Departmental appropriation includes Ordinary annual services (Appropriation Acts No.1 and No.3).

4 Departmental 'Expenses not requiring appropriation in the Budget year' relates to depreciation and amortisation expenses.

Table A.5 Expenses for Outcome 4: Good governance and service delivery in the Australian territories including through the maintenance and improvement of the laws and services for non-self-governing territories, and the overarching legislative framework for self-governing territories

	Budget ¹ 2022-23 \$'000	Actual expenses 2022-23 \$'000	Variation 2022-23 \$'000
Program 4.1: Services to Territories			
Administered expenses			
Ordinary annual services (Appropriation Acts No.1 and No.3)	246,767	231,530	15,237
Special accounts	19,934	16,090	3,844
Expenses not requiring appropriation in the Budget year ²	41,922	50,201	(8,279)
Total for Program 4.1	308,623	297,821	10,802
Outcome 4 totals by appropriation type			
Administered expenses			
Ordinary annual services (Appropriation Acts No.1 and No.3)	246,767	231,530	15,237
Special accounts	19,934	16,090	3,844
Expenses not requiring appropriation in the Budget year ²	41,922	50,201	(8,279)
Departmental expenses			
Departmental appropriation ³	32,599	25,144	7,455
s74 External Revenue	–	1,713	(1,713)
Expenses not requiring appropriation in the Budget year ⁴	1,214	1,531	(317)
Total expenses for Outcome 4	342,436	326,209	16,227
Average staffing level (number)	124	124	0

1 Budget figures are based on the 2022-23 estimated actuals published in the 2023-24 Portfolio Budget Statements.

2 Administered 'Expenses not requiring appropriation in the Budget year' comprises of expenses relating to impairment losses, depreciation and amortisation, concessional loans, payments made from prior year appropriations and other non-cash expenses.

3 Departmental appropriation includes Ordinary annual services (Appropriation Acts No.1 and No.3).

4 Departmental 'Expenses not requiring appropriation in the Budget year' relates to depreciation and amortisation expenses.

Table A.6 Expenses for Outcome 5: Promote an innovative and competitive communications sector, through policy development, advice and program delivery, so all Australians can realise the full potential of digital technologies and communications services

	Budget ¹ 2022–23 \$'000	Actual expenses 2022–23 \$'000	Variation 2022–23 \$'000
Program 5.1: Digital Technologies and Communications Services			
Administered expenses			
Ordinary annual services (Appropriation Acts No.1 and No.3)	308,524	148,157	160,367
Special accounts	329,064	307,403	21,661
Payments to corporate entities	1,423,963	1,423,963	–
Expenses not requiring appropriation in the Budget year ²	716,266	855,706	(139,440)
Total for Program 5.1	2,777,817	2,735,230	42,587
Outcome 5 totals by appropriation type			
Administered expenses			
Ordinary annual services (Appropriation Acts No.1 and No.3)	308,524	148,157	160,367
Special accounts	329,064	307,403	21,661
Payments to corporate entities	1,423,963	1,423,963	–
Expenses not requiring appropriation in the Budget year ²	716,266	855,706	(139,440)
Departmental expenses			
Departmental appropriation ³	84,520	75,022	9,498
s74 External Revenue	2,406	3,835	(1,429)
Special accounts	4,046	4,046	–
Expenses not requiring appropriation in the Budget year ⁴	3,010	4,260	(1,250)
Total expenses for Outcome 5	2,871,799	2,822,393	49,406
Average staffing level (number)	316	348	(32)

1 Budget figures are based on the 2022-23 estimated actuals published in the 2023-24 Portfolio Budget Statements.

2 Administered 'Expenses not requiring appropriation in the Budget year' comprises of expenses relating to impairment losses, depreciation and amortisation, concessional loans, payments made from prior year appropriations, Regional Broadband Scheme subsidies and other non-cash expenses.

3 Departmental appropriation includes Ordinary annual services (Appropriation Acts No.1 and No.3).

4 Departmental 'Expenses not requiring appropriation in the Budget year' relates to depreciation and amortisation expenses.

Table A.7 Expenses for Outcome 6: Participation in, and access to, Australia's art and culture through developing and supporting cultural expression

	Budget ¹ 2022-23 \$'000	Actual expenses 2022-23 \$'000	Variation 2022-23 \$'000
Program 6.1: Arts and Cultural Development			
Administered expenses			
Ordinary annual services (Appropriation Acts No.1 and No.3)	253,833	294,388	(40,555)
Special accounts	500	500	–
Payments to corporate entities	512,903	512,903	–
Expenses not requiring appropriation in the Budget year ²	50,000	3,847	46,153
Total for Program 6.1	817,236	811,638	5,598
Outcome 6 totals by appropriation type			
Administered expenses			
Ordinary annual services (Appropriation Acts No.1 and No.3)	253,833	294,388	(40,555)
Special accounts	500	500	–
Payments to corporate entities	512,903	512,903	–
Expenses not requiring appropriation in the Budget year ²	50,000	3,847	46,153
Departmental expenses			
Departmental appropriation ³	62,293	46,248	16,045
s74 External Revenue	7,873	2,707	5,166
Special accounts	5,023	5,018	5
Expenses not requiring appropriation in the Budget year ⁴	2,202	2,782	(580)
Total expenses for Outcome 6	894,627	868,393	26,234
Average staffing level (number)	226	219	7

1 Budget figures are based on the 2022-23 estimated actuals published in the 2023-24 Portfolio Budget Statements.

2 Administered 'Expenses not requiring appropriation in the Budget year' comprises of expenses relating to impairment losses, depreciation and amortisation, concessional loans, payments made from prior year appropriations and other non-cash expenses.

3 Departmental appropriation includes Ordinary annual services (Appropriation Acts No.1 and No.3).

4 Departmental 'Expenses not requiring appropriation in the Budget year' relates to depreciation and amortisation expenses.

Appendix B: Audit and Risk Committee members

Table B.1 Members of the Audit and Risk Committee of the Department of Infrastructure, Transport, Regional Development, Communications and the Arts

Member name and committee position	Qualifications, knowledge, skills or experience (include formal and informal as relevant)	Number of meetings attended/total number of meetings	Total annual remuneration (GST incl.)
<p>Mr Ian McPhee AO PSM</p> <p>Independent chair, Audit and Risk Committee (ARC)</p> <p>Independent member, Financial Statements Sub Committee (FSSC)</p>	<p>Mr McPhee was the Auditor-General for Australia from 2005 to 2015 and was a former Deputy Secretary of the Financial Management Group at the Department of Finance. Mr McPhee's roles include being a non-executive director of a listed company and chair and independent member of audit and risk committees for a number of government entities.</p> <p>Mr McPhee holds a Bachelor of Business (Accountancy) and Bachelor of Arts (Computing Studies). Mr McPhee is a Fellow of CPA Australia and a graduate of the Australian Institute of Company Directors.</p>	<p>6/6 committee meetings</p> <p>5/6 FSSC meetings</p>	\$55,000
<p>Mr Geoff Knuckey</p> <p>Independent member, ARC</p> <p>Independent chair, FSSC</p>	<p>Mr Knuckey is a former Partner of Ernst & Young where he specialised in financial statements auditing and advised on internal audit, corporate governance, risk management, and financial statements auditing and reporting. Mr Knuckey is currently chair or non-executive director of several private sector companies, and chair or independent member of audit and risk committees for a number of government entities.</p> <p>Mr Knuckey holds a Bachelor of Economics and is a Fellow of the Institute of Chartered Accountants in Australia, a Registered Company Auditor, Graduate Member of the Australian Institute of Company Directors, and a member of the Australian Institute of Internal Auditors.</p>	<p>6/6 committee meetings</p> <p>6/6 FSSC meetings</p>	\$40,000

Member name and committee position	Qualifications, knowledge, skills or experience (include formal and informal as relevant)	Number of meetings attended/total number of meetings	Total annual remuneration (GST incl.)
<p>Ms Gayle Ginnane</p> <p>Independent member, ARC</p>	<p>Ms Ginnane has previously held senior positions in the public sector with responsibility for regulation of the private health industry as well as chair and directorship roles in both the public and private sectors.</p> <p>Ms Ginnane is currently chair or non-executive director of several private sector companies, and chair or independent member of audit and risk committees for a number of government entities.</p> <p>Ms Ginnane holds a Bachelor of Arts (Mathematics and Statistics), Bachelor of Economics, Master of Defence Studies and Graduate Diploma in Strategic Studies.</p>	<p>6/6 committee meetings</p> <p>1/2 FSSC meetings</p>	<p>\$27,500</p>
<p>Dr David Bryant</p> <p>Independent member, ARC</p>	<p>Dr Bryant is a Senior ACS Certified Professional (PCP) and AIPM Certified Practising Project Director (CPPD) and specialises in IT governance and projects. Dr Bryant also holds roles as an independent member of audit and risk committees for a number of government entities.</p> <p>Dr Bryant is a Lecturer on accounting information systems at ANU and holds a PhD (management information systems), MBA (Technology Management), B. Information Technology, ACS PCP, AIPM, CPPD.</p>	<p>6/6 committee meetings</p> <p>0/2 FSSC meetings</p>	<p>\$27,500</p>
<p>Pauline Sullivan</p> <p>Departmental advisor, ARC</p>	<p>Ms Sullivan is First Assistant Secretary, Online Safety, Media and Platforms.</p>	<p>4/6 committee meetings</p> <p>0/2 FSSC meetings</p>	<p>N/A</p>
<p>Sarah Vandenbroek</p> <p>Departmental advisor, ARC</p>	<p>Ms Vandenbroek is First Assistant Secretary, Territories.</p>	<p>4/6 committee meetings</p> <p>1/2 FSSC meetings</p>	<p>N/A</p>

Appendix C: Employee statistics

The Department of Finance's Resource Management Guide No. 135 titled 'Annual reports for non-corporate Commonwealth entities' requires the inclusion of a range of employee statistics for the department relating to the current and previous reporting periods.

All employees: gender, location, and full-time and part-time status

Tables C.1 to C.4 present the number of departmental employees (including by reference to ongoing and non-ongoing) by gender, location and full-time and part-time status at 30 June 2023 and 30 June 2022.

Table C.1 All ongoing employees, current report period (at 30 June 2023)^{a, b}

	Male			Female			Grand Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	
NSW	29	1	30	52	9	61	91
QLD	17	1	18	46	8	54	72
SA	2	1	3	4	2	6	9
TAS	2	–	2	4	1	5	7
VIC	13	–	13	12	7	19	32
WA	6	–	6	9	3	12	18
ACT	645	45	690	817	165	982	1,672
NT	2	1	3	9	–	9	12
Norfolk Island	2	–	2	2	1	3	5
Overseas	2	–	2	–	–	–	2
Total	720	49	769	955	196	1,151	1,920

- Excludes inoperative employees, holders of public office and employees under the employment authority of the Indian Ocean Territories Administration.
- For purposes of de-identification, excludes one employee self-identified as indeterminate gender.

