



Australian Government

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

2023–24

ANNUAL REPORT



Connecting Australians
Enriching our communities
Empowering our regions

Guide to the 2023–24 Annual Report

Welcome to the Department of Infrastructure, Transport, Regional Development, Communications and the Arts 2023–24 Annual Report.

The purpose of this Annual Report is to inform the Parliament and the Australian public of the department's performance — both financial and non-financial — for the reporting period 1 July 2023 to 30 June 2024.

This Annual Report has been prepared in accordance with the *Public Governance, Performance and Accountability Act 2013* and addresses the requirements set out in the *Public Governance, Performance and Accountability Rule 2014*.

Structure of this Annual Report

Secretary's Review

As the accountable authority, our Secretary, Jim Betts, provides a summary of achievements and significant issues faced by the department over the last 12 months, including a brief look ahead to 2024–25.

The Secretary's Review is followed by a selection of 2023–24 highlights from across the department's 6 groups, and a discussion of our financial performance.

Part 1: About the Department

Provides an introduction about who we are and what we do. This includes information on our Ministers, our executive leadership team as well as our structure. This part also provides information on the broader portfolio and, most importantly, our purposes, outcomes, programs and key activities which form the basis of our work.

Part 2: Annual Performance Statements

Provides a comprehensive report on the department's non-financial performance for the reporting period. The Annual Performance Statements include the actual results the department has achieved against performance measures and targets set in our Corporate Plan and the Portfolio Budget Statements. This part also includes a certified statement of preparation from the Secretary, as the accountable authority.

Part 3: Management and Accountability

Provides information on the department's management and accountability practices.

It includes information on our corporate governance arrangements (including certification of the department's fraud control arrangements by the Secretary), people and financial management and external scrutiny. This part also provides a progress update on actions undertaken to address the APSC Capability Review findings.

Part 4: Financial Statements

Provides the department's audited financial statements. This part also includes our discussion on the preparation and assurance processes in developing the 2023–24 Financial Statements, the independent auditor's report and a statement by the Secretary (as the accountable authority) and the Chief Financial Officer.

Appendices

The appendices include additional reporting requirements. They include details about additional performance reporting, resource statements and expenses for each of our 6 outcomes, sustainability reporting (including the new climate disclosure statement), detailed statistics on the department's workforce, information on our work health and safety obligations and expenditure on advertising and market research. Also included are appendices that address the department's requirements under other legislation, including for aviation, land transport, public broadcasting, telecommunications and culture.

Navigation Aids

Provides additional information for the reader to help get the most out of the annual report, including the complete list of annual report requirements and where that information is located throughout the annual report, a glossary, a list of acronyms and abbreviations, and a comprehensive index.



Australian Government

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

2023–24

ANNUAL REPORT



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This annual report is available online at:

www.infrastructure.gov.au/about-us/corporate-reporting/annual-reports

www.transparency.gov.au

Acknowledgment of Country

We acknowledge the Traditional Custodians of the lands where we work and live. From the desert to the high Country, connecting to our beaches and sand, through the snow, the rivers and saltwaters, in our cities, the bush and islands, we reflect, respect, and celebrate the unique and diverse communities we serve. We walk with Aboriginal and Torres Strait Islander peoples, celebrating the oldest continuing living cultures in the world – listening, learning, and yarning, to understand the past and work as one towards an inclusive future. We pay our respects to all Elders past and present. We are committed to creating positive change and promoting meaningful reconciliation.



Connections by Mahalia Mabo, a proud Manbarra, Nywaigi, and Meriam woman.

Letter of transmittal



Australian Government

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

**Secretary
Jim Betts**

The Hon Catherine King MP
Minister for Infrastructure, Transport, Regional Development and Local Government
Parliament House
CANBERRA ACT 2600

Dear Minister King

I am pleased to present the Department of Infrastructure, Transport, Regional Development, Communications and the Arts Annual Report 2023–24 for the for the year ended 30 June 2024.

This 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.

This report also contains information required under other applicable legislation including:

- Airports (Environment Protection) Regulations 1997, *Air Navigation Act 1920* and *Aircraft Noise Levy Collection Act 1995* (Appendix G: Reports under Aviation Legislation)
- *National Land Transport Act 2014* (Appendix H: Reports under *National Land Transport Act 2014*)
- *Australian Broadcasting Corporation Act 1983* and *Special Broadcasting Service Act 1991* (Appendix I: Reports under Public Broadcasters Legislation)
- *Telecommunication Legislation Amendment (Competition and Consumer) Act 2020* (Appendix J: Report under the *Telecommunications (Consumer Protection and Services Standards) Act 1997*).
- *Protection of Movable Cultural Heritage Act 1986* (Appendix K: Report under the *Protection of Movable Cultural Heritage Act 1986*)

The department's fraud control arrangements comply with section 10 of the *Public Governance, Performance and Accountability Rule 2014*. Formal certification is included in Part 3.1: Corporate Governance of this report.

Yours sincerely

A handwritten signature in blue ink that reads "Jim Betts".

Jim Betts

27 September 2024

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Secretary's Review



Jim Betts
Secretary



I am pleased to present the Department of Infrastructure, Transport, Regional Development, Communications and the Arts 2023–24 Annual Report. Over the past year, staff across the department, supported by our Corporate team, have delivered against our policy, program and regulatory functions to connect Australians, enrich our communities and empower our regions.

Our people are central to everything we do and the foundation of our success. I am proud of what the department has achieved this year and believe that by investing in our people we are a stronger organisation that is better placed to deliver for the Australian community.



Infrastructure

Investment in nationally significant infrastructure projects not only contributes to improved productivity, but to resilience, liveability and sustainability. The delivery of several reviews this year has resulted in significant reform to the Infrastructure Investment Program, the largest part of the Australian Government's \$120 billion infrastructure investment pipeline.

A key element of this reform is the new Infrastructure Policy Statement for Land Transport which was announced in November 2023 and commits the government to delivering nationally significant infrastructure funding under three strategic themes – productivity and resilience, liveability and sustainability.

We have continued to work closely with the Queensland government in the lead up to the Brisbane Olympic and Paralympic Games. An Intergovernmental Agreement signed by the two governments in February 2023 will support delivery of key venue infrastructure for the Games – infrastructure that will provide opportunities for communities across Queensland and Australia for years to come.

The delivery of the first National Road Safety Annual Progress Report this year provided an overview of the combined efforts by all Australian governments to reduce road trauma. It will support the government in delivery of road safety policies and programs and in making travel safer by coordinating a national strategic approach to improving road safety and working to make vehicles safer for all road users. The department also continued to deliver the government's targeted road safety infrastructure programs with over \$618 million of works funded through the Roads to Recovery Program.

Transport

Our Transport Group is responsible for enabling an efficient, sustainable, competitive, safe and secure transport system. In aviation, this year saw the draft Environmental Impact Statement (EIS) for the preliminary flight paths for Western Sydney International (Nancy-Bird Walton) Airport released for community consultation ahead of the final EIS expected release in late 2024.

Our work on the Aviation Green Paper marked an important milestone in developing the Aviation White Paper, providing the Government with advice on potential strategic directions for the future of the aviation sector in Australia, including fit-for-purpose regulation, emerging technologies, and future workforce planning.

Alongside aviation, safe and efficient land transport is critical to the movement of both people and freight. In August 2023, the department commenced the 5-year Review of the National Freight and Supply Chain Strategy and Action Plan. The report, published in May 2024, identified opportunities to strengthen supply chains and prioritise investment over the next five-years to ensure the Strategy and Action Plan remain fit for purpose when they are updated later this year.

The Australian Government announced the first major reforms to the Disability Transport Standards since their introduction over 20 years ago. These changes, which will improve public transport accessibility and support independent travel for a range of users, are the result of years of work and collaboration with people with disability, the public transport industry and state and territory governments.

The department continues to work towards the reduction of road transport emissions and in March 2024 the *New Vehicle Efficiency Standard Act 2024* received Royal Assent. The Standard will be central to encouraging manufacturers to increase the variety and number of fuel-efficient vehicles and help keep Australia on track to meet CO₂ emission reduction targets.

Regions, Cities, Northern Australia and Territories

Over the last 12 months, we have continued to deliver policies and programs that support our regions, cities and territories. The finalisation and publication of the Regional Investment Framework will ensure investment in Australia's regions is responsive to regional needs, informed by local voices, and delivered with integrity and transparency. Complementing this, the department is carrying out the government's commitment to developing both the first National Urban Policy and State of Australian Cities Report in over a decade. Investment in Australia's communities has continued throughout the year through delivery of programs including the Growing Regions Program, Thriving Suburbs Program, Regional Precincts and Partnerships Program, Urban Precincts and Partnerships Program, Building Better Regions Fund, Stronger Communities Program, and the Regional Growth Fund.

During the year the department conducted and implemented a review of Regional Development Australia (RDA) Committee boundaries in New South Wales, Queensland, the Australian Capital Territory and Jervis Bay Territory. This led to improved program effectiveness through greater alignment of the program with state and local government regional development arrangements. The RDA program continues to be a critical vehicle for driving economic growth, innovation and entrepreneurship in regions by facilitating investment in community, industry and the environment.

The department continued to work with local government partners in the development and delivery of policies and programs for all Australians. This included working with the Australian Local Government Association to plan and organise the sixth Australian Council of Local Government (ACLG). The ACLG provides an opportunity for more than 750 council representatives, from over 300 councils, from across Australia to meet and engage with Australian Government ministers.

In the 2023–24 Budget, the government committed to a refresh of the 2015 *Our North, Our Future: White Paper on Developing Northern Australia*. In developing the *Northern Australia Action Plan 2024–2029*, the department undertook an extensive consultation process, engaging with hundreds of stakeholders across northern Australia to better understand their views and priorities. The Northern Australia Indigenous Reference Group provided valuable insight on what is needed to support First Nations people. A significant contribution was also made by our state and territory partners through the Northern Australia Ministerial Forum.

Strengthening our territories continues to be a priority and in October 2023, the department established the Norfolk Island Governance Committee to provide advice to the government on options to restore civic participation in governance on Norfolk Island. There were significant upgrades to assets and infrastructure across the territories, including Stage 1 Norfolk Island Sewerage network upgrade, structural updates to several facilities on Christmas Island, and rebuilding works on the Cocos (Keeling) Islands.

Communications and Media

Effective and safe communications services are critical to connecting Australians, reducing economic, geographic and social barriers, and driving sustainable economic growth. The work done by the Communications and Media Group this year has seen increased regional connectivity and resilience of the telecommunications sector through policy advice and delivery of programs like the Mobile Black Spot Program, Peri-Urban Mobile Program and the Regional Connectivity Program.

The release of the First Nations Digital Inclusion Advisory Group report in October 2023 provided guidance for government and industry to achieve Target 17 of the National Agreement on Closing the Gap and, in-line with the report's recommendations, funding was provided to NBN Co to deliver free WiFi to around 20 remote communities across Australia. Consumer safeguards and accessibility continue to be a focus with advice provided on services including Triple Zero, the National Relay Service, Captioning and Auto Description.

The department has been closely monitoring the telecommunications industry's preparations to switch off their 3G networks. While the transitioning of telecommunications away from 3G will deliver improvements in 4G and 5G services, the transition needs to occur in a safe way. The department provides regular briefing to government on progress, advice on regulatory intervention options and supports amplifying information to the community.

Amendments to the *Online Safety (Basic Online Safety Expectations) Determination 2022* were announced in May 2024, following extensive public consultation. These amendments outline new expectations for service providers to ensure that the best interests of children are front of mind in the design and operation of services.

The department supported an independent review of the *Online Safety Act 2021*, readied the government to introduce the *Communications Legislation Amendment (Prominence and Anti-siphoning) Act 2024* to support continued free access to nationally important and culturally significant sporting events, and undertook significant work to combat misinformation and disinformation online.

Arts

The Department continues to strive for increased participation and access to arts and culture through the delivery of the National Cultural Policy — *Revive*. The establishment of Creative Australia this year was a significant milestone under *Revive* and was delivered less than a year after the National Cultural Policy was released. The Creative Australia Amendment (Implementation of *Revive*) Bill 2024, introduced in Parliament in June 2024, established First Nations Arts and Writing Australia as new parts of Creative Australia. To further promote and preserve First Nations culture, the department also secured significant funding this year for Indigenous language centres and activities to support community-led language learning.

The 2023–24 Budget saw the establishment of a pilot program to support the National Gallery of Australia to share art works from the National Collection with regional and suburban galleries and cultural institutions across the country. Since the program's launch in July 2023, 99 works have been loaned for display at institutions across four states and the Northern Territory.