Table C.2 All non-ongoing employees, current report period (at 30 June 2023)^{a, b}

	Male			Female			Grand Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	
NSW	1	-	1	9	3	12	13
QLD	-	-	-	1	3	4	4
SA	-	-	-	-	-	-	-
TAS	-	-	-	-	-	-	-
VIC	1	-	1	-	-	-	1
WA	-	1	1	-	-	-	1
ACT	21	7	28	36	22	58	86
NT	-	-	-	-	-	-	-
Norfolk Island	2	-	2	2	-	2	4
Overseas	1	-	1	-	-	-	1
Total	26	8	34	48	28	76	110

a. Excludes inoperative employees, holders of public office and employees under the employment authority of the Indian Ocean Territories Administration.

b. For purposes of de-identification, excludes one employee self-identified as indeterminate gender.

Table C.3 All ongoing employees, previous report period (at 30 June 2022)^{a, b}

	Male			Female			Grand Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	
NSW	27	–	27	36	7	43	70
QLD	5	–	5	24	5	29	34
SA	1	–	1	3	2	5	6
TAS	1	–	1	2	–	2	3
VIC	11	–	11	12	8	20	31
WA	6	–	6	7	2	9	15
ACT	621	42	663	798	154	952	1,615
NT	–	1	1	8	–	8	9
Norfolk Island	3	–	3	3	–	3	6
Overseas	2	–	2	–	–	–	2
Total	677	43	720	893	178	1,071	1,791

- a. Excludes inoperative employees, holders of public office and employees under the employment authority of the Indian Ocean Territories Administration.
- b. For purposes of de-identification, excludes one employee self-identified as indeterminate gender.

Table C.4 All non-ongoing employees, previous report period (at 30 June 2022)^{a, b}

	Male			Female			Grand Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	
NSW	3	–	3	5	–	5	8
QLD	–	–	–	2	–	2	2
SA	–	–	–	–	–	–	–
TAS	–	–	–	–	–	–	–
VIC	–	–	–	1	–	1	1
WA	–	–	–	–	2	2	2
ACT	27	10	37	43	17	60	97
NT	1	–	1	–	–	–	1
Norfolk Island	1	–	1	2	–	2	3
Overseas	1	–	1	–	–	–	1
Total	33	10	43	53	19	72	115

a. Excludes inoperative employees, holders of public office and employees under the employment authority of the Indian Ocean Territories Administration.

b. For purposes of de-identification, excludes one employee self-identified as indeterminate gender.

Public Service Act 1999 employees: classification levels, full-time and part-time status, gender and location

Tables C.5 to C.9 present the number of Public Service Act 1999 (PS Act) employees in the department (including by reference to ongoing and non-ongoing) by classification levels, full-time and part-time status, gender and location at 30 June 2023 and 30 June 2022.

Table C.5 PS Act ongoing employees, current report period (at 30 June 2023)^{a, b}

	Male			Female			Grand Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	
APS 1	5	–	5	5	–	5	10
APS 2	4	4	8	4	1	5	13
APS 3	23	–	23	26	–	26	49
APS 4	31	2	33	86	7	93	126
APS 5	93	3	96	133	22	155	251
APS 6	149	13	162	216	47	263	425
EL 1	255	20	275	289	103	392	667
EL 2	114	7	121	147	15	162	283
SEB1	34	–	34	38	1	39	73
SEB2	7	–	7	9	–	9	16
SEB3	4	–	4	2	–	2	6
SEC	1	–	1	–	–	–	1
Total	720	49	769	955	196	1,151	1,920

- a. Excludes inoperative employees, holders of public office and employees under the employment authority of the Indian Ocean Territories Administration.
- b. For purposes of de-identification, excludes one employee self-identified as indeterminate gender.

Table C.6 PS Act non-ongoing employees, current report period (at 30 June 2023)^{a, b}

	Male			Female			Grand Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	
APS 1	–	–	–	–	–	–	–
APS 2	1	2	3	–	6	6	9
APS 3	1	3	4	1	5	6	10
APS 4	3	1	4	12	5	17	21
APS 5	6	–	6	7	4	11	17
APS 6	7	2	9	14	5	19	28
EL 1	4	–	4	13	2	15	19
EL 2	3	–	3	1	–	1	4
SEB1	–	–	–	–	–	–	–
SEB2	1	–	1	–	1	1	2
SEB3	–	–	–	–	–	–	–
SEC	–	–	–	–	–	–	–
Total	26	8	34	48	28	76	110

- a. Excludes inoperative employees, holders of public office and employees under the employment authority of the Indian Ocean Territories Administration.
- b. For purposes of de-identification, excludes one employee self-identified as indeterminate gender.

Table C.7 PS Act ongoing employees, previous report period (at 30 June 2022)^{a, b}

	Male			Female			Grand Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	
APS 1	5	–	5	4	–	4	9
APS 2	2	1	3	1	1	2	5
APS 3	30	–	30	30	1	31	61
APS 4	21	2	23	74	6	80	103
APS 5	86	4	90	130	11	141	231
APS 6	153	10	163	196	45	241	404
EL 1	219	17	236	276	97	373	609
EL 2	121	9	130	131	17	148	278
SEB1	28	–	28	36	–	36	64
SEB2	8	–	8	11	–	11	19
SEB3	3	–	3	4	–	4	7
SEC	1	–	–	–	–	–	1
Total	677	43	720	893	178	1,071	1,791

- a. Excludes inoperative employees, holders of public office and employees under the employment authority of the Indian Ocean Territories Administration.
- b. For purposes of de-identification, excludes one employee self-identified as indeterminate gender.

Table C.8 PS Act non-ongoing employees, previous report period (at 30 June 2022)^{a, b}

	Male			Female			Grand Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	
APS 1	–	2	2	–	–	–	2
APS 2	2	2	4	4	6	10	14
APS 3	2	1	3	4	5	9	12
APS 4	13	3	16	11	1	12	28
APS 5	3	–	3	14	4	18	21
APS 6	7	1	8	10	2	12	20
EL 1	2	1	3	8	1	9	12
EL 2	4	–	4	2	–	2	6
SEB1	–	–	–	–	–	–	–
SEB2	–	–	–	–	–	–	–
SEB3	–	–	–	–	–	–	–
SEC	–	–	–	–	–	–	–
Total	33	10	43	53	19	72	115

- a. Excludes inoperative employees, holders of public office and employees under the employment authority of the Indian Ocean Territories Administration.
- b. For purposes of de-identification, excludes one employee self-identified as indeterminate gender.

Table C.9 PS Act Aboriginal and/or Torres Strait Islander employment (at 30 June 2022 and 30 June 2023)^a

	2021–22	2022–23
Ongoing	43	49
Non-ongoing	2	2
Total	45	51

a. Excludes inoperative employees, holders of public office and employees under the employment authority of the Indian Ocean Territories Administration.

Public Service Act 1999 employees: employment arrangements

Tables C.10 and C.11 present the number of SES and non-SES employees covered by any enterprise agreement, individual flexibility arrangements, Australian workplace agreements, common law contracts or determinations under subsection 24(1) of the PS Act during 2022–23. No performance bonuses were paid during the reporting period.

Table C.10 PS Act employment arrangements, current report period (at 30 June 2023)^{a, b}

	SES	Non-SES	Total
Individual determination under subsection 24(1) of the PS Act 1999	97	1	98
Department of Infrastructure and Regional Development Enterprise Agreement 2016	–	1,934	1,934 (643)
Subsection 24(1) - Department of Infrastructure, Transport, Regional Development, Communications and the Arts Non-SES Employees Determination 2023/1	–	1,934,	1,934

- a. Excludes inoperative employees and holders of public office. Non-SES employees are covered by 2 workplace arrangements: the Department of Infrastructure and Regional Development Enterprise Agreement 2016 and the Subsection 24(1) — Department of Infrastructure, Transport, Regional Development, Communications and the Arts Non-SES Employees Determination 2023/1.
- b. Employees with individual flexibility arrangements are shown in brackets.

Table C.11 PS Act employment salary ranges by classification level (minimum/maximum), current report period (30 June 2023)^{a, b}

	Minimum salary	Maximum salary
APS 1	\$53,076.00	\$53,076.00
APS 2	\$56,642.00	\$64,396.00
APS 3	\$64,622.00	\$69,778.00
APS 4	\$71,600.00	\$82,455.00
APS 5	\$79,935.00	\$92,470.00
APS 6	\$88,466.00	\$119,105.00
EL 1	\$113,631.00	\$151,636.00
EL 2	\$134,056.00	\$191,294.00
SEB1	\$209,138.00	\$253,497.00
SEB2	\$253,599.00	\$352,112.00
SEB3	\$371,308.00	\$401,914.00

- a. Individual flexibility arrangements and salary maintenance have been reflected in the salary figures for these classifications. The Secretary has been excluded; please refer to the key management and personnel remuneration table (Appendix D: Executive remuneration) for details on the Secretary's remuneration.
- b. Excludes inoperative employees, holders of public office and employees under the employment authority of the Indian Ocean Territories Administration.

Indian Ocean Territories: employment arrangements

Table C.12 presents the number of staff employed under the Territory of Christmas Island Administration Ordinance 1968 and the Territory of Cocos (Keeling) Islands Administration Ordinance 1975. These staff are excluded from employee numbers reported under the PS Act.

Table C.12 All staff employed under the Indian Ocean Territories Administration, by employment type, current and previous report period ^{a, b}

	30 June 2022	30 June 2023
Ongoing	63	63
Non-ongoing	47	49
Casual	48	53
Total	158	165

- a. Includes all employees employed under the Territory of Christmas Island Administration Ordinance 1968 and the Territory of Cocos (Keeling) Islands Administration Ordinance 1975.
- b. Excludes the Administrator for Christmas Island and Cocos (Keeling) Islands.

Appendix D: Executive remuneration

The Secretary's remuneration is determined by the Remuneration Tribunal. All other SES staff are covered by agency determinations, which are determined by the Secretary under subsection 24(1) of the *Public Service Act 1999*.

The department's SES remuneration policy is designed to position the department competitively in the APS SES market while remaining consistent with the objectives of the government's Public Sector Workplace Relations Policy 2023. The department monitors and evaluates the competitiveness of SES remuneration annually through the results of the APS Remuneration Report.