An all-jurisdictions Arts and Disability Intergovernmental Working Group was established to increase intergovernmental engagement on disability and inclusion matters in the arts and culture sectors. Working in partnership with the Department of Social Services and Creative Australia, the working group has helped to deliver on the *Revive* principles of access, equity, participation and representation in arts and cultural activities for all people in Australia.

Corporate

All of the work delivered by the department is underpinned by the crucial enabling services provided by the Corporate Group. In 2023–24, the Corporate Group not only provided these essential professional services, but undertook a significant program of work to strengthen the capability of our staff and enhance our systems and processes.

In 2023, our department volunteered to participate in the Australian Public Service Commission Capability Review pilot, to take stock of our strengths and opportunities for improvement. The Review report was delivered in September 2023, and the department's Agency Action Plan was developed and published in November 2023 outlining our response.

The inaugural Corporate Group Strategy, also released this year, will cement the position of the Group as a trusted partner supporting our people through the delivery of professional, consistent and responsive services. Our Corporate Group play a crucial role in partnering with our policy teams and external stakeholders to ensure we can function and deliver our outcomes as one department.

In 2023–24, the Australian National Audit Office (ANAO) finalised its second year of the annual performance statements audit. Working closely with the ANAO, the department has made significant improvements in how it measures and reports performance to ensure it delivers outcomes and value for Australians. We will continue to mature our reporting on the department's large and varied body of work.

Net Zero

The department plays a key role in contributing to the Australian Government's greenhouse gas emissions reduction targets. The development of the Transport and Infrastructure Net Zero Roadmap and Action Plan is a centrepiece of the department's work to reduce the impact of the transport and infrastructure sectors on the climate and help mitigate the effects of climate change.

In May 2023, the Transport and Infrastructure Net Zero Consultation Roadmap was released for consultation to help set out the pathways and actions for Australia's transport and infrastructure to play its part in achieving economy-wide net zero emissions. The feedback provided will guide the development of the actions and policies the Government will commit to in the final Transport and Infrastructure Net Zero Roadmap and Action Plan.

First Nations Partnerships

Our newly formed First Nations Partnerships Division worked across the department this year to embed First Nations perspectives in the work we do, increase cultural awareness within the department and across the APS, and drive better policy and program outcomes for Aboriginal and Torres Strait Islander people and communities.

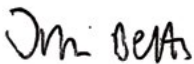
The division led the continuing implementation of our Reconciliation Action Plan, and partnered with teams across each of our portfolio areas to develop a First Nations Outcomes Strategy focused on delivering progress on our responsibilities under the National Agreement on Closing the Gap – Target 9b, Target 16 and Target 17, as well as Priority Reform 3.

Looking ahead

Moving forward in 2024–25 and beyond, excellence in policy development, program delivery and regulatory oversight will continue to be the focus of the department.

- > Delivery of the Aviation White Paper will set long-term policies to guide the industry's next generation of growth and innovation.
- > Work with industry to establish a regulator and IT systems for oversight of the *New Vehicle Efficiency Standard*.
- > Work with jurisdictions to finalise the Federation Funding Agreement Schedule for Land Transport Infrastructure Projects.
- > Delivery of the National Urban Policy by the Cities and Suburbs Unit will enable our urban areas to be more liveable, equitable, productive, sustainable and resilient.
- > Implement the *Northern Australia Action Plan 2024–29*.
- > Continue to administer the Revive Live grants program to promote the recovery of the live music space.
- > Progress reforms in online safety, including social media platforms, age limits for social media, wagering advertising and dating apps.
- > The introduction of mis/dis information legislation to Parliament will help ensure protection of our society and our democracy.
- > Strengthen the media landscape through assistance programs and Australian content quotas.
- > Continue to work with industry to influence a safer switch off of the 3G network and examine lessons from the switch off to inform preparations for future network transitions.
- > Implementation of First Nations Digital Inclusion measures will move us towards a time when all Australians will be connected.
- > Embed the *Our Stories on Country Agreement*, which reflects the shared commitment of the department's leadership team, First Nations people, and staff.
- > Continued implementation the Capability Review Action Plan will ensure the department can meet its future objectives and challenges.

I'd like to finish by acknowledging the incredible work our people do across every part of the department. Their ongoing commitment and professionalism ensure that this department will continue delivering for the Australian community across Infrastructure, Transport, Regional Development, Communications and the Arts into the future.



Jim Betts

Secretary

September 2024

2023–24 Highlights

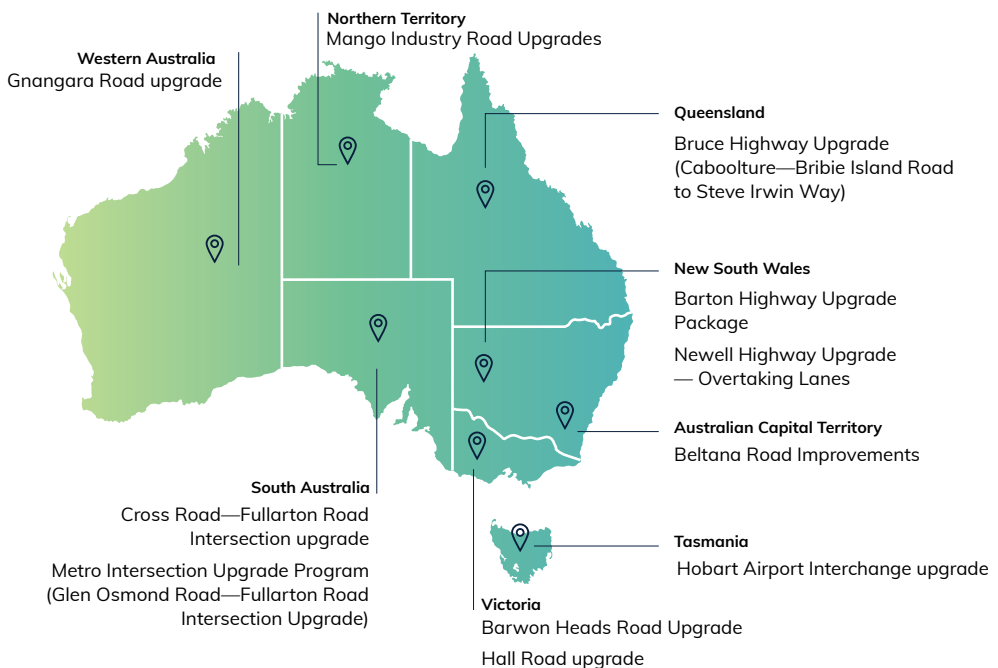


Infrastructure

During 2023–24, the department continued to support the Australian Government to deliver a 10-year **infrastructure investment pipeline** of over \$120 billion.

The **Infrastructure Investment Program (IIP)** is the largest part of this pipeline. Significant reforms to the IIP were implemented in 2023–24 to ensure the IIP is sustainable, aligned with market capacity and comprised of nationally significant projects.

In 2023–24, projects under the Infrastructure Investment Program were completed in every state and territory



Reforms to the IIP were informed by the findings of the:

- > Independent Strategic Review of the IIP
- > Independent Review of the National Partnership Agreement on Land Transport Infrastructure Projects 2019–2024
- > Infrastructure Australia Review.

A key element of these reforms is the new **Infrastructure Policy Statement for Land Transport (IPS)**, which was announced by the government on 14 November 2023. The IPS commits the government to delivering nationally significant infrastructure and sets out the 3 strategic themes for future investment decisions: **productivity and resilience — liveability — sustainability**.

The department continued to implement IIP subprograms to improve the safety, resilience and connectivity of our road network. In 2023–24, projects approved and completed under IIP sub-programs included the approval of:

- > 34 projects under the **Bridges Renewal Program** with a further 56 projects completed
- > 19 projects under the **Heavy Vehicle Safety and Productivity Program** with a further 32 projects completed
- > the first 9 projects under the **Heavy Vehicle Rest Area** initiative
- > 224 projects nationally under the **Black Spot Program**.

In addition, the final year of the current 5-year funding period under the **Roads to Recovery Program** supported the construction and maintenance of the nation's local road infrastructure assets to facilitate greater accessibility and improved safety, economic and social outcomes for Australians.

In addition to the IIP, a key achievement during 2023–24 was the official opening, by the Prime Minister on 4 April 2024, of the **Moorebank Interstate Terminal**. The new terminal will help the movement of rail freight between cities and regions, and help drive efficiency and competition across the national freight network by decreasing costs for businesses and consumers.

The department also continued to deliver the Australian Government's \$3.4 billion toward key venue infrastructure for the **Brisbane 2032 Olympic and Paralympic Games** (the Games).

An Intergovernmental Agreement, signed by the Australian and Queensland governments in February 2023, outlines an enduring partnership which will support the delivery of the Games. Schedule A to this agreement outlines the co-funding and governance arrangements for venue infrastructure projects.

The department continued to work closely with partner agencies in Queensland in order to ensure that projects are delivered on time, represent value for money and meet community needs after the Games.

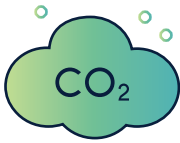


Transport

In May 2024, the *New Vehicle Efficiency Standard Act 2024* (the Act) received Royal Assent. The **New Vehicle Efficiency Standard** (the standard) will encourage manufacturers to increase the variety and number of fuel-efficient vehicles to meet CO₂ emission reduction targets, whether they are petrol, diesel, hybrid or electric.

The Act will commence from 1 January 2025. Implementation is underway and will continue throughout 2024–25, including establishment of a regulator to oversee the standard and associated IT systems.

The New Vehicle Efficiency Standard will deliver:



around
321 million
tonnes of carbon
abatement by 2050



around
\$95 billion
in fuel saving for
Australians



around
\$5 billion
in health savings



improved
fuel security
for Australia

In 2023–24, the department concluded work on the **National Land Transport Technology Action Plan 2020–23**, with the majority of activities completed. The department also worked with the states and territories, and undertook public consultation to develop a new National Road Transport Technology Strategy and the next iteration of the Action Plan — the 2024–27 National Connected Vehicle (CAV) Action Plan. The Strategy and Action Plans help progress Australia towards a nationally consistent deployment of CAVs so that their benefits can be achieved and any new risks coherently managed.

The department has worked with the National Transport Commission and the states and territories to develop detailed policy on the **automated vehicle regulatory framework** and has undertaken public consultation. The outcomes from this will help shape the future regulation of automated vehicles in Australia and is an important step towards the development of the Automated Vehicle Safety Law.

The department is responsible for administering the **Road Vehicle Standards** legislation, and its regulatory framework, which sets nationally consistent standards for the safety, environmental and anti-theft performance of all road vehicles being provided to the Australian market for the first time —including both new and used vehicles.

In 2023–24, the department decided **46,159** applications against the **national road vehicle standards**



On 7 September 2023, the **Aviation Green Paper** was publicly released and over 2,000 submissions were received from respondents nation-wide. The **Aviation White Paper** will fulfil the government’s commitment to set policy direction for the aviation sector out to 2050.

The department is working with airports and other stakeholders to ensure whole-of-site **Per- and Poly-fluoroalkyl Substances** (PFAS) impacts at civilian airports are properly characterised, and nationally-consistent PFAS Management Plans are implemented. This will provide confidence to communities, businesses and industry that environmental and human health risks associated with PFAS contamination are being effectively monitored and managed.



As at 30 June 2024, **PFAS** investigations have commenced at **16 civilian airports**



The draft Environmental Impact Statement (EIS) for the preliminary flight paths for **Western Sydney International (Nancy-Bird Walton) Airport** was released for public exhibition from 24 October 2023 until 31 January 2024. The community submitted 8,477 submissions. The final EIS is expected to be released in late 2024.

In 2023–24, the department continued to support the government in its advocacy at the **International Maritime Organization** for the decarbonisation of international shipping by 2050. International engagement has also commenced for the establishment of green shipping corridors. On 5 March 2024, the Minister for Infrastructure, Transport, Regional Development and Local Government signed a Memorandum of Understanding with the Government of Singapore for collaboration on developing a green and digital shipping corridor between the two countries by the end of 2025.



Regional Development, Local Government, Cities and Northern Australia

There have been significant highlights in the department's work this year to improve living standards and facilitate economic growth in cities and regions.

In 2023–24, guided by the government's **Regional Investment Framework** (the Framework), the department continued to support delivery of considered and coordinated regional investment across people, places, services, industries and local economies. This includes working collaboratively across government to ensure investment in Australia's regions is responsive to regional needs and priorities, informed by **local voices and insights**, and delivered with integrity and transparency.

The department is delivering on the Australian Government's commitment to developing both a **National Urban Policy** and **State of Australian Cities Report** through the Cities and Suburbs Unit.