SES employees received a 3% wage increase on 13 October 2022 consistent with the Public Sector Interim Workplace Arrangements 2022.

Tables D.1 to D.3 present remuneration information for key management personnel, senior executives and other highly paid employees.

Table D.1 Information about remuneration for key management

Name	Position title	Short-term benefits			Post-employment benefits			Other long-term benefits			Total remuneration
		Base salary	Bonuses	Other benefits and allowances	Superannuation contributions	Long service leave	Other long-term benefits	Termination benefits			
Jim Betts	Secretary	\$845,395		\$277	\$25,001	\$27,528			\$898,201		
Richard Windeyer	Deputy Secretary	\$482,446		\$277	\$74,815	\$27,399			\$584,937		
David Hallinan	Deputy Secretary	\$426,924		\$277	\$72,387	\$42,227			\$541,815		
Stephen Arnott	Deputy Secretary	\$423,261		\$277	\$69,840	\$35,795			\$529,173		
Marisa Purvis-Smith	Deputy Secretary	\$388,726		\$277	\$70,104	\$33,591			\$492,698		
David Mackay	Deputy Secretary	\$336,104		\$277	\$37,473	\$16,108			\$389,962		
Maree Bridger	Deputy Secretary/COO	\$342,290		\$277	\$47,782	\$30,552			\$420,901		
Rachel Bacon	Deputy Secretary	\$50,188			\$9,221	\$7,966			\$67,375		
Diane Brown	Deputy Secretary	\$8,692			\$3,202	\$8,033			\$19,927		

Table D.2 Information about remuneration for senior executives

Total remuneration bands	Number of senior executives	Short-term benefits			Post-employment benefits			Other long-term benefits			Termination benefits		Total remuneration
		Average base salary	Average bonuses	Average other benefits and allowances	Average superannuation contributions	Average other long-term service leave	Average long-term benefits	Average termination benefits	Average other termination benefits	Average total remuneration	Average total remuneration		
\$0-\$220,000	23	\$106,723.68	-	\$122.52	\$17,144.35	\$6,108.11	-	-	-	-	-	\$130,098.67	
\$220,001-\$245,000	19	\$193,760.97	-	\$263.02	\$32,746.04	\$6,557.52	-	-	-	-	-	\$233,327.56	
\$245,001-\$270,000	23	\$210,367.39	-	\$276.58	\$37,490.96	\$7,777.03	-	-	-	-	-	\$255,911.96	
\$270,001-\$295,000	22	\$229,599.66	-	\$276.58	\$40,199.36	\$9,768.87	-	-	-	-	-	\$279,844.46	
\$295,001-\$320,000	5	\$247,851.72	-	\$276.58	\$46,110.72	\$11,273.33	-	-	-	-	-	\$305,512.34	
\$320,001-\$345,000	6	\$258,574.53	-	\$251.19	\$49,961.18	\$20,623.37	-	-	-	-	-	\$329,410.27	
\$345,001-\$370,000	2	\$292,444.24	-	\$276.58	\$53,405.88	\$11,446.78	-	-	-	-	-	\$357,573.47	
\$370,001-\$395,000	3	\$250,273.49	-	\$276.58	\$39,616.39	\$27,874.48	-	-	-	-	\$61,542.13	\$379,583.06	
\$420,001-\$445,000	2	\$364,215.26	-	\$85.62	\$52,645.84	\$18,750.59	-	-	-	-	-	\$435,697.31	
\$795,001-\$820,000	1	\$327,975.00	-	0.00	\$71,161.32	\$10,833.00	-	-	-	-	\$392,479.06	\$802,448.38	

Table D.3 Information about remuneration for other highly paid staff

Total remuneration bands	Number of senior executives	Short-term benefits			Post-employment benefits		Other long-term benefits		Termination benefits	Total remuneration
		Average base salary	Average bonuses	Average other benefits and allowances	Average superannuation contributions	Average long service leave	Average other long-term benefits	Average termination benefits	Average total remuneration	
\$395,001–\$420,000	1	\$224,693.15	-	\$ 47,572.76	\$31,670.86	\$4,699.75			\$308,636.52	

Appendix E: Advertising and market research

During 2022–23, the department did not conduct any advertising campaigns.

Tables E.1 to E.3 list advertising and market research payments of more than \$15,200 (GST inclusive) made during 2022–23, as required by section 311A of the *Commonwealth Electoral Act 1918*.

Table E.1 Advertising entities

Organisation name	Purpose	Amount of payment (including GST)
Eye Candy Animation	Creative production	\$18,756
Total advertising entities		\$18,756

Table E.2 Market research organisations

Organisation name	Purpose	Amount of payment (including GST)
Orima Research	Market research	\$357,355
WSP Australia Pty Ltd*	Market research	\$87,489
Hall and Partners	Evaluation services	\$54,500
Total market research organisations		\$499,344

* The total invoiced amount for WSP Australia Pty Ltd was \$257,954 (inc GST) however only \$87,489 (inc GST) was applicable to market research costs.

Table E.3 Media advertising organisations

Organisation name	Purpose	Amount of payment (including GST)
Mediabrand Australia Pty Ltd	Public notices (various) and non-campaign advertising	\$467,884
Total media advertising		\$467,884

Appendix F: Ecologically sustainable development and environmental performance

This report is made under section 516A of the Environment Protection and Biodiversity Conservation Act 1999.

The department recognises the importance of the 5 principles of ecologically sustainable development (integration, precaution, intergeneration, biodiversity and valuation) and is committed to implementing these principles in its operations. This is demonstrated through our decision-making processes which always consider both short-term and long-term impacts, and through a range of initiatives which seek, where practical, to limit the consumption of office energy and other resources.

Various environmental initiatives spanning multiple departmental tenancies include:

- > energy-efficient lighting
- > automated lighting controls which switch off non-essential lighting outside of work hours
- > open-plan floor design which maximises access to natural light
- > best practice in the use of paints, adhesives and materials with low volatile organic compound components in the construction of fit-outs, including at individual workstations
- > recycling (including secure where needed) of paper, glass, plastic, metal and organic waste — provision of centralised collection points allows for an increased uptake of recycling and organic waste disposal and a reduction in the department's environmental footprint.

The department consumed 10,952 GJ of electricity for financial year 2022–23. This is a 2% (189 GJ) decrease on the previous year's usage. Electricity accounts were invoiced for the entire year, with the exception of 3 landlord electricity accounts. These 3 landlord accounts have not yet been invoiced for June 2023, and have therefore been estimated using a seasonal algorithm. The estimated data accounts for 0.08% of the total financial year 2022–23 energy. No natural gas was purchased throughout the reporting year.

The National Australian Built Environment Rating System (NABERS) was completed for the 3 sites which meet the requirements under the Energy Efficiency in Government Operations (EEGO) Policy. 62 Northbourne Ave and 2 Phillip Law St both received a 5.0 Star rating, while 111 Alinga St received a 4.5 Star rating. Refer to Figure 6.1 for NABERS Certification Star rating scale.

Figure 6.1 NABERS certification star rating scale



There was no GreenPower purchased throughout financial year 2022–23.

Due to the timing of the report, FTE/Headcount figures are not yet available.

Table F.1 Greenhouse gas emissions inventory (location-based)

Emission source	Scope 1 kg CO ₂ -e	Scope 2 kg CO ₂ -e	Scope 3 kg CO ₂ -e	Total kg CO ₂ -e
Electricity (location-based approach)	N/A	2,228,671	184,473	2,413,144
Natural gas	-	N/A	-	-
Fleet vehicles	10,743	N/A	2,713	13,456
Domestic flights	N/A	N/A	^a	-
Other energy	-	N/A	-	-
Total kg CO₂-e	10,743	2,228,671	187,186	2,42,600

^a An estimated 7 kilotons of carbon dioxide equivalent emissions from domestic commercial flights are divided among the entities: Department of Agriculture, Fisheries and Forestry (DAFF), Department of Industry, Science and Resources (DISR), Department of Infrastructure, Transport, Regional Development, Communications and the Arts (DITRDCA), and Department of Climate Change, Energy, the Environment and Water (DCCEEW). The exact allocation of domestic commercial flight emissions for each entity has not been determined yet due to machinery-of-government changes in the 2022–23 financial year. In future reports, the emissions data will be provided separately for each entity. CO₂-e = Carbon Dioxide Equivalent.

The electricity emissions reported above are calculated using the location-based approach. When applying the market-based method, which accounts for activities such as Greenpower, purchased LGCs and/or being located in the ACT, the total emissions for electricity, are below:

Table F.2 Greenhouse gas emissions inventory (market-based)

Emission Source	Scope 1 kg CO ₂ -e	Scope 2 kg CO ₂ -e	Scope 3 kg CO ₂ -e	Total kg CO ₂ -e
Electricity (market-based approach)	N/A	400,403	52,995	453,398
Natural gas	-	N/A	-	-
Fleet vehicles	10,743	N/A	2,713	13,456
Domestic flights	N/A	N/A	^b	-
Other energy	-	N/A	-	-
Total kg CO₂-e	10,743	400,403	55,707	466,854

b An estimated 7 kilotons of carbon dioxide equivalent emissions from domestic commercial flights are divided among the entities: Department of Agriculture, Fisheries and Forestry (DAFF), Department of Industry, Science and Resources (DISR), Department of Infrastructure, Transport, Regional Development, Communications and the Arts (DITRDCA), and Department of Climate Change, Energy, the Environment and Water (DCCEEW). The exact allocation of domestic commercial flight emissions for each entity has not been determined yet due to machinery-of-government changes in the 2022–23 financial year. In future reports, the emissions data will be provided separately for each entity. CO₂-e = Carbon Dioxide Equivalent.

- > The department’s Emissions Source data includes electricity and domestic flight data for the National Faster Rail Agency, High Speed Rail Authority and the North Queensland Water Infrastructure Authority, which occupy or occupied the department’s office premises and utilised the department’s whole-of-government contract arrangements for domestic flights during the reporting period 2022–23.
- > Greenhouse gas emissions reporting has been developed with methodology that is consistent with the whole-of-Australian government approach as part of the APS Net Zero 2030 policy.

Appendix G: Work health and safety

This report is made under schedule 2 part 4 of the *Work Health and Safety Act 2011* (WHS Act).³⁶

The safety and wellbeing of our people continued to be a key area of focus. Through the development of departmental and divisional WHS risk registers the workplace risks were reviewed and our compliance with our obligations under the WHS Act was ensured.

During 2022–23, we continued to focus on prevention strategies, through our health, wellbeing and early-intervention programs. The success of these programs was reinforced through a complementary report following an audit of our Rehabilitation Management System.

Initiatives included:

- > developing a Mental Health and Wellbeing Framework Action Plan
- > delivery of workplace respect and courtesy training to complement our departmental resources
- > continued partnership with CancerAid in support of those living with cancer
- > implementation of the hazard and incident investigation and WHS health monitoring procedures
- > implementation of the first aid and infection control procedure, including the introduction of building specific first aid response hotlines
- > review of the WHS Management System
- > delivery of biennial mandatory due diligence training for all SES officers
- > delivery of activities for healthy living month and safe work month.

The Work Health and Safety Committee continued to meet quarterly throughout the year.

Table G.1 provides a summary of health and safety outcomes in accordance with the WHS Act.

³⁶ Available at: <https://www.legislation.gov.au/Series/C2011A00137>

Table G.1 Summary of health and safety outcomes

Health and safety outcomes	2022–23
Incidents notified to Comcare	13
Notices received from Comcare under Part 10 of the WHS Act	Nil
Incidents registered on the reporting system ^a	130
Accepted workers' compensation claims ^b	16
Claims for lost time from new claims	1
Total weeks lost from new claims through incapacity	37
Average time off work per injury (weeks) from new claims	2.3
Average cost per accepted compensation claim	\$65,106
Employees using the Employee Assistance Program	11.8%
Days of unscheduled absence per full-time equivalent employed ^c	12.06

Notes:

- Includes all reported incidents, hazards and near misses in the reporting system, including those that may not have arisen out of the conduct of business or undertaking by the entity.
- Includes claims accepted for former employees.
- Unscheduled absence includes sick leave, carer's leave, unauthorised absences and compassionate/bereavement leave. Workers' compensation leave is not included.

Appendix H: Public broadcasters

Australian Broadcasting Corporation (ABC) Board

This report is made under section 24Y of the *Australian Broadcasting Corporation Act 1983* (the ABC Act).³⁷

Under subsection 12(1) of the ABC Act, the ABC Board consists of a chairperson, managing director, a staff-elected director and not fewer than 4 nor more than 6 other directors.

Section 24Y of the ABC Act requires our annual report to include a statement in relation to each selection process for board appointments other than the managing director and staff-elected director that was completed during the year. There were no relevant board appointments made in 2022–23.

Special Broadcasting Service (SBS) Board

This report is made under section 43C of the *Special Broadcasting Service Act 1991* (the SBS Act).³⁸

Under section 8 of the SBS Act, the SBS Board consists of a chairperson, managing director, and not fewer than 3 nor more than 7 other directors.

Section 43C of the SBS Act requires our annual report to include a statement in relation to each selection process for the appointment of a non-executive director that was completed during the year.

In 2022–23, Mr Aaron Fa'Aaso and Dr Andrew Lu AM were appointed as non-executive directors for 5-year terms, concluding on 15 February 2028.

Ms Cassandra Wilkinson was also appointed as a non-executive director for a 5-year term, concluding on 7 June 2028. Ms Christine Zeitz was reappointed as a non-executive director and deputy chairperson for a 5-year term, concluding on 9 May 2028.

These appointment processes complied with requirements under the SBS Act.

37 Available at: <https://www.legislation.gov.au/Series/C2004A02723>

38 Available at: <https://www.legislation.gov.au/Series/C2004A04255>

Appendix I: Aviation legislation

Reports under aviation legislation

Section 29(1) of the *Air Navigation Act 1920*³⁹ requires the department to report annually on administration and operation of the Act and its regulations. This includes other civil aviation matters the Secretary considers should be included in the report.

The department continued to regulate scheduled international air services in accordance with the *Air Navigation Act 1920* and associated regulations. In 2022–23, the department granted approvals for 452 timetables, 923 timetable variations, 60 non-scheduled flights and 3 new international airline licences.

The COVID-19 pandemic continued to have lingering effects on the international aviation industry and regulatory approvals. Timetable approvals in 2022–23 were lower than pre-COVID levels but are increasing as more international airlines recommence or increase their operations to Australia.

Environment authorisation and protection orders

Paragraph 5.15(2) of the *Airports (Environment Protection) Regulations 1997*⁴⁰ requires the department to report notification of environmental authorisations.

The department can authorise an airport to undertake action that may result in environmental emissions limits being exceeded, where the emissions would be no more damaging to the environment than if the limits were met. No environmental authorisations were made during the reporting period.

The department may make an environment protection order under part 7, division 1 of the *Airports (Environment Protection) Regulations*, directing an airport to comply with a duty to avoid polluting to preserve habitat, or to prevent offensive noise. No environment protection orders were made during the reporting period.

Aircraft noise levy collection

Section 20 of the *Aircraft Noise Levy Collection Act 1995*⁴¹ requires our annual report to include information on adherence to that Act and to the *Aircraft Noise Levy Act 1995*.⁴²

In 2022–23, no reportable actions or breaches were made under either of these Acts.

39 Available at: <https://www.legislation.gov.au/Series/C1920A00050>

40 Available at: <https://www.legislation.gov.au/Series/F1997B02530>

41 Available at: <https://www.legislation.gov.au/Series/C2004A04948>

42 Available at: <https://www.legislation.gov.au/Series/C2004A04947>

Appendix J: National land transport

Section 94 of the *National Land Transport Act 2014* requires an annual report on the operation of the Act at the end of each financial year that ends after the commencement of parts 3, 4, 5, 7 and 8.

For information on the operation of this Act see Part 4.

Appendix K: Legal services expenditure

Paragraph 11.1(ba) of the *Legal Services Directions 2017* requires the department to appropriately record and monitor our legal services purchasing, including expenditure. It also requires that each year we make our records of legal services expenditure for the previous financial year publicly available by 30 October.

The expenditure reported below is the total expenditure by the Department of Infrastructure, Transport, Regional Development, Communications and the Arts.

For 2022–23, our legal expenditure was:

- > \$5.632 million for total external legal services expenditure
- > \$4.401 million for total internal legal services expenditure.

Appendix L: Public interest contracts and grants

Section 20 of the *Telecommunications (Consumer Protection and Service Standards) Act 1997* (TCPSS Act) requires the Secretary to report annually on significant matters relating to the performance of contractors and grant recipients under section 14 of the TCPSS Act.

As set out further below, in 2022–23, there were 2 relevant contractors and one relevant grant recipient.

Telstra Universal Service Obligation Performance Agreement (TUSOPA)

Under the TUSOPA, Telstra is required to:

- > provide reasonable access to the standard telephone service and payphones in accordance with applicable regulatory requirements and to maintain its copper network to support voice services outside the National Broadband Network (NBN) fixed line footprint
- > to provide relevant assistance to eligible voice-only customers to enable those customers to migrate their voice telephone service to the NBN fixed line network
- > to supply the Emergency Call Service in accordance with applicable regulatory requirements.

National Relay Service contract

Under the NRS contract, Concentrix is required to provide an agreed range of call services for people who are deaf, hard of hearing and/or have speech communication difficulty. More detail on services offered by the NRS is available from www.accesshub.gov.au/about-the-nrs.

Performance

The respective performance of Telstra and Concentrix in 2022–23 was considered adequate in meeting relevant contractual terms, no breaches were notified and therefore no remedial action was initiated.

Accessible Telecommunications Grant

In 2022–23 the department issued a 2-year grant to Australian Communications Consumer Action Network (ACCAN) for the provision of the Accessible Telecoms website. Accessible Telecoms provides independent advice to consumers about telecommunications devices and services for people with specific accessibility needs. Under the grant ACCAN must operate the website, undertake research to provide up-to-date information about accessible devices and services, and operate a helpdesk. ACCAN must also provide an annual report for Accessible Telecoms for 2023–24 and 2024–25.

Appendix M: Protection of Movable Cultural Heritage Act 1986

This report is made under section 47 of the *Protection of Movable Cultural Heritage Act 1986*.

Regulatory activities under the *Protection of Movable Cultural Heritage Act 1986* are undertaken in response to applications received for export permits or certificates of exemption. Regulatory activities may also be undertaken with respect to objects that have been illegally exported from Australia or imported into Australia after being illegally exported from another country.

Table M.1 Actions taken under the *Protection of Movable Cultural Heritage Act 1986*

Category	Action	2021–22	2022–23
Permanent export permits	Issued	9	29
Permanent export permits	Refused	1	0
Permanent export permits	Varied	1	1
Temporary export permits	Issued	6	1
Temporary export permits	Refused	0	0
Temporary export permits	Varied	0	6
Certificate of exemption	Issued	3	17
Certificate of exemption	Refused	0	0
Certificate of exemption	Varied	0	1
National Cultural Heritage Account	Applications approved	5	6
Unlawful import	Objects seized	333	13
Unlawful import	Objects returned to foreign countries	7	338

29 permanent export permits were issued:

- > 12 objects of applied science or technology
- > 9 objects of fine or decorative art
- > one object of documentary heritage
- > 7 objects of historical significance

One permanent export permit was varied:

- > one object of applied science or technology

One temporary export permit was issued:

- > one object of fine or decorative art

6 temporary export permits were varied:

- > 6 objects of fine or decorative art

17 certificates of exemption were issued:

- > 14 objects of Australian Aboriginal and Torres Strait Islander heritage
- > 3 objects of fine or decorative art

One certificate of exemption varied:

- > one object of fine or decorative art

12 non-statutory letters of clearance were issued in 2022–23:

- > one object of Australian Aboriginal and Torres Strait Islander heritage
- > one object of natural science
- > 9 objects of applied science or technology
- > one object of fine or decorative art

Applications for funding approved under the National Cultural Heritage Account in 2022–23:

- > Queensland Art Gallery | Gallery of Modern Art: Alec Mingelmanganu, Wanjina on bark, c. 1976
- > Melbourne Steam Traction Engine Club: Thornycroft Steam Engine
- > Pearn's Steam World: Andrews & Beaven, 'Empire' chaff cutter
- > Trafalgar Holden Museum: Hartnett Estate 'Woody' Wagon
- > Australian War Memorial: Weaver Hawkins, Portrait of John Thomas Joyce
- > Geoscience Australia: 'Yowah Moon' opal

National Cultural Heritage Account | Office for the Arts

Objects returned to a foreign country in 2022–23:

- > 333 objects to Indonesia: ceramics from the Tek Sing shipwreck
- > 2 objects to Mexico: miniature Mixtec copper bowl and 20th ct. ex-voto painting
- > 3 objects to Peru: 2 pre-Hispanic stone beads and Chimu wooden measuring rod

Returns of foreign cultural property | Office for the Arts

Appendix N: Correction to previous Annual Report

Appendix E: Advertising and market research

Table E.3 Media advertising organisations in the 2021–22 Annual Report reported an expenditure of \$5,602,550 (inc GST) for campaign media buying and placement services through Universal McCann. Taking into account credits received in 2022–23 against invoices paid in 2021–22, this figure should be amended to read \$5,579,113.57 (ex GST).