On 23 May 2024, the draft **National Urban Policy** (the policy) was released for public consultation. It outlines the government's objectives to enable Australia's urban areas to be liveable, equitable, productive, sustainable and resilient. The draft policy has been developed with input from all 3 levels of government, key Federal Government agencies, and members from the Urban Policy Forum and Urban Policy Network.

In 2023–24, the department focused on delivering programs that support **regional** and **urban** development and local governments. These programs included the:

- > Community Development Grants Program
- > Stronger Communities Program
- > Building Better Regions Fund
- > Growing Regions Program
- > Thriving Suburbs Program
- > Regional Precincts and Partnerships Program
- > Urban Precincts and Partnerships Program.

The department is responsible for administering **City and Regional Deals**. Negotiated and agreed between deal partners (federal, state and local government), the City and Regional Deals provide benefit to communities in smaller cities and regional centres. In 2023–24, milestones against commitments were achieved through the:

- > Adelaide City Deal
- > Barkly Regional Deal
- > Darwin City Deal
- > Geelong City Deal
- > Launceston City Deal
- > South East Queensland City Deal
- > Perth City Deal.

In 2023–24, the department supported the Northern Australia Infrastructure Facility to:



The **Northern Australia Infrastructure Facility** (NAIF) was established to provide infrastructure financing to states, territories and other entities for economic infrastructure projects that advance development in northern Australia¹. Northern Australian economic infrastructure provides a basis for economic growth in northern Australia, or stimulates population growth in northern Australia. The department supports the minister in administering the *Northern Australia Infrastructure Facility Act 2016*.

¹ Northern Australia is defined as all of the Northern Territory and those parts of Queensland and Western Australia that intersect with the Tropic of Capricorn, including the Indian Ocean Territories of Christmas Island and Cocos (Keeling) Islands.



Territories

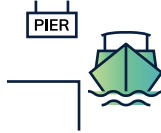
In October 2023, the department established the **Norfolk Island** Governance Committee (the Committee) to provide a mechanism for civic participation for Norfolk Island residents while the Norfolk Island Regional Council remains under administration. The focus of the Committee has been on developing a proposal for a bespoke new model of governance for Norfolk Island, in response to recommendations from the Joint Standing Committee on the National Capital and External Territories, following its inquiry into local governance on the island.

The department has continued its long-term commitment to infrastructure upgrades on Norfolk Island.

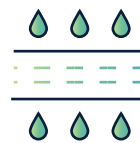
Norfolk Island projects delivered in 2023–24:



Covered Outdoor Learning Area (COLA) at the Norfolk Island Central School



Passenger Transfer Vessel hardstand area



Stage 1 of 3 on the Norfolk Island Sewerage network upgrade



Replacement of the roof and structural repairs to the Norfolk Island Government House.

The department continued its long-term program of asset replacement and upgrades across the **Indian Ocean Territories**, with a number of significant projects completed (or close to completion) this financial year.

In 2023–24, the department also supported the celebration of the 40th Anniversary of the Act of Self Determination on the **Cocos (Keeling) Islands**.

The department is responsible for services to the **Jervis Bay Territory (JBT)**, including ensuring a potable water supply. In June 2024, the department finalised an agreement with the Shoalhaven City Council to secure a 30-year bulk water supply for the JBT.

Indian Ocean Territories projects completed (or nearing completion) in 2023–24 included:



repairs to the

Christmas Island Administration Building
Christmas Island Tourist Centre
Christmas Island Technical School building



repairs and return to operations

for the Christmas Island wharf (tower) crane



rebuilding sheds

destroyed by fire in the Cocos (Keeling) Islands light industrial area



a new sports equipment storage shed

at the Christmas Island District High School oval



upgraded street lighting

on the Cocos (Keeling) Islands



Communications Connectivity

In 2023–24, the department continued to support the Australian Government through:

- > delivery of new and improved mobile coverage through the delivery of Rounds 1 to 5A of the **Mobile Black Spot Program**, with 32 base stations completed across these rounds during the financial year
- > rounds 6 and 7 of the Mobile Black Spot Program were announced awarding funding for 103 new base stations, including 19 new base stations supporting **First Nations communities**
- > implementation of Round 1 of the **Peri-Urban Mobile Program**
- > applications for Round 2 of the **Peri-Urban Mobile Program** opened for applications during December 2023 to April 2024, with eligibility expanded to major regional cities such as Geelong, the Gold Coast and Newcastle
- > delivery of Rounds 1 and 2 of the **Regional Connectivity Program**, with 47 projects completed across the 2 rounds during the financial year. Funding outcomes for Round 3 were announced during the financial year allocating funding for the delivery of 74 place-based telecommunications infrastructure projects across Australia.

The department also continued to support the government to deliver on its commitment to fund the **Viewer Access Satellite Television (VAST)** safety net service through to 2031. This will ensure this important safety net continues, providing long-term certainty for both the broadcasting industry and over 1.5 million Australians who rely on VAST to access free-to-air television.

The department supported the government in its commitment to ensure Australia's regulatory framework is fit for the digital age. This work included:

- > facilitating the development and introduction to Parliament of the Communications Legislation Amendment (Prominence and Anti-siphoning) Bill 2024
- > establishing the Broadcasting Resilience Program which provides funding to strengthen the resilience of ABC AM and FM broadcast sites used for emergency communications during natural disasters
- > facilitating the development and introduction to Parliament of the Interactive Gambling Amendment (Credit and Other Measures) Bill 2023 to ban the use of credit cards and digital currencies for online wagering
- > supporting the launch of BetStop — the National Self-Exclusion Register on 21 August 2023, with 25,972 individuals registered at 30 June 2024.

14,000 eligible families were connected under the **School Student Broadband Initiative**



On 31 May 2024, the department announced amendments to the **Online Safety (Basic Online Safety Expectations) Determination 2022**. The amendments outline new expectations for online service providers, which include ensuring that the best interests of the child are a primary consideration in the design and operation of services likely to be accessed by children.

The department continued providing support of an independent review of the **Online Safety Act 2021** (OSA), led by Ms Delia Rickard PSM. An issues paper was released for public consultation on 29 April 2024 which covers Australia's regulatory approach to online safety, protections, penalties, and powers of the regulator.

The department implemented reforms to update the **National Classification Scheme**, to reduce costs and time by allowing industry to self-classify films and computer games using persons who are trained and accredited by the department.

The **First Nations Digital Inclusion Advisory Group** released its initial report on 23 October 2023, providing guidance for government and industry in achieving Target 17 of the National Agreement on Closing the Gap². The department provided funding to NBN Co to deliver free WiFi to around 20 remote communities across Australia, consistent with the initial report's recommendations.

2 Target 17: By 2026, Aboriginal and Torres Strait Islander people have equal levels of digital inclusion.



Creativity and Culture

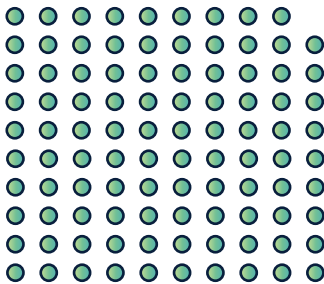
On 24 August 2023, the *Creative Australia Act 2023* came into effect and **Creative Australia** was officially launched. Creative Australia is the Australian Government's principal arts funding and advisory body, and is a modernised and expanded entity formerly known as the Australia Council. The establishment of Creative Australia is a significant milestone achieved under the National Cultural Policy — Revive.

The *Creative Australia Act 2023* established a new governance framework within Creative Australia with the introduction of 2 new parts of Creative Australia, Music Australia and Creative Workplaces, both of which are already delivering support for Australian artists, arts workers and organisations. Music Australia is supporting and promoting Australian contemporary music practice and the development of markets and audiences for the sector. Creative Workplaces is promoting fair, safe and respectful workplaces for Australian artists and arts workers.

On 1 July 2023, Creative Partnerships Australia functions were transferred to the then-Australia Council. This was enabled by the *Australia Council Amendment (Creative Australia) Act 2023*, which has brought together public and private partnerships, with government and philanthropic investment.

A third tranche of legislation, the *Creative Australia Amendment (Implementation of Revive) Bill 2024*, was introduced in Parliament on 5 June 2024 to establish **First Nations Arts** and **Writing Australia** as new parts of Creative Australia.

99 loaned art works on display at **10 institutions** across Australia as part of the Australian Government's National Cultural Policy, Revive



The department continued to support the Australian Government in delivering the Sharing the **National Collection pilot program**, supporting the National Gallery of Australia to share some of the country's much-loved works with regional and suburban galleries and cultural institutions across Australia. The initiative is part of the government's National Cultural Policy — Revive. It provides for long term loans (2+ years) of art works across Australia. Since the initiative launched in July 2023, iconic pieces from the National Gallery of Australia have been shared with venues from Alice Springs to Wanneroo in Perth.

During the 2023–24, an independent review of the National Arts Training Organisations' **(ARTS8)** financial sustainability was undertaken. The ARTS8 includes the Australian Ballet School; Australian Film, Television and Radio School; Australian National Academy of Music; Australian Youth Orchestra; Flying Fruit Fly Circus; NAISDA Dance College; National Institute of Circus Arts; and National Institute of Dramatic Art. Together these organisations are foundational to Australia's thriving creative economy.

This review informed a funding uplift for the ARTS8 delivered as part of the 2024–25 Budget to support the long-term sustainability of the organisations. The ARTS8 will also receive additional ongoing annual funding from 2028–29 to support their critical role in developing Australia's most talented creatives and arts workers. Addressing the sustainability of the 7 national performing arts training organisations is an outcome of the **National Cultural Policy**.

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 costs incurred by the Australian Government.

This section should be read in conjunction with the department's audited financial statements in Part 4 of this report.

Departmental finances

The department reported a deficit of \$48.1 million in 2023–24, which equates to an operating deficit of \$28.0 million after adjusting for depreciation and amortisation, and lease payments under Australian Accounting Standard AASB 16 Leases. The deficit is largely due to write-down and impairment of assets (\$13.9 million) and expenditures to consolidate and uplift IT infrastructure (\$12.8 million) following the machinery-of-government change which previously occurred in 2019–20.

The department's net assets position decreased by \$25.4 million from 2022–23. The department continues to maintain a sound financial position with total assets exceeding total liabilities with a net assets position of \$180.6 million.

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

	2022–23	2023–24	Change from last year
Revenue from government	428.4	461.3	32.9
Own-source revenue	12.0	13.7	1.7
Gains	0.0	0.3	0.3
Total income	440.4	475.3	34.9
Employee and supplier expenses	410.3	459.1	48.8
Grants and contributions	5.6	3.4	(2.2)
Depreciation and amortisation	42.2	45.8	3.6
Other expenses	8.3	15.2	6.9
Total expenses	466.3	523.5	57.2
Changes in asset revaluation reserve	10.8	0.0	(10.8)
Surplus (Deficit) attributable to the Australian Government	(15.1)	(48.1)	(33.0)
Plus non-appropriated depreciation and amortisation expenses	42.2	45.8	3.6
Minus principal repayments — leased assets	(23.3)	(25.7)	(2.4)
Operating result (loss) attributable to the agency	3.8	(28.0)	(31.8)
Financial assets (A)	170.9	171.1	0.2
Non-financial assets (B)	238.7	207.9	(30.8)
Liabilities (C)	203.7	198.4	(5.3)
Net assets: A+B-C	206.0	180.6	(25.4)

Administered finances

Total administered expenses of \$9.7 billion represent a decrease of \$0.8 billion compared to last year, mainly due to a \$1.0 billion decrease in grant expenditure. The decrease in grant expenditure is mainly due to a decrease in grant payments to State and Territory Governments by \$1.1 billion. This is due to a reduction in grants under the Financial Assistance Grant program which is based on government decisions.

This was partially offset by a \$0.2 billion increase in payments to corporate Commonwealth entities. 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.

Major administered expense items reported by the department in 2023–24 were:

- > Local Government Financial Assistance Grant payments (\$2.8 billion)
- > Payments to corporate Commonwealth entities (\$2.3 billion)
- > Payments to Regional Broadband Scheme (\$835.3 million)
- > Roads to Recovery Program (\$618.6 million)
- > Local Roads and Community Infrastructure Program (\$485.0 million)
- > Community Development Grants Program (\$221.5 million).

Administered income decreased by \$2.5 million mainly due to a reduction in dividend revenue. Dividends were not received from any government entities in 2023–24. This was partially offset by an increase in interest revenue as a result of the Northern Australia Infrastructure Facility (NAIF) loan balance continuing to increase in the current year as loan advances continued to be made.

Net assets administered on behalf of the Australian Government decreased by \$2.5 billion mainly due to a decrease in financial assets. This is attributable to a decrease in trade and other receivables of \$5.0 billion as a result of the full repayment of the remaining balance of the loan to NBN Co of \$5.5 billion, partially offset by Northern Australia Infrastructure Facility loan advances made during 2023–24 of \$0.6 billion. Administered investments increased by \$2.4 billion, representing the Australian Government's interest in the portfolio entities.

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

	2022–23	2023–24	Change from last year
Taxation revenue	31.7	29.2	(2.5)
Non-taxation revenue	623.5	629.5	6.0
Gains	6.2	0.1	(6.0)
Total income	661.3	658.8	(2.5)
Employee and supplier expenses	600.7	641.8	41.1
Subsidies	1,080.9	1,104.7	23.9
Grants	6,338.5	5,375.0	(963.5)
Depreciation and amortisation	56.8	56.1	(0.8)
Impairment loss on financial instruments	175.0	145.7	(29.3)
Payments to corporate Commonwealth entities	2,156.8	2,348.4	191.7
Concessional loans	54.1	6.2	(47.9)
Other expenses	16.1	42.0	25.9
Total expenses	10,478.8	9,720.0	(758.8)
Financial assets (A)	47,955.4	45,299.2	(2,656.2)
Non-financial assets (B)	944.5	981.4	36.9
Liabilities (C)	1,601.6	1,520.9	(80.7)
Net assets: A+B-C	47,298.3	44,759.7	(2,538.6)



Image: Wind turbines, Albany, Western Australia. Credit: Imagevixen, Getty Images.

Part 1

About the Department

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Part 1.1: Portfolio Overview

The Infrastructure, Transport, Regional Development, Communications and the Arts portfolio includes the department, entities and government business enterprises (refer Table 1.1.1: Portfolio Structure).

Our ministers

As at 30 June 2024³, Infrastructure, Transport, Regional Development, Communications and the Arts was the responsibility of the following Ministers.

The Hon Catherine King MP



Minister for Infrastructure, Transport, Regional Development and Local Government

The Hon Catherine King MP, as Portfolio Minister, holds overarching responsibility for the Infrastructure, Transport, Regional Development and Local Government Portfolio.

Departmental Outcomes: Outcome 1, Outcome 2, Outcome 3 (Programs 3.1, 3.2 and 3.3)

Portfolio Entities/Government Business Enterprises:

- > Airservices Australia
- > Australian Maritime Safety Authority
- > Australian Rail Track Corporation Limited
- > Australian Transport Safety Bureau
- > Civil Aviation Safety Authority
- > High Speed Rail Authority
- > Infrastructure Australia
- > National Intermodal Corporation Limited
- > National Transport Commission
- > WSA Co Limited

The Hon Michelle Rowland MP



Minister for Communications

Departmental Outcome:
Outcome 5

Portfolio Entities/Government Business Enterprises:

- > Australian Broadcasting Corporation
- > Australian Communications and Media Authority (including eSafety Commissioner)
- > Australian Postal Corporation (Australia Post)
- > NBN Co Limited
- > Special Broadcasting Service Corporation

The Hon Tony Burke MP



Minister for the Arts

Departmental Outcome:
Outcome 6

Portfolio Entities/Government Business Enterprises:

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

³ The most up to date information on our ministers is available at <https://minister.infrastructure.gov.au>

The Hon Madeleine King MP



**Minister for
Northern Australia**

Departmental Outcome: Outcome 3
(Program 3.4)

**Portfolio Entities/Government Business
Enterprises:**
Northern Australia Infrastructure Facility

Senator the Hon Carol Brown



**Assistant Minister for
Infrastructure and Transport**

Departmental Outcomes:
Outcome 1, Outcome 2

**Portfolio Entities/Government Business
Enterprises:** N/A

The Hon Kristy McBain MP



**Minister for Regional
Development, Local
Government and Territories**

Departmental Outcomes:
Outcome 3 (Programs 3.1, 3.2 & 3.3),
Outcome 4

**Portfolio Entities/Government Business
Enterprises:**
National Capital Authority

Senator the Hon Anthony Chisholm



**Assistant Minister for Regional
Development**

Departmental Outcome: Outcome 3
(Program 3.1)

**Portfolio Entities/Government Business
Enterprises:** N/A

Changes to our ministers

On 28 July 2024, the Prime Minister, The Hon Anthony Albanese MP, announced changes to the Ministry. Changes to the Infrastructure, Transport, Regional Development, Communications and the Arts portfolio were:

- > Senator the Hon Carol Brown stepped back from her role as Assistant Minister for Infrastructure and Transport.
- > Senator the Hon Jenny McAllister was appointed as Minister for Cities.
- > Luke Gosling MP was appointed as Special Envoy for Northern Australia.

New members to the Ministry were sworn in by Her Excellency the Governor General on Monday 29 July 2024.

Portfolio structure

As at 30 June 2024, the Infrastructure, Transport, Regional Development, Communications and the Arts portfolio comprised of:

Table 1.1.1: Portfolio structure

Department of State	
Department of Infrastructure, Transport, Regional Development, Communications and the Arts	Secretary: Jim Betts
Portfolio Entities	
Airservices Australia	Acting Chief Executive Officer: Peter Curran
Australian Broadcasting Corporation	Managing Director: David Anderson
Australian Communications and Media Authority	Chair and Agency Head: Nerida O'Loughlin PSM
Australian Film, Television and Radio School	Chief Executive Officer: Dr Neil Greenwood
Australian Maritime Safety Authority	Chief Executive Officer: Michael Kinley
Australian National Maritime Museum	Director and Chief Executive Officer: Daryl Karp AM
Australian Transport Safety Bureau	Chief Commissioner and Chief Executive Officer: Angus Mitchell
Bundanon Trust	Chief Executive Officer: Rachel Kent
Civil Aviation Safety Authority	Chief Executive Officer and Director of Aviation Safety: Pip Spence PSM
Creative Australia	Chief Executive Officer: Adrian Collette AM
High Speed Rail Authority	Chief Executive Officer: Tim Parker
Infrastructure Australia	Chief Executive Officer: Adam Copp
National Archives of Australia	Director-General: Simon Froude
National Capital Authority	Chief Executive: Karen Doran PSM
National Film and Sound Archive of Australia	Chief Executive Officer: Patrick McIntyre
National Gallery of Australia	Director: Dr Nick Mitzevich
National Library of Australia	Director-General: Dr Marie-Louise Ayres FAHA

Portfolio Entities

National Museum of Australia	Director: Katherine McMahon
National Portrait Gallery of Australia	Director: Bree Pickering
National Transport Commission	Chief Executive Officer and Commissioner: Michael Hopkins
Northern Australia Infrastructure Facility	Chief Executive Officer: Craig Doyle
Old Parliament House	Executive Director and Chief Executive Officer: Stephanie Bull
Screen Australia	Chief Executive Officer: Deirdre Brennan
Special Broadcasting Service Corporation	Managing Director: James Taylor

Government Business Enterprises

Australian Postal Corporation	Group Chief Executive and Managing Director: Paul Graham
Australian Rail Track Corporation Limited	Chief Executive and Managing Director: Wayne Johnson
National Intermodal Corporation Limited	Chief Executive Officer: James Baulderstone
NBN Co Limited	Chief Executive Officer: Stephen Rue
WSA Co Limited	Chief Executive Officer: Simon Hickey

Part 1.2: Department Overview

Accountable authority

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

About us

The department touches the lives of Australians, every day. We have a national footprint with our people located in each state and territory capital city, regional areas, and non-self-governing territories. This broad coverage brings benefits to the department including fostering greater collaboration both within the department and with our partners, strengthening our diversity and inclusion and most importantly contributing to better outcomes for all Australians.

Our work connects, and enriches every Australian community, underpins our economy and society, and empowers our regions. This includes planning for the global digital economy, designing liveable future-facing cities and creating the transport and telecommunications systems of tomorrow. We also help empower our regional communities, promote our thriving arts sector and protect and celebrate the culture, heritage and languages of First Nations people.

Our role

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.

Executive

Members of our Executive Leadership Team as at 30 June 2024.



Jim Betts
Secretary



Stephen Arnott
Deputy Secretary Creative
Economy and the Arts
Group



Maree Bridger
Chief Operating Officer
Corporate Group



James Chisholm
Deputy Secretary
Communications
and Media Group



Jess Hall
Deputy Secretary
Infrastructure Group



David Mackay
Deputy Secretary
Regions, Cities and
Territories Group



Marisa Purvis-Smith
Deputy Secretary
Transport Group

Department structure

As at 30 June 2024.⁴

Figure 1.1 Organisational chart



4 The department's most recent structure chart is available at: www.infrastructure.gov.au/department/our-organisation#org

Partnerships One

Partnerships Two

Infrastructure

Deputy Secretary

Jessica Hall

Olympic, Paralympic and Sports Infrastructure

Infrastructure Group Assurance and Advisory

Road and Vehicle Safety

Vehicle Safety Policy and Partnerships
Office of Road Safety
Vehicle Safety Operations
Targeted Infrastructure Programs

Land Transport Infrastructure

Program, Policy and Budget
QLD, NT and WA Infrastructure Investment
NSW and ACT Infrastructure Investment and Program Governance and Assurance
VIC, Tas and SA Infrastructure Investment
Infrastructure Investment Reform
● RPM Taskforce

Commonwealth Infrastructure Projects

Aviation and High Speed Rail
Freight Terminals
Project Taskforce
Rail Project Delivery
Strategy and Support
Commonwealth Projects

Communications and Media

Deputy Secretary

James Chisholm

Online Safety, Media and Platforms

Classification
Media Industry and Sustainability
Online Safety
Platform and News
Media Reform

Communications Infrastructure

Broadband and Emerging Communications
Competition and Spectrum
Telecommunications Resilience
Digital Inclusion and Deployment
Universal Services

Communications Services and Consumer

Regional Mobile Infrastructure Programs
Regional Connectivity
Post, International Telecommunications and ACMA
Consumer Safeguards

Regions, Cities and Territories

Deputy Secretary

David Mackay

Regional Development and Local Government

Regional Policy
Local Government, Regional Intelligence and Data
Major Projects and Governance
Regional Programs

Territories

Indian Ocean Territories
Mainland Territories
Norfolk Island
IOTA Corporate Services

Partnerships and Projects

City and Regional Partnerships
Office of Northern Australia
Cities and Suburbs Unit
Northern Australia Investments and Projects
Housing Support

High Speed Rail Authority
National Intermodal Corporation Ltd (GBE)
Australian Rail Track Corporation Ltd (GBE)
WSA Co. Ltd (GBE)
Infrastructure Australia

Australian Broadcasting Corporation
Special Broadcasting Service Corporation
eSafety Commissioner

NBN Co. Ltd (GBE)



Australian Postal Corporation (GBE)
Australian Communications and Media Authority

National Capital Authority

Northern Australia Infrastructure Facility

Part 1.3: Purposes, Outcomes, Programs and Key Activities

As at 30 June 2024⁵, the department had the following purposes, outcomes, programs and key activities.

Purpose: Transport Connectivity Supporting an efficient, sustainable, competitive, accessible, safe and secure transport system through infrastructure investment.	
Outcome 1 Transport Connectivity (Infrastructure) 	Outcome 2 Transport Connectivity (Transport) 
<p>Improved infrastructure across Australia through investment in and coordination of transport and other infrastructure</p> <p>Program 1.1: Infrastructure Investment</p> <p>Key activity</p> <ul style="list-style-type: none"> • Deliver and manage the Infrastructure Investment Program (IIP). 	<p>An efficient, sustainable, competitive, safe and secure transport system for all transport users through regulation, financial assistance and safety investigations</p> <p>Program 2.1: Surface Transport</p> <p>Key activities</p> <ul style="list-style-type: none"> • Advise on and deliver better road safety as well as heavy vehicle and rail regulation. • 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 policy, programs and regulation to support efficient sea trade, vessel safety, Australian maritime skills capability and environment protection. <p>Program 2.2: Road Safety</p> <p>Key activities</p> <ul style="list-style-type: none"> • Advise on and deliver better road safety. • Regulate the first provision of road vehicles to the Australian market. • Supporting a safe and accessible transport system. <p>Program 2.3: Air Transport</p> <p>Key activities</p> <ul style="list-style-type: none"> • Lead the design of the Western Sydney Airport flight paths. • Manage domestic aviation programs and regulation. • Administer effective aviation safety policy. • Supporting a safe and accessible transport system.