PART 7

Reference material

Glossary	260
Abbreviations and acronyms	264
List of requirements	268
Alphabetical index	279



Glossary

Administered item	A component of an administered program.
Auslan	The sign language used by the majority of the Australian Deaf community.
Australian Public Service (APS) employee	A person engaged under section 22, or a person who is engaged as an APS employee under section 72, of the <i>Public Service Act 1999</i> .
Building Better Regions Fund	This fund is helping regional communities and businesses that have been disproportionately affected by drought, bushfires and the COVID-19 pandemic, on the path to economic recovery. It creates jobs, drives economic growth and builds stronger communities through community program investments.
Carrier	Holder of a telecommunications carrier licence.
Classification Board	The body established under the <i>Classification (Publications, Films and Computer Games) Act 1995</i> that classifies films, computer games and publications for exhibition, sale or hire in Australia.
CO₂ emissions	Emissions of carbon dioxide, the primary greenhouse gas contributing to climate change. Other greenhouse gases include nitrous oxide and methane. In vehicles, CO ₂ is the principal greenhouse gas emitted.
Community Development Grants Program	Program supporting needed infrastructure that promotes stable, secure and viable local and regional economies.
Corporate governance	The process by which entities are directed and controlled. It is generally understood to encompass authority, accountability, stewardship, leadership, direction and control.
Decision Regulation Impact Statement	Incorporates comments and feedback from submissions received on the Consultation Regulation Impact Statement.
Disability Standards for Accessible Public Transport	The standards provide requirements for public transport operators and providers to make their services accessible and remove discrimination against people with disability under the <i>Disability Discrimination Act 1992</i> .

Division	An organisational unit within the department, which is managed by a First Assistant Secretary and reports to the Secretary.
Ecologically sustainable development	Using, conserving and enhancing the community's resources so that ecological processes, on which life depends, are maintained and the total quality of life, now and in the future, can be increased.
Enterprise agreement	An agreement made at enterprise level between employers and employees about the terms and conditions of employment.
Federally-leased airport	The leased federal airports in each state and territory that were granted long-term leases to private entities between 1997 and 2003.
Federation funding agreement	Outlines the objectives, principles and institutional arrangements governing financial relations between the Commonwealth and the state and territory governments.
Financial results	The results shown in the financial statements of an entity.
Fixed line	A network in which voice, data or broadband services are delivered over a physical line.
Free-to-air	The broadcast services available without a subscription or fee.
Freight	Goods transported by truck, train, ship or aircraft.
Fuel Efficiency Standard	Standards setting an average emissions target for vehicle manufacturers, or local distributors, typically measured in grams of CO ₂ released per kilometre, and averaged across the new vehicles they sell.
Grant	Australian Government financial assistance as defined under the Commonwealth Grants Rules and Guidelines.
Greenhouse gas	Gases that are in the Earth's atmosphere that trap heat, thereby raising the surface temperature of the planet.
Intermodal terminals	Facilities that enables freight containers to be stored and transferred between different modes of transport (e.g., road and rail). They provide urban-regional and port connectivity, increase flexibility for freight operators and decrease supply chain costs.

Major Development Plans	A proposal for a major development activity.
Mobile black spot	A location with poor or non-existent mobile coverage.
National Classification Scheme	A cooperative arrangement between the Australian Government and state and territory governments under which the Classification Board classifies films, computer games and certain publications.
National Partnership Agreement on Land Transport Infrastructure Projects	An agreement between the Commonwealth and state and territory governments to contribute to a national transport system that is safe, drives economic growth, accommodates the growing population and supports infrastructure to promote local and Indigenous participation.
Non-ongoing Australian Public Service employee	A person engaged as an APS employee under subsection 22(2)(b) or 22(2)(c) of the <i>Public Service Act 1999</i> .
Ongoing Australian Public Service employee	A person engaged as an ongoing APS employee under subsection 22(2)(a) of the <i>Public Service Act 1999</i> .
Operations	Functions, services and processes performed in pursuing the objectives or discharging the functions of an entity.
Outbound Collector-Distributor	An outbound-directed road that connects local traffic to major arterial roads.
Outcomes	The results, impacts or consequences of actions by the Australian Government on the Australian community — these should be consistent with those listed in the entity’s PBS and Portfolio Additional Estimates Statements.
Performance information	Evidence about performance that is collected and used systematically. It may relate to appropriateness, effectiveness as well as efficiency and the extent to which an outcome can be attributed to an intervention. Performance information may be quantitative (numerical) or qualitative (descriptive), and it should be verifiable.
Portfolio Budget Statement	A budget-related paper detailing budget initiatives and appropriations, by outcome and program, for each entity within a portfolio.

Program	An activity or group of activities that delivers benefits or services or transfers payments to individuals, industry or the community as a whole.
Public Transport Works	Relating to the Monash Freeway Upgrade, public transport works include a range of active and public transport inclusions comprising shared-use paths and new bus stops.
Purpose	The objectives, functions or role of the entity or company. In relation to performance management, purposes are the reasons or ideal state or outcomes, for which the entity or company undertakes its activities.
Remuneration Tribunal	The independent statutory body that handles the remuneration of key Commonwealth offices.
Strategic Fleet Taskforce	Established by the Australian Government in October 2022 to advise on the creation of a Maritime Strategic Fleet that will strengthen economy sovereignty and support improved national security outcomes.
Stronger Communities Program	Program providing funding for small capital projects that deliver social benefits for local communities across Australia.
Universal Service Obligation	The obligation placed on universal service providers of telecommunications to ensure that all people in Australia, wherever they reside or carry on business, have reasonable access, on an equitable basis, to standard telephone services, including payphones.

Abbreviations and acronyms

AASB	Australian Accounting Standards Board
ABC	Australian Broadcasting Corporation
ABS	Australian Bureau of Statistics
ACCAN	Australian Communications Consumer Action Network
ACCC	Australian Competition and Consumer Commission
ACMA	Australian Communications and Media Authority
ACR	Asset Completion Report
ACT	Australian Capital Territory
ADII	Australian Digital Inclusion Index
AIPM	Australian Institute of Project Management
AMSA	Australian Maritime Safety Authority
ANAO	Australian National Audit Office
ANU	Australian National University
AO	Officer of the Order of Australia
APRA	Australasian Performing Right Association
APS	Australian Public Service
ARC	Audit and Risk Committee
AVSL	Automated Vehicle Safety Law
BBRF	Building Better Regions Fund
BCARR	Bureau of Communications, Arts and Regional Research
BITRE	Bureau of Infrastructure and Transport Research Economics
C-ITS	Cooperative Intelligent Transport Systems
CASA	Civil Aviation Safety Authority
CAV	Connected Automated Vehicles
CBD	Central Business District
CDG	Community Development Grants
CO₂	Carbon dioxide
CO₂-e	Carbon dioxide equivalent
COO	Chief Operating Officer
CPI	Consumer Price Index

DAFF	Department of Agriculture, Fisheries and Forestry
DISR	Department of Industry, Science and Resources
DITRDCA	Department of Infrastructure, Transport, Regional Development, Communications and the Arts
DGTO	Digital Games Tax Offset
EEGO	Energy Efficiency in Government Operations
FOI	Freedom of Information
FSSC	Financial Statements Sub-Committee
GBE	Government Business Enterprise
GDP	Gross Domestic Product
GST	Goods and Services Tax
GVA	Gross Value Added
HILDA	Household, Income and Labour Dynamics in Australia
HVSP	Heavy Vehicle Safety and Productivity Program
IIP	Infrastructure Investment Program
IMO	International Maritime Organisation
IPS	Information Publication Scheme
ISWG	Intersessional Working Group
ITMM	Infrastructure and Transport Ministers' Meetings
ITS	Intelligent Transport System
ITSOC	Infrastructure and Transport Senior Official Committee
ITU	International Telecommunication Union
IVAIS	Indigenous Visual Arts Industry Support
KPI	Key Performance Indicator
MYEFO	Mid-year Economic and Fiscal Outlook
NABERS	National Australian Built Environment Rating System
NAIF	Northern Australia Infrastructure Facility
NBN	National Broadband Network
News MAP	News Media Assistance Program
NIC	National Intermodal Corporation Limited
NIRC	Norfolk Island Regional Council
NLTTAP	National Land Transport Technology Action Plan
NRAP	National Rail Action Plan

NRS	National Relay Service
NSW	New South Wales
NT	Northern Territory
NTC	National Transport Commission
OFTT	Office of Future Transport Technology
PBS	Portfolio Budget Statements
PGPA	Public Governance, Performance and Accountability
PhD	Doctor of Philosophy
PING	Public Interest News Gathering
PIO	Postal Industry Ombudsman
PS Act	<i>Public Service Act 1999</i>
PSM	Public Service Medal
PSMB	Public Safety Mobile Broadband
QLD	Queensland
RANS	Regional Airline Network Support
RAP	Regional Airports Program
RASS	Remote Air Services Subsidy
RAU	Remote Airstrip Upgrade
RBS	Regional Broadband Scheme
RGF	Regional Growth Fund
ROVER	Road Vehicle Regulator
RVS	Road Vehicle Standards
SA	South Australia
SBS	Special Broadcasting Service
SCP	Stronger Communities Program
SEQ	South East Queensland
SES	Senior Executive Service
SME	Subject Matter Expert
STAND	Strengthening Telecommunications Against Natural Disasters
TAS	Tasmania
TCPSS Act	<i>Telecommunications Consumer Protection and Service Standards Act 1999</i>
TERHAP	Tamar Estuary River Health Action Plan

TIO	Telecommunications Industry Ombudsman
TUSOPA	Telstra Universal Service Obligation Performance Agreement
UK	United Kingdom
UN	United Nations
UPU	Universal Postal Union
USA	United States of America
USO	Universal Service Obligation
VAST	Viewer Access Satellite Television
VIC	Victoria
WA	Western Australia
WHS	Work Health and Safety
WSA	Western Sydney Airport Co Limited
WSI	Western Sydney International (Nancy-Bird Walton) Airport
ZEV	Zero Emission Vehicle

List of requirements

Below is the table set out in Schedule 2 of the PGPA Rule. Section 17AJ(d) requires this table be included in entities' annual reports as an aid of access.