⁵ For the department’s current purpose, outcomes, programs and key activities, refer to the department’s 2024–25 Corporate Plan available at: www.infrastructure.gov.au/about-us/corporate-reporting/2024-25-corporate-plan

Purpose: Regional Development

Improving living standards and facilitating economic growth in cities and regions.

Outcome 3

Regional Development, Local Government, Cities and Northern Australia



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

Program 3.1: Regional Development

Key activity

- Deliver programs to support regional development and local governments.

Program 3.2: Local Government

Key activity

- Deliver programs to support regional development and local governments.

Program 3.3: Cities

Key activity

- Advise on and deliver commitments to enhance Australia's cities and towns.

Program 3.4: Growing a Stronger northern Australia Economy

Key activity

- Progress key initiatives from and monitor whole-of-government implementation of the Northern Australia agenda.

Purpose: Territories

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

Outcome 4

Territories



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

Program 4.1: Services to Territories

Key activities

- Ensuring governance and legislative frameworks are fit for purpose to support delivery of services and programs to Australia's non-self-governing Territories.

- Provide essential infrastructure, fund and deliver services to residents of the external territories (Norfolk Island and the Indian Ocean Territories) and the Jervis Bay Territory.

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

Communications Connectivity



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

Program 5.1: Digital Technologies and Communications Services

Key activities

- Provide advice to the government on, and deliver, communications programs, including in regional and remote Australia.
- Providing effective and inclusive communications services and technologies.
- Protecting Australians through effective management of classification frameworks.

Purpose: Creativity and Culture

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

Outcome 6

Creativity and Culture



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

Program 6.1: Arts and Cultural Development

Key activities

- Protecting and promoting Australian content.
- 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.



Image: Fremantle Port at Sunset. Perth, Western Australia. Credit: Delectus, Getty Images.
Image also seen on back cover.

Part 2

Annual Performance Statements

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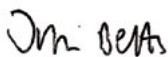
Statement of preparation

Accountable authority statement

I, as the accountable authority for the Department of Infrastructure, Transport, Regional Development, Communications and the Arts (the department), present the 2023–24 Annual Performance Statements for the department, which have been prepared in accordance with paragraph 39(1) (a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

In my opinion, these annual performance statements accurately present the department's performance for the year ending 30 June 2024 (section 16F of the *Public Governance, Performance and Accountability Rule 2014* and comply with subsection 39(2) of the PGPA Act).

The department continues its improvement journey and is committed to reaching maturity of its performance reporting by 2025.



Jim Betts

Secretary

13 September 2024

Introduction

The 2023–24 Annual Performance Statements outline the progress the department has made towards achieving its purposes:

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

These purposes have been refreshed for 2024–25,⁶ however, remained the focus of our efforts in 2023–24.

The reporting below has been prepared in reference to the performance information published in the *Department of Transport, Regional Development, Communications and the Arts Corporate Plan 2023–24* (Corporate Plan) and subsequently updated through the *Infrastructure, Transport, Regional Development, Communications and the Arts Portfolio Budget Statements 2024–25* (PBS). The below reporting seeks to demonstrate efficient use of taxpayer resources and a commitment to quality in our work across the department's wide-ranging activities.

The department is advancing along an iterative journey to improve its performance reporting. This includes enhancing our performance framework to comprehensively and meaningfully represent and measure our activities. The department has also sought to uplift corporate capability to improve the reliability and accuracy of performance reporting, and to use this process to inform key learnings across policy areas.

Policy assessment methodology

The department has developed a policy assessment methodology which seeks to evaluate and uplift our role in supporting senior executives and ministers, to make informed policy and funding decisions across the portfolio's remit. In recognition of this role, 7 performance measures have been included which assess the quality, timeliness and evidence base of our policy advice. These are performance measures: 1, 2, 5, 6, 23, 24 and 31. This assessment was made by an internal strategic policy review panel which consisted of 3 experienced departmental officials who impartially determined how well policy advice provided context, analysis and advice for action. A sample of policy advice was assessed by the panel for each relevant measure. Panel members individually gave a score out of 5 for each document based on the 3 predetermined criteria using the thresholds described in Table 2.1: Rating scale. These scores were averaged to create a score for the measure as a whole. A measure was 'met' if it received a score above 3. Panel members did not assess advice originating from their own direct work areas, and signed confidentiality and conflict of interest declarations. All assessments were moderated using an external scribe. From this process, the panel noted key deficiencies and strengths which will be provided as feedback back to policy areas to support capability uplift. Additionally, as a development opportunity, a junior staff member observed the panel's deliberations to gain insight into what makes good policy advice.

⁶ For the department's updated purpose statement refer to our 2024–25 Corporate Plan. Available at: www.infrastructure.gov.au/about-us/corporate-reporting/2024-25-corporate-plan

Table 2.1: Rating scale

Rating	Result	Description
5	Target Met	<p>Meets all the relevant quality standards and adds something extra</p> <ul style="list-style-type: none"> > Represents exemplary practice > First-rate advice that provides a sound basis for confident decision-making > A polished product
4		<p>Meets all the relevant quality standards</p> <ul style="list-style-type: none"> > Represents good practice > Provides a solid basis for decision-making > Minor changes would have added polish
3		<p>Meets the relevant quality standards overall, but with some shortfalls</p> <ul style="list-style-type: none"> > Provides most of the analysis and information needed > Could be used for decision-making > Was sufficiently fit for purpose for finalisation > Could have been improved in several areas
2	Target Not Met	<p>Does not meet the relevant quality standards in material ways</p> <ul style="list-style-type: none"> > Explains the basic issue but seriously lacking in several important areas > Creates risk of poor decision-making > Should not have been finalised/delivered > Needed substantial improvement in important areas
1		<p>Does not meet the relevant quality standards in fundamental ways</p> <ul style="list-style-type: none"> > Lacks basic information and analysis > Creates serious risk of poor decision-making > Should not have been finalised/delivered > Needed fundamental rework
0		<p>Does not meet the relevant quality standard at all</p> <ul style="list-style-type: none"> > Contains no basic information or analysis > Creates extreme risk of poor decision-making > Should not have been finalised/delivered > Needed complete overhaul

Changes to our performance information

A review of the department's 2022–23 performance information identified issues including omission of performance information, completeness, reliability and governance. On the basis of best practice and prior learnings, we reviewed performance information as was initially published in our 2023–24 Corporate Plan. We subsequently updated a number of measures and targets through the 2024–25 PBS to more fulsomely present our functions through appropriate targets supported by reliable data. We did not publish an updated corporate plan as these changes did not constitute a significant variation. These changes were presented before the end of the performance cycle through the 2024–25 PBS. Table 2.2: Table of changes indicates where there is a variation to key activities, performance measures and targets compared to the 2023–24 Corporate Plan.

The majority of these changes were reflected in the 2024–25 PBS before the conclusion of the financial year in compliance with the 'clear read' principle⁷. Italicised text represents a change that was made through the 2024–25 PBS. Other changes listed below are minor wording changes, and in particular against the published methodology, or are to provide additional clarity.

Table 2.2: Table of changes

Program	Measure	Change type	Rationale for change	Corporate Plan 2023–24 page
1.1	1	<i>Performance measure description</i>	Amended to specify reporting on projects listed in the 'Schedules to the National Partnership Agreement on Land Transport Infrastructure Projects'.	43
1.1	1	<i>Target and methodology</i>	Amended to reflect the department's role in delivering quality policy advice on the Infrastructure Investment Program (IIP) to the minister.	43
2.1	2	Key activity	Performance measure 2 included under 'Key Activity: Supporting an efficient and sustainable transport system' to reflect cross cutting contributions.	48
2.1	2	<i>Performance measure description</i>	Amended to combine composite measure targets a. and b. into a single measure.	49

⁷ Further information on the 'clear read' principle can be found in the Department of Finance's *Reporting performance information in Portfolio Budget Statements Resource Management Guide 129*, available at: www.finance.gov.au/government/managing-commonwealth-resources/reporting-performance-information-portfolio-budget-statements-rmg-129/why-performance-information-reported-pbs

Program	Measure	Change type	Rationale for change	Corporate Plan 2023–24 page
2.1	2	Target and methodology	Amended to reflect the whole-of-department approach to measuring policy advice.	49
2.1	4	Methodology	Updated from the 2023–24 Corporate Plan to accurately reflect the methodology.	51
2.1	5	Target	Target b. removed as it is an activity that constitutes routine departmental work.	52–53
2.1	5	Target and methodology	Amended to reflect the whole-of-department approach to measuring policy advice.	52–53
2.1	6	Target and methodology	Amended to reflect the whole-of-department approach to measuring policy advice.	54
2.2	7	Methodology	Updated from the 2023–24 Corporate Plan to accurately reflect the methodology.	56
2.2	8	Target	Target c. removed as it is an activity that constitutes routine departmental work.	57
2.2	8	Methodology	Updated to reflect equal weighting for each target.	57
2.2	9	Performance measure description	Amended to specify the types of grants the department is reporting against, and how this work contributes to the National Road Safety Action Plan.	58
2.2	9	Target	Target amended to align with the performance measure.	58
2.2	9	Methodology	Updated as methodology was incompatible with the stage the program reached at the end of 2023–24.	58
2.3	12	Methodology	Updated from the 2023–24 Corporate Plan to accurately reflect the methodology.	62

Program	Measure	Change type	Rationale for change	Corporate Plan 2023–24 page
2.3	13	Performance measure description and target	Amended to replace 'approved' with the term 'eligible'. Approved communities must be eligible to participate in the Remote Air Services Subsidy Scheme.	63
2.3	14	Target	Updated to specify the role of the department.	63–64
2.3	14	Methodology	Updated from the 2023–24 Corporate Plan to accurately reflect the methodology.	63–64
3.1	-	Key activity	'Advise on and deliver City and Regional Deals and commitments to enhance Australia's cities and towns' removed as underlying measure (18) was removed.	71
3.1	16	Performance measure removed	This performance measure was removed from 2023–24 as the department has an enabling function for regional programs and does not deliver contract commitments.	72
3.1	17	Performance measure maintained	The performance measure was amended through the 2024–25 PBS, but was found to have been correct as originally published in the 2023–24 Corporate Plan.	73
3.2	18	Performance measure removed	This performance measure was removed from 2023–24 reporting in line with government priorities.	74
3.2	19	Methodology	Updated from the 2023–24 Corporate Plan to accurately reflect the methodology.	76
3.3	-	Key activity	'Advise on and deliver City and Regional Deals and commitments to enhance Australia's cities and towns' removed as underlying measure (18) was removed.	71
3.3	20	Methodology	Updated from the 2023–24 Corporate Plan to accurately reflect the methodology.	78

Program	Measure	Change type	Rationale for change	Corporate Plan 2023–24 page
3.3	21	Performance measure description	Amended to reflect the purpose of the program.	79
3.3	21	Target	Amended to accurately reflect the stage of the program for the 2023–24 reporting period.	79
3.4	22	Target	Updated to specify the scope is for the 2023–24 reporting year.	81
4.1	23	Performance measure description	Updated to align with the purpose of Program 4.1: Services to Territories.	86
4.1	23	Target and methodology	Amended to reflect the department's role in delivering policy advice on legal and governance arrangements in the territories, in line with the whole-of-department approach to measuring policy advice.	86
4.1	24	Performance measure description	Updated to measure the department's role in advising on the delivery of essential services to non-self-governing territory communities.	87
4.1	24	Target and methodology	Amended to enable reporting against the performance measure description, in line with the whole-of-department approach to measuring policy advice.	87
5.1	28	Performance measure removed	The department does not control the affordability of telecommunications services.	87
5.1	29	Methodology	Updated from the 2023–24 Corporate Plan to accurately reflect the methodology.	96
5.1	30	Performance measure description and target	Amended to reflect the role of the department in the overall management of classification frameworks through publishing classification decisions.	97

Program	Measure	Change type	Rationale for change	Corporate Plan 2023–24 page
5.1	30	Methodology	Updated from the 2023–24 Corporate Plan to accurately reflect the methodology.	97
6.1	31	Target and methodology	Amended to reflect the department's role in delivering quality policy advice on the current Australian content framework in line with the whole-of-department approach to measuring policy advice.	103
6.1	37	Methodology	Updated from the 2023–24 Corporate Plan to enable the department to report against target a.	109

Structure of the Annual Performance Statements

The Annual Performance Statements demonstrate a direct link between the department's activities throughout the year and their contribution towards achieving our purposes. The Annual Performance Statements are divided into 6 chapters, with each chapter focusing on performance against one of the department's outcomes.

Each chapter contains:

- > a performance snapshot of achievement against the outcome
- > performance results and analysis of the department's performance.

Select chapters contain spotlights which provide analysis of other work that the department pursued during 2023–24 which would otherwise not explicitly be captured through a performance measure.

Table 2.3: Results key 2023–24

Reporting result	Result calculation range
Target met	≥95%
Target substantially met	75% – 94%
Target partially met	50% – 74%
Target not met	≤49%
No target	Measure does not have a defined target

Performance snapshot

In 2023–24, we demonstrated performance against 34 measures which consist of 40 targets. The department’s effectiveness was assessed across 11 programs which directly support the achievement of our purposes and outcomes. All composite targets, where applicable, were given equal weight in determining the results of performance measures.

Of the 34 performance measures reported on:

- > 24 were met (70%)
- > 2 were substantially met (6%)
- > 5 were partially met (15%)
- > 1 was not met (3%)
- > 2 had no target (6%)

The target under performance measure 21 was not met as its associated program was placed on hold while broader government decisions were made regarding program delivery. This resulted in timeframes not being met as originally agreed. Two performance measures (36 and 37) do not have targets due to their unique operating contexts. The 2023–24 Corporate Plan contained 3 other performance measures not reported on here (16, 18 and 28), however, these were removed as they were found to either be inappropriate or no longer aligned to government priorities as described in Table 2.2: Table of changes.

Figure 2.1: 2023–24 performance results

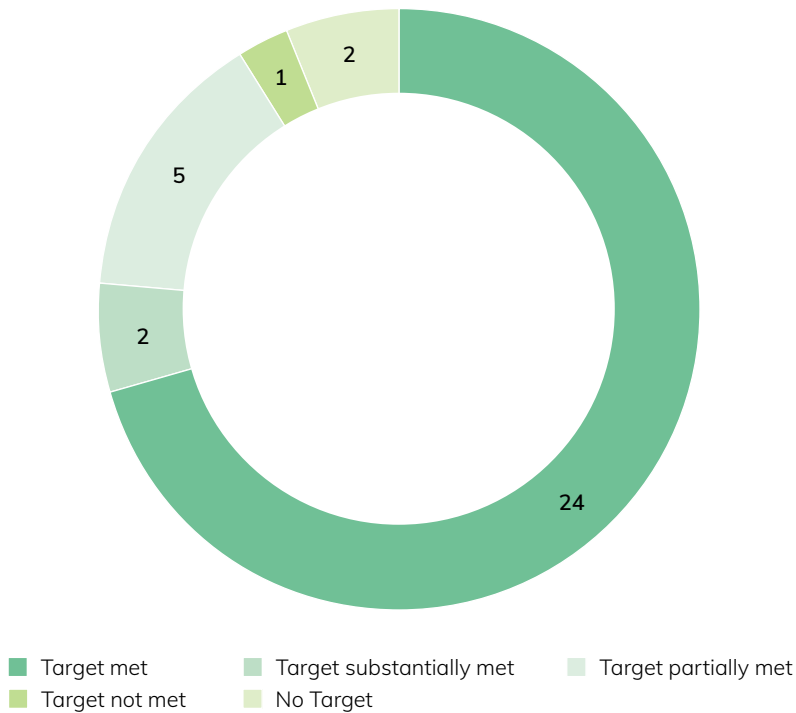


Table 2.4: Performance snapshot by outcome

Outcome	Target met	Target substantially met	Target partially met	Target not met	No target
Outcome 1 — Transport Connectivity (Infrastructure)	1	-	-	-	-
Outcome 2 — Transport Connectivity (Transport)	10	2	2	-	-
Outcome 3 — Regional Development, Local Government, Cities and Northern Australia	2	-	2	1	-
Outcome 4 — Territories	2	-	-	-	-
Outcome 5 — Communications Connectivity	5	-	-	-	-
Outcome 6 — Creativity and Culture	4	-	1	-	2
Total	24	2	5	1	2

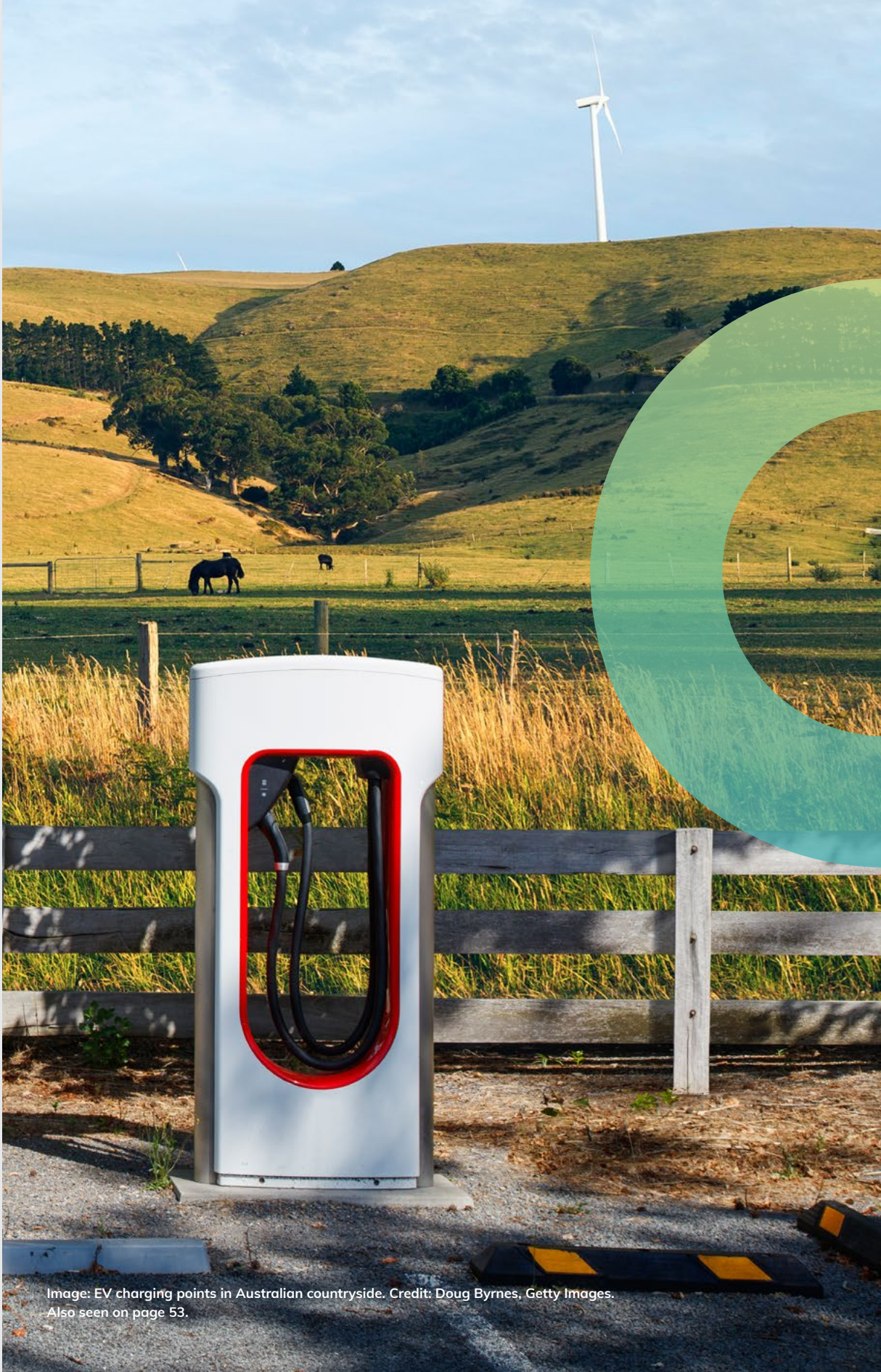


Image: EV charging points in Australian countryside. Credit: Doug Byrnes, Getty Images. Also seen on page 53.

Outcome 1: Transport Connectivity (Infrastructure)



Outcome Statement

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

Purpose: Transport Connectivity

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

Performance Snapshot

Program	Target met	Target substantially met	Target partially met	Target not met	No target
Program 1.1 — Infrastructure Investment	1	-	-	-	-
Total	1	-	-	-	-



Image: Construction worker soil stamper with digger. Credit: DITRDCA

Program 1.1: Infrastructure Investment

The Infrastructure Investment Program supports economic growth, makes travel safer, increases transport access and supports regional development. It increases the efficiency, productivity, sustainability and safety of Australia's land transport infrastructure through programs and policies to improve connectivity for communities and freight.

Key activities

Key activity	Performance measure
Deliver and manage the Infrastructure Investment Program (IIP).	1

Performance results

Performance measure 1	Provide policy advice for funding decisions on infrastructure investment projects, as listed in the Schedules to the National Partnership Agreement on Land Transport Infrastructure Projects
Target	Policy advice is high quality, timely and evidence based
Methodology	Policy advice is assessed and scored against criteria, by an internal panel, to determine quality, timeliness and evidence base.
Source	<i>ITRDCA Portfolio Budget Statements 2024–25, p.41 and DITRDCA Corporate Plan 2023–24, p.43</i>
Category	Policy
2023–24 result	Target met
Previous results	Not applicable. This was a new performance measure for 2023–24.
Divisional owner	Land Transport Infrastructure Division
Limitations	The department identified and removed further exclusions from its population after random sampling processes had concluded. In response, the department lowered its confidence interval from 90% to 85% to account for a reduction in the sampled population. The department accepts a minor increase to our margin of error to uphold the integrity of our assessment processes.

Analysis of performance

The target for this performance measure was met in 2023–24. The total average score of the sampled policy advice was 3.9 out of 5 meaning advice was quality, timely and largely evidence-based.

A total of 21 pieces of policy advice were assessed by the department's internal strategic policy review panel, from a total population of 36 pieces. This provides the department with a confidence level of approximately 85% that its result is representative of the total population.

Analysis

The policy advice reviewed as part of this performance measure directly relates to the department's role in supporting funding and project approval decisions made by the Minister for Infrastructure, Transport, Regional Development and Local Government for the Infrastructure Investment Program (IIP), under the *National Land Transport Act 2014* (the NLT Act), *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and *Federal Financial Relations Act 2009* (FFR Act). The department's policy advice details how projects represent a proper use of funds and are eligible for funding under the relevant legislation. Without this advice, and the decision-making it facilitates, funding for the program could not be expended on projects.

The provision of high quality, timely and evidence-based advice enables the proposed projects to be approved and funded, by including an assessment of project specific details. Once funding is approved, it continues to support the IIP project by enabling payments based on milestones agreed between parties. The timeliness and quality of this advice is instrumental in the administration of the IIP.

In 2023–24, the department anticipates the final expenditure for the IIP to be \$11.2 billion — this is the highest expenditure for the IIP in a financial year.

In 2023–24, the department:

- > received 1,060 milestone claims
- > made 874 milestone payments
- > rejected 186 milestone payments.

Spotlight

The Richmond-Winton Road upgrade

The Richmond-Winton Road upgrade focused on widening and resurfacing 11.2km of priority sections in North Queensland to reduce the impact of wet weather and enhance road safety. The work finished in 2022–23, and the project was finalised by the department in 2023–24.

The total project cost was \$12.8 million with the Australian Government's contribution totalling \$10.2 million (with the Queensland Government contributing the remainder). The department, with the Queensland Government, oversaw project development, delivery and evaluation, releasing milestone payments to Queensland on receipt of appropriate evidence and inputting into project governance as needed. There were project delays of three months due to inclement weather, remote location issues and other priorities, however the project still realised savings on total project costs at completion.



Image: Courtesy of the Department of Transport and Main Roads — Queensland
Richmond-Winton Road upgrade.

The Richmond-Winton Road upgrade required an Indigenous Participation Plan (IPP). Under the Australian Government's *Indigenous Employment and Supplier-Use Infrastructure Framework*, IPPs must be developed for specific new road and rail construction projects, including projects that:

- > receive \$7.5 million or more in federal funding
- > are under \$7.5 million but have a high potential for strong Indigenous participation outcomes.

Consistent with the project's IPP the project maximised economic and employment opportunities for Indigenous workers, businesses, and suppliers.

- > **Employment Opportunities:** The project set a 3% recruitment target for Indigenous workers, translating to 959 anticipated work hours. Through collaboration with local Indigenous organisations, the project significantly surpassed this, achieving 2,007 Indigenous work hours (209% of the target).
- > **Supplier Engagement:** The project set a 4% Indigenous supplier use target, with an anticipated \$426,000 in contracts for Indigenous suppliers. It exceeded this goal, awarding \$520,147 to Indigenous businesses (122% of the target), fostering local economic growth.
- > **Capacity Building:** Training programs, mentorship, and support initiatives were implemented to promote sustainable development for Indigenous workers and businesses.
- > **Cultural Awareness:** All project staff received cultural awareness training to foster a respectful and inclusive work environment.