PGPA Rule reference	Part of report description	Requirement	Part	Page
17AD(g)	Letter of transmittal			
17AI	A copy of the letter of transmittal signed and dated by accountable authority on date final text approved, with statement that the report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the annual report.	Mandatory	Letter of transmittal	v
17AD(h)	Aids to access			
17AJ(a)	Table of contents (print only).	Mandatory		viii
17AJ(b)	Alphabetical index (print only).	Mandatory	Part 7	279
17AJ(c)	Glossary of abbreviations and acronyms.	Mandatory	Part 7	260
17AJ(d)	List of requirements.	Mandatory	Part 7	268
17AJ(e)	Details of contact officer.	Mandatory	Publication details	iv
17AJ(f)	Entity's website address.	Mandatory	Publication details	iv
17AJ(g)	Electronic address of report.	Mandatory	Publication details	iv
17AD(a)	Review by accountable authority			
17AD(a)	A review by the accountable authority of the entity.	Mandatory	Secretary's Review	2
17AD(b)	Overview of the entity			
17AE(1)(a)(i)	A description of the role and functions of the entity.	Mandatory	Part 2	24
17AE(1)(a)(ii)	A description of the organisational structure of the entity.	Mandatory	Part 2	32
17AE(1)(a)(iii)	A description of the outcomes and programs administered by the entity.	Mandatory	Part 2	28

PGPA Rule reference	Part of report description	Requirement	Part	Page
17AE(1)(a)(iv)	A description of the purposes of the entity as included in corporate plan.	Mandatory	Part 2	28
17AE(1)(aa)(i)	Name of the accountable authority or each member of the accountable authority.	Mandatory	Part 2	24
17AE(1)(aa)(ii)	Position title of the accountable authority or each member of the accountable authority.	Mandatory	Part 2	24
17AE(1)(aa)(iii)	Period as the accountable authority or member of the accountable authority within the reporting period.	Mandatory	Part 2	24
17AE(1)(b)	An outline of the structure of the portfolio of the entity.	Portfolio departments mandatory	Part 2	34
17AE(2)	Where the outcomes and programs administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, include details of variation and reasons for change.	If applicable, mandatory	Not applicable	NA
17AD(c)	Report on the performance of the entity			
	Annual performance statements			
17AD(c)(i); 16F	Annual performance statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule.	Mandatory	Part 4	64
17AD(c)(ii)	Report on financial performance			
17AF(1)(a)	A discussion and analysis of the entity's financial performance.	Mandatory	Part 1	18
17AF(1)(b)	A table summarising the total resources and total payments of the entity.	Mandatory	Appendix A	216

PGPA Rule reference	Part of report description	Requirement	Part	Page
17AF(2)	If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results.	If applicable, mandatory.		NA
17AD(d)	Management and accountability			
	Corporate governance			
17AG(2)(a)	Information on compliance with section 10 (fraud systems).	Mandatory	Part 3	41
17AG(2)(b)(i)	A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared.	Mandatory	Part 3	41
17AG(2)(b)(ii)	A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place.	Mandatory	Part 3	41
17AG(2)(b)(iii)	A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity.	Mandatory	Letter of transmittal	v
17AG(2)(c)	An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance.	Mandatory	Part 3	38
17AG(2)(d) – (e)	A statement of significant issues reported to Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with finance law and action taken to remedy non-compliance.	If applicable, mandatory	Not applicable	NA

PGPA Rule reference	Part of report description	Requirement	Part	Page
Audit committee				
17AG(2A)(a)	A direct electronic address of the charter determining the functions of the entity's audit committee.	Mandatory	Part 3	40
17AG(2A)(b)	The name of each member of the entity's audit committee.	Mandatory	Appendix B	227
17AG(2A)(c)	The qualifications, knowledge, skills or experience of each member of the entity's audit committee.	Mandatory	Appendix B	227
17AG(2A)(d)	Information about the attendance of each member of the entity's audit committee at committee meetings.	Mandatory	Appendix B	227
17AG(2A)(e)	The remuneration of each member of the entity's audit committee.	Mandatory	Appendix B	227
External scrutiny				
17AG(3)	Information on the most significant developments in external scrutiny and the entity's response to the scrutiny.	Mandatory	Part 3	44
17AG(3)(a)	Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity.	If applicable, mandatory	Part 3	NA
17AG(3)(b)	Information on any reports on operations of the entity by the Auditor-General (other than report under section 43 of the Act), a Parliamentary Committee, or the Commonwealth Ombudsman.	If applicable, mandatory	Part 3	44
17AG(3)(c)	Information on any capability reviews on the entity that were released during the period.	If applicable, mandatory		38
Management of human resources				
17AG(4)(a)	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives.	Mandatory	Part 3	45

PGPA Rule reference	Part of report description	Requirement	Part	Page
17AG(4)(aa)	Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: <ul style="list-style-type: none"> a. statistics on full-time employees b. statistics on part-time employees c. statistics on gender d. statistics on staff location. 	Mandatory	Appendix C	229–239
17AG(4)(b)	Statistics on the entity's APS employees on an ongoing and non-ongoing basis; including the following: <ul style="list-style-type: none"> a. Statistics on staffing classification level b. Statistics on full-time employees c. Statistics on part-time employees d. Statistics on gender e. Statistics on staff location f. Statistics on employees who identify as Indigenous. 	Mandatory	Appendix C	229–239
17AG(4)(c)	Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the <i>Public Service Act 1999</i> .	Mandatory	Appendix C	229–239
17AG(4)(c)(i)	Information on the number of SES and non-SES employees covered by agreements etc identified in paragraph 17AG(4)(c).	Mandatory	Appendix C	229–239
17AG(4)(c)(ii)	The salary ranges available for APS employees by classification level.	Mandatory	Appendix C	229–239
17AG(4)(c)(iii)	A description of non-salary benefits provided to employees.	Mandatory	Appendix C	229–239
17AG(4)(d)(i)	Information on the number of employees at each classification level who received performance pay.	If applicable, mandatory	Not applicable	NA
17AG(4)(d)(ii)	Information on aggregate amounts of performance pay at each classification level.	If applicable, mandatory	Not applicable	NA

PGPA Rule reference	Part of report description	Requirement	Part	Page
17AG(4)(d)(iii)	Information on the average amount of performance payment, and range of such payments, at each classification level.	If applicable, mandatory	Not applicable	NA
17AG(4)(d)(iv)	Information on aggregate amount of performance payments.	If applicable, mandatory	Not applicable	NA
Assets management				
17AG(5)	An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities.	If applicable, mandatory	Part 3	54
Purchasing				
17AG(6)	An assessment of entity performance against the Commonwealth Procurement Rules.	Mandatory	Part 3	54
Reportable consultancy contracts				
17AG(7)(a)	A summary statement detailing the number of new reportable consultancy contracts entered into during the period; the total actual expenditure on all such contracts (inclusive of GST); the number of ongoing reportable consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST).	Mandatory	Part 3	55
17AG(7)(b)	A statement that "During [reporting period], [specified number] new reportable consultancy contracts were entered into involving total actual expenditure of \$[specified million]. In addition, [specified number] ongoing reportable consultancy contracts were active during the period, involving total actual expenditure of \$[specified million]".	Mandatory	Part 3	55

PGPA Rule reference	Part of report description	Requirement	Part	Page
17AG(7)(c)	A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged.	Mandatory	Part 3	55
17AG(7)(d)	A statement that “ <i>Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy contracts is available on the AusTender website.</i> ”	Mandatory	Part 3	55
Reportable non-consultancy contracts				
17AG(7A)(a)	A summary statement detailing the number of new reportable non-consultancy contracts entered into during the period; the total actual expenditure on such contracts (inclusive of GST); the number of ongoing reportable non-consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST).	Mandatory	Part 3	56
17AG(7A)(b)	A statement that “ <i>Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on the AusTender website.</i> ”	Mandatory	Part 3	56
17AD(daa)	Additional information about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts.		Part 3	56
17AGA	Additional information, in accordance with section 17AGA, about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts.	Mandatory	Part 3	54–58

PGPA Rule reference	Part of report description	Requirement	Part	Page
ANAO access clauses				
17AG(8)	If an entity entered into a contract with a value of more than \$100,000 (inclusive of GST) and the contract did not provide the Auditor-General with access to the contractor's premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract.	If applicable, mandatory	Not applicable	58
Exempt contracts				
17AG(9)	If an entity entered into a contract or there is a standing offer with a value greater than \$10,000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters.	If applicable, mandatory		58
Small business				
17AG(10)(a)	A statement that "[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance's website."	Mandatory	Part 3	57
17AG(10)(b)	An outline of the ways in which the procurement practices of the entity support small and medium enterprises.	Mandatory	Part 3	57

PGPA Rule reference	Part of report description	Requirement	Part	Page
17AG(10)(c)	If the entity is considered by the Department administered by the Finance Minister as material in nature—a statement that “[Name of entity] recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury’s website.”	If applicable, mandatory	Part 3	57–58
Financial statements				
17AD(e)	Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.	Mandatory	Part 5	137–214
Executive remuneration				
17AD(da)	Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 23 of the Rule.	17AD(da)	Appendix D	240
17AD(f) Other mandatory information				
17AH(1)(a)(i)	If the entity conducted advertising campaigns, a statement that “During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity’s website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance’s website.”	If applicable, mandatory	Appendix E	244
17AH(1)(a)(ii)	If the entity did not conduct advertising campaigns, a statement to that effect.	If applicable, mandatory	Appendix E	244
17AH(1)(b)	A statement that “Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity’s website].”	If applicable, mandatory	Part 3	58
17AH(1)(c)	Outline of mechanisms of disability reporting, including reference to website for further information.	Mandatory	Part 3	52

PGPA Rule reference	Part of report description	Requirement	Part	Page
17AH(1)(d)	Website reference to where the entity's Information Publication Scheme statement pursuant to Part II of FOI Act can be found.	Mandatory	Part 3	43
17AH(1)(e)	Correction of material errors in previous annual report.	If applicable, mandatory	Appendix N	257
17AH(2)	Information required by other legislation – see below	Mandatory		
	Advertising and Market Research (section 311A) of the <i>Commonwealth Electoral Act 1918</i>) and statement on advertising campaigns		Appendix E	244
	Ecologically sustainable developmental and environmental performance (section 516A of the <i>Environmental Protection and Biodiversity Conservation Act 1999</i>)		Appendix F	245
	Work health and safety update (schedule 2, Part 4 of the <i>Work Health and Safety Act 2011</i>)		Appendix G	248
	Report under section 24Y of the <i>Australian Broadcasting Corporate Act 1983</i>		Appendix H	250
	Information required under: <ul style="list-style-type: none"> > section 29(1) of the <i>Air Navigation Act 1920</i> > 5.15(2) of the <i>Airports (Environment Protection) Regulations 1997</i> > section 20 of the <i>Aircraft Noise Levy Collection Act 1995</i> 		Appendix I	251
	Section 94 of the <i>National Land Transport Act 2014</i> requires an annual report on the operation of the Act		Appendix J	252
	Paragraph 11.1(ba) of the <i>Legal Services Directions 2017</i> requires the entity to appropriately record and monitor our legal services purchasing, including expenditure		Appendix K	252