The Australian Government's *Indigenous Employment and Supplier-Use Infrastructure Framework* sets out a whole-of-government approach to increase opportunities for Indigenous job-seekers and businesses' participation in the delivery of Australian Government-funded land transport infrastructure projects. This enables Indigenous Australians to share in the economic opportunities created by these projects.

Spotlight

Melbourne Airport Rail Link

In 2023–24, the department facilitated negotiations between the Victorian Government and the operator of Melbourne Airport, Australian Pacific Airports (Melbourne) Pty Ltd (APAM), in relation to the location of the Melbourne Airport Rail Link (MARL) station at Melbourne Airport.

At the 2018–19 Budget, the Australian Government committed \$5 billion towards the project, based on a 50:50 split with the Victorian Government. The scope of the project is to provide a rail service for passengers travelling between Melbourne Airport and the Melbourne city centre, via Sunshine Station.

In April 2023, engagement between the Victorian Government and APAM ceased due to unresolved negotiations regarding the airport station location and design.



Image: Courtesy of the State Government of Victoria — Airport Station. Concept design only — subject to planning and environmental approvals and stakeholder engagement.

To find a resolution, the department engaged an independent negotiator to work with the Victorian Government and APAM, on the delivery of the MARL project.

The department developed Terms of Reference to articulate the scope of the review, how the review would be administered, and defined what was to be delivered following the review.

The department undertook the procurement of the independent negotiator in accordance with the Commonwealth Procurement Rules, and engaged them on 4 April 2024.

Meetings between the parties, and other relevant stakeholders, were undertaken in line with the Terms of Reference to gather information to support the development of recommendations to the Australian Government on potential options to progress the project. The department also provided secretariat and other support for the negotiator.

The independent negotiator finalised their report on 6 June 2024, making 3 main recommendations, which were shared with the parties. These recommendations included that the Commonwealth and Victorian Government proceed with 'no regrets' work at Sunshine Station, that refreshed traffic modelling work be undertaken on the timeline for capacity of the Tullamarine Freeway and recommended against further Commonwealth and state consideration of an underground airport station at this time.

In July 2024, APAM advised its acceptance of an above-ground station for the proposed airport rail line. The parties will now undertake further discussions on aspects of the design, construction and operation of the proposed station.

The department's use of an independent negotiator has provided clarity in regards to the station location, enabling a pathway for the project to progress. The Commonwealth will continue to work with the Victorian Government and APAM to progress the project's approval requirements.

Spotlight

Shared Oversight of Government Business Enterprises

In 2023–24, the department continued to provide oversight and governance to support the delivery of nationally significant infrastructure projects such as Inland Rail, Western Sydney International (Nancy-Bird Walton) Airport and intermodal terminals being delivered by Government Business Enterprises (GBEs). The department achieved this through consistent engagement with, and reporting from Australian Rail Track Corporation (ARTC) and its subsidiary Inland Rail Pty Ltd (IRPL), WSA Co Limited and National Intermodal Corporation Limited. The department continued to work with the GBEs to ensure appropriate governance arrangements were in place to support the delivery of government objectives.

In 2023–24, the department worked with the Department of Finance and ARTC to implement the government's response to the recommendations of 'The Delivery of Inland Rail: An Independent Review' (the Review) undertaken by Dr Kerry Schott AO. As of 30 June 2024, implementation of the government's response to 12 of the Review's 19 recommendations have been completed. The response to an additional recommendation has also now been implemented. Implementation of the response to the remaining 6 recommendations remain in progress.

One of the Review's recommendations was the establishment of a subsidiary company of ARTC to deliver the Inland Rail project. The department worked with ARTC and the Department of Finance to develop and implement the governance arrangements required to support the establishment of IRPL and transfer of delivery of the project. On 1 May 2024, IRPL took responsibility for the delivery of the Inland Rail project.



Image: Courtesy of Inland Rail Pty Ltd

Image: A helicopter landing, Australia. Credit: Tobias Titz, Getty Images.
Also seen on page 63.



Outcome 2: Transport Connectivity (Transport)



Outcome Statement

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

Purpose: Transport Connectivity

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

Performance Snapshot

Program	Target met	Target substantially met	Target partially met	Target not met	No target
Program 2.1 — Surface Transport	4	-	1	-	-
Program 2.2 — Road Safety	1	2	-	-	-
Program 2.3 — Air Transport	5	-	1	-	-
Total	10	2	2	-	-



Image: Newcastle Rail, NSW. Credit: DITRDCA

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.

Key activities

Key activity	Performance measure
Advise on and deliver better road safety as well as heavy vehicle and rail regulation.	2
Advise on technology advances in the road transport sector.	3
Implement the National Freight and Supply Chain Strategy and Action Plan.	4
Supporting an efficient and sustainable transport system.	2, 3, 5, 6
Supporting a safe and accessible transport system.	2, 3, 6
Manage domestic maritime policy, programs and regulation to support efficient sea trade, vessel safety, Australian maritime skills capability and environment protection.	4, 6

Performance results

Performance measure 2	Policy advice to support rail safety and productivity reforms (including rail interoperability), and progression towards the implementation of the Heavy Vehicle National Law (HVNL) and Heavy Vehicle Road Reform (HVRR) proposals
Target	a. Rail policy advice is high quality, timely and evidence based b. HVRR and HVNL policy advice is high quality, timely and evidence based
Methodology	Policy advice is assessed and scored against criteria, by an internal panel, to determine quality, timeliness and evidence base.
Source	ITRDCA Portfolio Budget Statements 2024–25, p.47 and DITRDCA Corporate Plan 2023–24, p.49
Category	Policy
2023–24 result	Target met
Previous results	2022–23 result: Target met.
Divisional owner	Surface Transport Emissions and Policy Division

Performance measure 2**Policy advice to support rail safety and productivity reforms (including rail interoperability), and progression towards the implementation of the Heavy Vehicle National Law (HVNL) and Heavy Vehicle Road Reform (HVRR) proposals****Limitations**

The department identified and removed further exclusions from its population for target b. after random sampling processes had concluded as some of the sampled pieces were in draft and were otherwise not relevant for inclusion in the original population. In response, the department lowered its confidence interval from 90% to 80% for target b. to account for a reduction in the sampled population. The department accepts a minor increase to our margin of error to uphold the integrity of our assessment processes.

Analysis of performance

The target for this performance measure was met in 2023–24. The total average score of the sampled rail policy advice (target a.) was 4.06 out of 5. The total average score of the sampled HVRR and HVNL policy advice (target b.) was 3.46 out of 5 meaning advice across both targets was quality, timely and largely evidence-based.

The department's internal strategic policy review panel assessed 16 pieces of policy advice for target a. from a total population of 20 to provide the department with a confidence interval for the result of 90%. The department's internal strategic policy review panel assessed 13 pieces of policy advice for target b. from a total population of 24 to provide the department with a confidence interval for the result of approximately 80%.

Analysis

The department provided policy advice to support the continued progress of the rail reform packages; including improving the interoperability of rail systems workstream, HVNL and HVRR.

The department collaborated and consulted with a number of key stakeholders, including: state and territory governments, the Office of the National Rail Safety Regulator (ONRSR), the National Transport Commission (NTC), the National Heavy Vehicle Regulator (NHVR), Commonwealth agencies such as the Treasury, and Austroads. The department's continued collaboration with the NTC and stakeholders, ensured that both rail reform and the HVNL and milestones remained on track during 2023–24.

Rail reform

The department provided policy advice in support of the Rail Safety National Law review (the review). The review's terms of reference drafting were led by the department and received endorsement by all governments. The review was delivered by an independent reviewer with the NTC and completed in April 2024. The review's recommendations focused on the positioning of the ONRSR to effectively deliver its regulatory functions and the flexibility of legislation to support the National Rail Action Plan's interoperability agenda.

The department continued to work with the NTC and state and territory governments to improve the interoperability of rail systems. The department also manages the \$180.1 million Regional Australia Level Crossing Safety Program to improve safety around railway crossings in regional areas. The Regional Australia Level Crossing Safety Program supports collaboration between governments, industry and the public by implementing a holistic and coordinated approach towards improving safety around level crossings.

Heavy vehicle reform

The department’s policy advice supported the progression of HVNL reform proposals. In 2023–24, the department drafted key pieces of advice to support the delivery of the 2024 HVNL Decision Regulation Impact Statement to the Infrastructure and Transport Ministers’ Meeting. The department additionally supported the delivery of a national automated access system in its coordination of the National Automated Access System Oversight Committee.

In 2023–24, the department provided advice to guide the forward approach in delivering the HVRR — this process will be rolled out in 2024–25 to inform advice to the secretary and ministers. The department provided policy advice to support the finalisation of products for the implementation of the HVRR. These products include the Phase 6 report and Data Governance Guide for the National Service Level Standards, signing an agreement with Compass IoT to trial the provision of connected-vehicle data and a ministerial briefing on the regulatory component of heavy vehicle charges. We additionally engaged with various stakeholders to support the design and development of the HVRR including; states and territories through the Land Transport Market Reform Steering Committee, the Australian Competition and Consumer Commission, the Treasury, and the New Zealand Ministry of Transport and industry associations.

Performance measure 3	Progress of reforms to support the safe, legal and nationally consistent introduction and uptake of Connected and Automated Vehicles (CAVs) in Australia
Target	<ul style="list-style-type: none"> a. The majority of Commonwealth-led actions in the National Land Transport Technology Action Plan (NLTTAP) 2020–23 are completed by the end of 2023 and progress is made towards developing the next iteration of the NLTTAP b. Progress on a national Automated Vehicle Safety Law (AVSL) and associated in-service framework meets the timeframes set by Infrastructure and Transport Ministers Meetings (ITMM)
Methodology	<p>The annual progress report against actions in the NLTTAP is used to assess performance:</p> <ul style="list-style-type: none"> a. The majority is defined as $\geq 80\%$ of Commonwealth-led actions in the NLTTAP and its Annual Review progress report. b. An analysis of updates provided to ITMM and/or the Infrastructure and Transport Senior Officials Committee (ITSOC) on the progress of Commonwealth-led elements of the regulatory framework, compared against the implementation timeframes agreed by ITMM.
Source	ITRDCA Portfolio Budget Statements 2023–24, p.49 and DITRDCA Corporate Plan 2023–24, p.50
Category	Program
2023–24 result	Target met
Previous results	2022–23 result: Target partially met.
Divisional owner	Surface Transport Emissions and Policy Division
Limitations	Not applicable.

Analysis of performance

The target for this performance measure was met in 2023–24.

- Target a.** nine out of the 11 actions in the NLTTAP 2020–23 were complete by the end of 2023 which is a result of 81%.
- Target b.** the Commonwealth-led element of the regulatory framework was completed within the implementation timeframes agreed by the Infrastructure and Transport Ministers.

Analysis

Commonwealth-led actions in the NLTTAP

The Commonwealth-led actions in the 2020–23 Action Plan were implemented in collaboration with other entities — including states and territories, the National Transport Commission (NTC), and Austroads.

During 2023–24, the department made significant progress towards developing the next iteration (2024–27) of the NLTTAP.

The Action Plans support Australia to progress towards a nationally consistent deployment of emerging transport technologies like CAVs. A key workstream in the 2020–23 Action Plan and the draft 2024–27 Action Plan is in developing the regulatory framework for the safe deployment of Automated Vehicles and the agreement from ITMM for the Commonwealth to progress with drafting the AVSL. The Action Plans support the department’s ‘Transport Connectivity’ outcome to support an efficient, sustainable, competitive, accessible, safe and secure transport system. The draft 2024–27 Action Plan builds on the work of the 2020–23 Action Plan and supports Commonwealth, state and territory governments’ (ITMM’s) interoperability, decarbonisation, freight productivity and safety priorities.

Automated Vehicle Safety Law (AVSL) progress

The department led the development of AVSL drafting instructions in consultation with the states and territories, the NTC, and other relevant Commonwealth entities. These have been considered by ITMM and work is now underway to proceed with drafting the new law.

The department also worked with the NTC, and state and territory officials, to undertake consultation on a number of further policy issues that will need to be settled prior to finalising the AVSL. There was strong engagement from a wide range of community and industry groups in this process, and the department is now working through the submissions received to determine how to best resolve these matters.