PGPA Rule reference	Part of report description	Requirement	Part	Page
	Section 20 of the <i>Telecommunications (Consumer Protection and Service Standards) Act 1997</i> (TCPSS Act) requires the Secretary to report annually on significant matters relating to the performance of contractors and grant recipients under section 14 of the TCPSS Act		Appendix L	253
	Report under section 47 of the <i>protection of Movable Cultural Heritage Act 1986</i>		Appendix M	255
	Section 19 of the <i>Public Lending Rights Act 1985</i>		Measure 33	131
	Appendix: Corrections from previous Annual Report		Appendix N	257

Alphabetical index

A

abbreviations and acronyms 264–7

Aborigines and/or Torres Strait Islanders

- Indigenous Art Centre and artists 135
- International Decade of Indigenous Languages 2022–2032 60–1
- procurement initiatives to support businesses 57–8

Accessible Telecommunications Grant 254

acronyms and abbreviations 264–7

advertising 244

- correction to previous Annual Report 257

air transport program 94–9

- key activities 95
- performance analysis 95–9
- results 95
- table of changes 94

air transport program – performance analysis 95–7, 98–9

- Regional Airports Program (RAP) 97
- Remote Airstrip Upgrade (RAU) Program 97–8

aircraft noise levy collection 251

annual performance statements

- communications connectivity outcome 114–26
- Corporate Plan 2022–23 variations 66–71
- creativity and culture outcome 127–35
- introduction 65
- performance information changes 65–71
- performance snapshot 73
- regional development outcome 100–9
- results key 2022–23 72
- statement of preparation 64
- structure 72
- territories outcome 110–13
- transport connectivity outcomes 74–99

Annual Report

- correction to previous 257

arts

- portfolio entities 35
- Secretary's review 4

arts and cultural development program 128

- key activities 129
- performance analysis 130–35
- results 129
- table of changes 128

arts and cultural development program – performance analysis 130–35

- analysis of performance content 133
- classification 133–4

- Indigenous Art Centre and artists 135
- language centres 134–5

assets 54

- administered on behalf of government 174–86

audit

- ANAO see Australian National Audit Office (ANAO)
- independent auditor's report 138–41
- internal 42

Audit and Risk Committee 40

- members 227–8

Australian Broadcasting Corporation (ABC) Board 250

Australian Government Business Enterprises portfolio, in 35

Australian National Audit Office (ANAO) 44

- access clauses 58
- independent auditor's report 138–41

Australian Public Service (APS) Capability Review 38

Automated Vehicle Safety Law 83–4

aviation 10

- air transport program see air transport program

aviation legislation 251

- aircraft noise levy collection 251
- environment authorisation and protection orders 251
- reports under 251

B

Betts, Jim v–vi, 2–4, 24, 64, 142

C

cities see regional, cities and territories

cities program 106–7

- key activities 106
- performance analysis 107
- results 106
- table of changes 106

cities program – performance analysis

- city and regional deals 107
- milestones 107

Clydebank Declaration 87

communications

- Australian Government Business Enterprises 35
- connectivity 29
- connectivity outcome 114–26
- infrastructure 14

- portfolio entities 34
- Secretary's review 4
- services 13
- communications connectivity outcome 114–26
- digital technologies and communications
 - services program 116–26
 - performance snapshot 115
 - purpose 114
- Concentrix
 - National Relay Service contract 253
 - performance 253
 - Telstra Universal Service Obligation
 - Performance Agreement (TUSOPA) 253
- consultants 55–6
 - non-consultancy contracts 56–7
 - reportable consultancy contracts 2022–23
 - 55
 - top five consultancy suppliers 56
- contracts
 - consultants 55–6
 - exempt contracts 58
 - non-consultancy contracts 56–7
- corporate governance 38–43
 - ethical standards 42–3
 - fraud control 41
 - freedom of information 43
 - governance committees 38–40
 - internal audit 42
 - planning and reporting 41
 - risk management 41
- Corporate Plan 2022–23
 - variations from 66–71
- Corporate Service Delivery Program 45
- Country
 - acknowledgment vii
- creative and cultural sectors 16, 29
- creativity and culture outcome 127–35
 - arts and cultural development program
 - 128–35
 - performance snapshot 128
 - purpose 127

D

- Departmental overview
 - accountable authority 24
 - Executive Leadership Team 31, 39
 - ministers 24
 - organisational structure 32–3
 - outcomes, purposes and programs 28–9
 - portfolio 34–5
 - previous Annual Report, correction to 257
 - roles and functions 24–5
- digital technologies and communications
 - services program 116–26
 - key activities 117

- performance analysis 118–26
 - results 117
 - table of changes 116
- digital technologies and communications
 - services program – performance analysis
 - 118–26
 - ABS Consumer Price Index (CPI) 121
 - ACCC price measurement 121
 - ADII affordability measure 121
 - audio description 123
 - captioning 123–4
 - HILDA measures 121–2
 - National Relay Service 123
 - postal 126
 - telecommunications 125–6
- disability reporting 52
- diversity and inclusion 51–2

E

- ecologically sustainable development and
 - environmental performance 245–7
- emissions
 - greenhouse gas see greenhouse gas
 - maritime low emission technology initiative
 - with Singapore 87
- employee recruitment 48
- employee statistics 229
 - gender, location, full- and part-time status
 - 229–33
 - Indian Ocean Territories employment
 - arrangements 239
 - Public Service Act 1999 employees 233–8
 - employment terms and conditions 49–50
 - employees' non-salary benefits 50
 - Enterprise Agreement 49–50
 - flexible work arrangements 50
- Enabling Committee 39–40
- Enterprise Agreement 49–50
- environmental performance and ecologically
 - sustainable development 245–7
- ethical standards 42–3
- Executive Leadership Team 31, 39
- executive remuneration 240–43
- exempt contracts 58
- external scrutiny 44
 - Australian National Audit Office 44
 - parliamentary scrutiny 44

F

- financial management 54–61
 - ANAO access clauses 58
 - assets 54
 - consultants 55–6
 - exempt contracts 58

- grants 58
- non-consultancy contracts 56–7
- procurement initiatives to support SMEs and Indigenous businesses 57–8
- purchasing 54
- spotlights 59–61
- financial performance 18–21
 - administered finances 20–1
 - departmental finances 18–19
- financial statements
 - Accountable Authority's responsibility for 140–1
 - administered cash flow statement 153–5
 - administered reconciliation schedule 151–2
 - administered schedule of assets and liabilities 150
 - administered schedule of comprehensive income 149
 - Auditor's responsibilities for 141
 - cash flow statement 147–8
 - notes to and forming part of 156–213
 - statement of changes in equity 145–6
 - statement of comprehensive income 143
 - statement of financial position 144
- financial statements, notes to and forming part of 156–7
 - assets and liabilities administered on behalf of government 174–86
 - departmental financial performance 158–61
 - departmental financial position 168–73
 - funding 187–95
 - income and expenses administered on behalf of government 162–7
 - information, other 210–13
 - people and relationships 196–7
 - uncertainties, managing 198–209
- fleet
 - Strategic Fleet Taskforce 9
- fraud control 41
- freedom of information 43
 - Information Publication Scheme 43
- Fuel Efficiency Standard implementation 9

G

- glossary 260–3
- governance committees 38–40
 - structure 39
- Graduate Development Program 49
- grants 58
- Green Vehicle Guide 88
- greenhouse gas
 - emissions inventory 246, 247
 - reduction for international shipping 9

H

- Heavy Vehicle Safety Initiative 81
- highlights 2022–23 6–16
- human resource management 45–52
 - Corporate Service Delivery Program 45
 - disability reporting 52
 - diversity and inclusion 51–2
 - employment terms and conditions 49–50
 - entry-level programs 49
 - human resource statistics 52
 - learning and development 50–1
 - people performance framework 48
 - recruitment 48
 - values, living 46–7

I

- inclusion and diversity 51–2
- independent auditor's report 138–41
- Indian Ocean Territories
 - employment arrangements 239
- Indigenous Australians
 - Indigenous Art Centre and artists 135
 - International Decade of Indigenous Languages 2022–2032 60–1
 - procurement initiatives to support businesses 57–8
- Information Publication Scheme 43
- infrastructure
 - Australian Government Business Enterprises 35
 - investment 8
 - investment program 76–8
 - portfolio entities 34
 - Secretary's review 3
- infrastructure investment program 76–8
 - intermodal terminals, implementation of investment in 78
 - key activities 76
 - performance analysis 77–8
 - results 77
 - Schedule accepted by states and territories 77
 - strategic review 78
 - table of changes 76
- infrastructure investment program – performance analysis 77
 - intermodal terminals, implementation of investment in 78
 - Schedule accepted by states and territories 77
 - strategic review 78
- internal audit 42
- International Decade of Indigenous Languages 2022–2032 60–1

international shipping
greenhouse gas reduction 9
International Telecommunication Union (ITU)
2022 Plenipotentiary Conference 59

L

leadership
Executive Leadership Team 31, 39
learning and development 50–1
legal services expenditure 252
letter of transmittal v–vi
liabilities
administered on behalf of government
174–86
list of requirements 268–78
local government program 104–5
key activities 104
performance analysis 105
results 104
table of changes 104

M

maritime
low emission technology initiative with
Singapore 87
Strategic Fleet Taskforce 9
market research 244
correction to previous Annual Report 257
media
advertising organisations 244
public broadcasters 250
Movable Cultural Heritage Act 1986
protection of 255–6

N

National Land Transport Technology Action Plan
83
National Relay Service contract 253
non-consultancy contracts 56–7
reportable consultancy contracts 2022–23
56
top five non-consultancy suppliers 57
Norfolk Island
sea freight availability for, supporting 27
northern Australia
stronger northern Australian economy
program 108–9

O

online safety, media and platforms 14–15
organisational structure 32–3
outcomes 28–9 see also programs; purposes
communications connectivity outcome
114–26

creativity and culture outcome 127–35
expenses for 219–26
health and safety outcomes summary 249
regional development outcome 100–9
territories outcome 110–13
transport connectivity outcomes 74–99

P

parliamentary scrutiny 44
people performance framework 48
performance analysis
air transport program see air transport
program – performance analysis
arts and cultural development program see
arts and cultural development program –
performance analysis
cities program 107
digital technologies and communications
services program see digital technologies
and communications services program –
performance analysis
infrastructure investment program see
infrastructure investment program –
performance analysis
local government program 105
Regional Development program 103
road safety program see road safety
program – performance analysis
Services to Territories Program 112–13
stronger northern Australian economy
program 109
surface transport program see surface
transport program – performance analysis
performance information
changes to 65–71
performance snapshots
annual performance statements 73
communications connectivity outcome 115
creativity and culture outcome 128
purpose, by 73
regional development outcome 101
territories outcome 111
transport connectivity outcomes 75
planning and reporting 41
portfolio 34–5
Australian Government Business
Enterprises in portfolio at 30/6/2023 35
entities 34–5
Priority and Delivery Committee 40
procurement initiatives
SMEs and Indigenous businesses,
supporting 57–8
programs 28–9 see also outcomes; purposes
air transport program 94–9
Bridges Renewal Program 26

- cities program 106–7
- Corporate Service Delivery Program 45
- delivery 24
- digital technologies and communications services program 116–26
- entry-level programs 49
- Graduate Development Program 49
- Heavy Vehicle Safety and Productivity Program 26
- infrastructure investment program 76–8
- local government program 104–5
- Regional Airports Program (RAP) 97
- Regional Australia Level Crossing Safety Program 81
- Regional Development program 102–3
- Remote Airstrip Upgrade (RAU) Program 97–8
- road safety program 89–93
- Services to Territories Program 111–13
- stronger northern Australian economy program 108–9
- surface transport program 79–88
- public broadcasters 250
- Public Governance, Performance and Accountability Act 2013 (PGPA Act)*
 - annual performance statements 64
 - Schedule 2 268–78
- public interest contracts and grants 253–4
- Public Service Act 1999 employee statistics*
 - classification levels, full- and part-time status, gender and location 237–8
 - employment arrangements 236–7
- purchasing 54
- purposes 28–9 *see also* outcomes; programs
 - communications connectivity outcome 114
 - creativity and culture outcome 127
 - regional development outcome 100
 - territories outcome 110
 - transport connectivity outcomes 74

Q

- Quad Green Shipping Taskforce 87

R

- recruitment 48
- regional, cities and territories
 - city and regional deals 10–12
 - growth in cities and regions 10
 - Indian Ocean Territories employment arrangements 239
 - portfolio entities 34
 - Secretary's review 3–4
 - Services to Territories Program 111–13
 - territories 13, 29

- territories outcome 110–13
- Regional Airports Program (RAP) 97
- Regional Australia Level Crossing Safety Program 81
- regional development outcome 100–9
 - cities program 106–7
 - local government program 104–5
 - performance snapshot 101
 - programs 102–9
 - purpose 100
 - Regional Development program 102–3
 - stronger northern Australian economy program 108–9
- Regional Development program 102–3
 - key activities 102
 - performance analysis 103
 - results 103
 - table of changes 102
- regulation
 - fit-for-purpose, delivery and administration of 25
- Remote Airstrip Upgrade (RAU) Program 97–8
- remuneration, executive 240–43
- reporting 41
 - disability 52
 - planning and 41
- requirements list 268–78
- resource statements 217–18
- review
 - Secretary's review 2–4
- risk management 41
- road safety 9
 - program 89–93
- road safety program 89
 - key activities 90
 - performance analysis 90–3
 - results 90
 - table of changes 89
- road safety program – performance analysis 90–3
 - trend analysis over 3-year period 92–3
- roles and functions 24–5

S

- scrutiny
 - external *see* external scrutiny
 - parliamentary scrutiny 44
- Secretary v–vi, 2–4, 24, 64, 142
- Secretary's review 2–4
 - arts 4
 - communications 4
 - infrastructure 3
 - regional, cities and territories 3–4
 - transport 3

- services
 - delivery 24
 - Services to Territories Program 111–13
 - key activities 111
 - performance analysis 112–13
 - results 112
 - table of changes 111
 - shipping
 - international, greenhouse gas reduction for 9
 - maritime low emission technology initiative with Singapore 87
 - Quad Green Shipping Taskforce 87
 - sea freight availability for Norfolk Island, supporting 27
 - Singapore
 - maritime low emission technology initiative with 87
 - small and medium enterprises (SMEs)
 - procurement initiatives to support 57–8
 - Special Broadcasting Service (SBS) Board 250
 - spotlights
 - Bridges Renewal Program 26
 - Heavy Vehicle Safety and Productivity Program 26
 - International Decade of Indigenous Languages 2022–2032 60–1
 - ITU Plenipotentiary Conference 2022 59
 - sea freight availability for Norfolk Island, supporting 27
 - standards
 - ethical 42–3
 - Fuel Efficiency Standard, implementation 9
 - statement of preparation 64
 - accountable authority statement 64
 - Strategic Fleet Taskforce 9
 - Strategic Local Government Asset Assessment 81
 - strategic policy
 - advice provision 24
 - stronger northern Australian economy program 108–9
 - key activities 108
 - performance analysis 109
 - results 108
 - table of changes 108
 - structure 32–3
 - surface transport program 79–88
 - key activities 79
 - performance analysis 80–8
 - results 80
 - table of changes 79
 - surface transport program – performance analysis 81, 84–7
 - Automated Vehicle Safety Law 83–4
 - Clydebank Declaration 87
 - Green Vehicle Guide 88
 - Heavy Vehicle Safety Initiative 81
 - international fora, active participation in 87
 - maritime low emission technology initiative with Singapore 87
 - National Land Transport Technology Action Plan 83
 - policy advice assurance 80, 83, 87
 - Quad Green Shipping Taskforce 87
 - Regional Australia Level Crossing Safety Program 81
 - Strategic Local Government Asset Assessment 81
- T**
- telecommunications
 - Accessible Telecommunications Grant 254
 - ITU Plenipotentiary Conference 2022 59
 - National Relay Service contract 253
 - performance 253
 - Telstra Universal Service Obligation Performance Agreement (TUSOPA) 253
 - Telstra
 - National Relay Service contract 253
 - performance 253
 - Telstra Universal Service Obligation Performance Agreement (TUSOPA) 253
 - territories see regional, cities and territories
 - territories outcome 110–13
 - performance snapshot 111
 - purpose 110
 - Services to Territories Program 111–13
 - THRIVE@Work 48
 - Torres Strait Islanders and/or Aborigines
 - Indigenous Art Centre and artists 135
 - International Decade of Indigenous Languages 2022–2032 60–1
 - procurement initiatives to support businesses 57–8
 - transmittal, letter of v–vi
 - transport see also road safety
 - air see air transport program; aviation
 - connectivity 9, 28
 - connectivity outcomes 74–99
 - national land transport 252
 - portfolio entities 34
 - Secretary's review 3
 - surface transport program 79–88
 - water see maritime; shipping
 - transport connectivity 9, 28, 74
 - transport connectivity outcomes 74–99
 - air transport program 94–9
 - infrastructure investment program 76–8
 - performance snapshot 75

programs 76–99
purpose 74
road safety program 89–93
surface transport program 79–88

V

values
living 46–7

W

work health and safety 248–9

Y

Year in review
financial performance 18–21
highlights 2022–23 6–16
Secretary's review 2–4

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Page 27: View of Kingston Jetty and Phillip Island from Flagstaff Hill on Norfolk Island / Getty Images
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Page 31: Members of the department's senior executive team / DITRDCA
Page 36: Bridge over water at sunset / DITRDCA
Page 46: People around a table with laptops open / Getty Images
Page 53: Haywire winners 2023 in front of Australian Parliament House / DITRDCA
Page 59: NBN Satellite Ground Station Kalgoorlie / DITRDCA
Page 60: Teacher and four students sitting around a table laughing / Getty Images
Page 61: First Nations dance company / Image provided by Orana
Page 62: 5G cell tower for mobile phone and video data transmission at sunset / DITRDCA
Page 74: Long shot view of dirt road flanked by traffic cones and trees / Getty Images
Page 75: Albury - Ettamogah Rail Hub / DITRDCA
Page 100: Darwin waterfront at night / DITRDCA
Page 110: Aerial shot of marina and bay, Huskisson town on Jervis Bay of Australia / Getty Images
Page 114: Person smiling in a field, holding mobile phone / DITRDCA
Page 115: Satellite Dish in Parkes, NSW / DITRDCA
Page 127: Three contemporary dancers performing on stage / Getty Images
Page 136: Road train with 3 trailers / Getty Images
Page 214: Aerial photo of vehicles on Sea Cliff Bridge, New South Wales / Getty Images
Page 258: NBN Satellite Bourke / DITRDCA

About the artist and artwork

Bradley Kickett

Bradley Kickett is a local Noongar artist who was born in Northam, and grew up in Perth. He is descended from the Kickett clan in York, Western Australia.

He began painting in 2007. Bradley's style of art is abstract, with paintings depicted from an aerial view and illustrated in a fluid style that he has developed over the last three years. His art pieces are influenced by experiencing Noongar country — from the oceans to the rivers, and seeing the wildflowers and the land from the air, and showing the flow and the shapes of the earth. These images are all interwoven with history and the stories that are shared and passed down to him from his family and Elders.

Since 2007, Bradley has exhibited and sold work at True Blue Gallery, Maaliup Aboriginal Art Gallery, Kings Park Aboriginal Art Gallery, Yonga Boodjah Aboriginal Art Gallery and the Walliup Cultural Centre in Fremantle.

Further to this, Bradley has also exhibited and sold work at the Animal Art Awards 2010, Manjar Art Awards (2010–2016), City of Gosnells Art Awards (2011, 2015 and 2016), City of Belmont Art Awards (2015 and 2016), and the City of South Perth, Emerging Artist Award 2015.

Bradley was the winner of the Acrylic Award at the City of Gosnells, 2015 and received the Highly Commended Award at the City of Belmont, 2016.

Bradley is currently studying at Curtin University, working towards obtaining a Bachelor of Arts, majoring in fine art.



Connecting for Reconciliation

Connecting for Reconciliation is an artwork that represents Aboriginal and Torres Strait Islander people as well as the other cultures residing in Australia. The artwork is an aerial representation of the land, rivers, coast and oceans found all across Australia.

The dot circles represent the different cultures and people of Australia. While they are unique, when you look closer at them, you start to see the similarities.

The dotted lines show the pathways travelled and the connecting of tribes and different groups. It's the connecting of people and working together, that will make reconciliation successful.

The river and the flow of the water shows a journey that society has taken — where we are now, and where we are headed in the future (as most of the population live by the rivers and coast).