Performance measure 4	Progress implementing the National Freight and Supply Chain Strategy (the Strategy) to 2040
Target	Delivery milestones specified in the National Freight and Supply Chain Strategy are met for the financial year and a five-year review of the Strategy and Action Plan is commenced
Methodology	<ul style="list-style-type: none"> > State and territory provided data is verified and approved by data owners, and then consolidated to provide a national view of performance, consisting of an analysis of program and policy outcomes consistent with the National Action Plan and jurisdictions' individual implementation plans. > Documentation of the commencement of open written submission process and consultation workshops are consolidated into an internal report for analysis and reporting.
Source	<i>ITRDCA Portfolio Budget Statements 2024–25, p.48 and DITRDCA Corporate Plan 2023–24, p.51</i>
Category	Program
2023–24 result	Target partially met
Previous results	2022–23 result: Target partially met.
Divisional owner	Surface Transport Emissions and Policy Division
Limitations	Not applicable.

Analysis of performance

The target for this performance measure was partially met in 2023–24.

The department commenced the 5-year review of the Strategy and Action Plan in August 2023. The review was completed and its report published in May 2024. Due to the commencement of the review of the Strategy and Action Plan, Infrastructure and Transport Ministers agreed that the annual report would not be completed for this cycle.

Analysis

The department met the second component of its target in 2023–24, as it commenced, conducted and completed the first 5-year review of the Strategy and Action Plan (the Strategy). The review found that the Strategy's foundations remained strong, however, there were some areas that could be strengthened. These included:

- > updating the Strategy's goals to include references to decarbonising the freight and supply chain sector, resilient supply chains, a portable workforce and improving productivity
- > proposing 4 new National Priority Action Areas: productivity, resilience, decarbonisation and data, under which nationally significant actions will be developed
- > developing key performance indicators for inclusion in the refreshed Strategy.

The department's success in delivering the 5-year review of the Strategy and Action Plan will ensure they remain fit for purpose into the future.

The department consulted with a number of Commonwealth departments and agencies as part of the review of the Strategy and Action Plan. Given the breadth of Strategy, the department’s work to deliver its review was critical to ensure the review was holistic in its consideration of matters and took into consideration views outside the remit of the department.

The department’s performance demonstrates the relevance of the foundations of the Strategy to the current day environment. This work has empowered the department to address gaps identified by industry, such as the decarbonisation of the sector.

Performance measure 5		Advice on reducing CO ₂ emissions for the transport sector
Target	Policy advice is high quality, timely and evidence-based	
Methodology	Policy advice is assessed and scored against criteria, by an internal panel, to determine quality, timeliness and evidence base.	
Source	ITRDCA Portfolio Budget Statements 2024–25, p.48 and DITRDCA Corporate Plan 2023–24, p.52	
Category	Policy	
2023–24 result	Target met	
Previous results	2022–23 result: Target met.	
Divisional owner	Surface Transport Emissions and Policy Division	
Limitations	Not applicable.	

Analysis of performance

The target for this performance measure was met in 2023–24. The total average score of the sampled policy advice was 3.86 out of 5 meaning advice was quality, timely and largely evidence-based.

A total of 15 pieces of policy advice were assessed by the department’s internal strategic policy review panel, from a total population of 16 pieces. This provides the department with a confidence level of approximately 95% that its result is representative of the total population.

Analysis

In relation to land transport, the department’s policy advice supported the implementation of the New Vehicle Efficiency Standard (NVES), noxious emissions standards (Euro 6d for light vehicles and Euro VI for heavy vehicles), and the Acoustic Vehicle Alerting System. Advice has additionally assisted the National Transport Commission in making a case for reform to mass limits to support the introduction of Euro VI for heavy vehicles.

In relation to the maritime sector, the department’s policy advice successfully influenced securing approval of Australia’s greenhouse gas emissions negotiation mandate at the 81st session of the International Maritime Organization’s Maritime Environment Protection Committee (MEPC 81) in March 2024, agreed a green and digital shipping corridor

memorandum of understanding with Singapore, and undertook 4 rounds of consultation on the *Maritime Emissions Reduction National Action Plan (MERNAP)*.

During 2023–24, the department developed impact analyses and submissions to provide advice on policy development, consultation timing and outcomes, legislative development, determinations and amendments. Three impact analyses were developed:

- > *Improving Australia’s fuel and vehicle emissions standards Final Impact Analysis*
- > *Final Impact Analysis for Improving Pedestrian Safety — Acoustic Vehicle Alerting Systems for Quiet Road Transport Vehicles*
- > *Cleaner, Cheaper to Run Cars: The Australian New Vehicle Efficiency Standard Impact Analysis.*

These impact analyses were assessed by the Office of Impact Analysis as good practice.

Passage of the *New Vehicle Efficiency Standard Act 2024* in May 2024, together with the 2024–25 Budget, will enable implementation of the policy, including the development of various legislative instruments and rules, establishment of a department regulator and build of the necessary IT systems.

To support Australia protecting its national interests in further negotiations at the International Maritime Organization on the establishment of a regulatory framework to reduce greenhouse gas emissions from international shipping, a revised negotiation mandate will be sought from government. The development of Australia’s proposed position will be informed by detailed economic modelling.

Synthesising the strong industry stakeholder engagement in the co-design consultation process to date on the MERNAP will provide the evidence supporting the department’s advice to the government on a pathway for decarbonising Australia’s domestic maritime sector.

The department worked closely with the Department of Climate Change, Energy, the Environment and Water, the Department of Foreign Affairs and Trade, the Treasury, the Department of the Prime Minister and Cabinet and the Australian Maritime Safety Authority in developing advice.

Performance measure 6	Provide policy advice supporting maritime safety
Target	Policy advice is high quality, timely and evidence-based to support decision making on maritime safety matters
Methodology	Policy advice is assessed and scored against criteria, by an internal panel, to determine quality, timeliness and evidence base.
Source	<i>ITRDCA Portfolio Budget Statements 2024–25, p.48 and DITRDCA Corporate Plan 2023–24, p.54</i>
Category	Policy
2023–24 result	Target met
Previous results	2022–23 result: Target met.
Divisional owner	Surface Transport Emissions and Policy Division
Limitations	Not applicable.

Analysis of performance

The target for this performance measure was met in 2023–24. The total average score of the sample policy advice was 4 out of 5 meaning advice was quality, timely and largely evidence-based.

A total of 5 pieces of policy advice were assessed by the department's internal strategic policy review panel, from a total population of 5 pieces. This provides the department with a confidence level of 100% that its result is representative of the total population.

Analysis

For the purposes of this assessment, the department considered submissions that were developed to provide the government with advice on policy development, consultation timing and outcomes, legislative development, declarations and amendments. In 2023–24, policy advice has supported advancements in legislation to improve maritime safety policy settings. This includes actions that:

- > introduce legislative provisions that will provide clarity for safety provisions between 2 different regulatory regimes for offshore floating production, storage and offloading vessels
- > remake sunseting regulations to include vessel management plans for Australian Border Force vessels
- > update the safety legislation for domestic commercial vessels is referencing the correct corresponding state legislation
- > meet Australia's international obligations by advancing our maritime safety legislation to cover industrial personnel, and enabling seafarers to use electronic certificates to meet their certification requirements.

The advice provided in ministerial submissions presents a solid basis for decision-making. All advice to advance maritime safety policy settings to government has been supported by evidence-based findings.

Australia participates in the International Maritime Organization (IMO) Member State Audit Scheme (IMSAS), which aims to promote the consistent and effective implementation of applicable IMO instruments. The audit scheme aims to provide an audited Member State with a comprehensive and objective assessment of how effectively it administers and implements those mandatory IMO instruments, which includes those with respect to maritime safety.

Under the IMSAS, an audit of Australia's compliance with, and implementation of IMO international conventions was undertaken in April 2023. Australia performed well in this audit, with a limited number of findings (4) and observations (1).

In developing policy advice, the department works closely with the Australian Maritime Safety Authority. The department also collaborated and consulted with state and territory governments, the Department of Foreign Affairs and Trade, the Attorney-General's Department, AusTrade, central agencies (Department of the Prime Minister and Cabinet, the Treasury, and the Department of Finance) and peak industry bodies.

The advice provided by the department enabled the government to ensure maritime safety policy settings kept pace with international standards and is consistent with Australia's international obligations. The department's advice has also supported legislation which provides a pathway to address long-standing gaps between the regulation of safety under the Navigation Act 2012 and the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*.

To build on the results and remain agile, the department will continue to look for ways that enhance the quality and content of policy advice. Additionally, the department will continue to strengthen existing stakeholder relationships whilst looking for opportunities to establish new ones.

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.

Key activities

Key activity	Performance measure
Advise on and deliver better road safety.	7
Regulate the first provision of road vehicles to the Australian market.	8
Supporting a safe and accessible transport system.	9

Performance results

Performance measure 7	Progress of the implementation of the National Road Safety Strategy 2021–30 (the Strategy) through delivery of the Australian Government’s commitments under the National Road Safety Action Plan 2023–25
Target	Progress on the implementation of Australian Government actions is accepted by Infrastructure and Transport Ministers, as reported through the National Road Safety Annual Progress Report
Methodology	The department coordinates updates to the annual progress report on road safety reporting through consultation with other agencies within the Intergovernmental Steering Committee established under the Action Plan. The department verifies all responses and aggregates them into an internal report for consideration by the Infrastructure and Transport Ministers’ Meeting (ITMM). The ITMM determines how and when the report is publicly released.
Source	ITRDCA Portfolio Budget Statements 2024–25, p.49 and DITRDCA Corporate Plan 2023–24, p.56
Category	Program
2023–24 result	Target met
Previous results	2022–23 result: Target met.
Divisional owner	Road and Vehicle Safety Division
Limitations	The department reported on data available from June to December 2023 as the ITMM reports in December each year. Data for January to June 2024 will become available in December 2024. This will be provided in next year’s reporting. For following years, the department is updating its processes to enable reporting over a full financial year of data.

Analysis of performance

The target for this performance measure was met in 2023–24.

All Infrastructure and Transport Ministers agreed to publicly release of the National Road Safety Annual Progress Report 2023 in an out-of-session vote, in May 2024. The report was released on 17 May 2024 and is available at www.roadsafety.gov.au.

Analysis

This is the first year a National Road Safety Annual Progress report has been delivered. This outcome reports on Australian Government efforts to achieve departmental priorities under Outcome 2, specifically through supporting a safe and secure transport system through infrastructure investment; particularly under Program 2.2: Road Safety. This report will support the Australian Government to deliver safety policies and programs that make travel safer through coordinating a national strategic approach to improving road safety and working to make vehicles safer for all road users.

The department coordinates whole-of-Australian Government implementation of the Action Plan, as well as the National Road Safety Annual Progress Report. While the department has the responsibility for the majority of Commonwealth actions, a number of other Commonwealth agencies contributed to the delivery of Action Plan Commitments in 2023, including Comcare, the National Heavy Vehicle Regulator and the National Transport Commission. The contribution of these agencies is reported through the National Road Safety Annual Progress report.

Performance measure 8	
Administration of the Road Vehicle Standards (RVS) legislation	
Target	a. 100% of applications are decided within legislative timeframes b. 75% of voluntary recalls are published within the service level agreement of seven days
Methodology	Analysis and verification of application, or recall lodgement dates, and decision or recall publication dates.
Source	<i>ITRDCA Portfolio Budget Statements 2024–25, p.49 and DITRDCA Corporate Plan 2023–24, p.57</i>
Category	Program
2023–24 result	Target substantially met
Previous results	2022–23 result: Target met.
Divisional owner	Road and Vehicle Safety Division
Limitations	Not applicable.

Analysis of performance

The target for this performance measure was substantially met in 2023–24.

Target a. Result: 99.97% of applications were decided within legislative timeframes

Target b. Result: 66.67% of voluntary recalls were published within the service level agreement of 7 days. This represents a result of 89% against target b.

Analysis

Target a.

In 2023–24 99.97% of applications were decided within legislative timeframes. Assessments within legislated timeframes allow for provision of road vehicles to the Australian market in a timely manner ensuring competition and choice in the motor vehicle industry.

Administrative errors can result in applications not being work flowed through the system correctly and applications not being assessed within timeframes. Updates to the department's Road Vehicle Regulator (ROVER) software during the reporting period has reduced these errors.

To limit the likelihood of future administrative errors training, standard operating procedures and quality assurance processes are in place. The department will continue to implement process improvements and training to minimise errors and ensure all applications are assessed in a timely manner.

Target b.

In 2023–24 66.67% of voluntary recalls are published within the service level agreement of 7 days. This represents a result of 89% against target b. of this performance measure. By publishing recalls as soon as practicable, the department ensures that the Australian public can access vehicle safety information from a centralised government website. This will improve safety outcomes.

The timeliness of recall publications is heavily dependent on suppliers providing responses within 7 days. This is sometimes influenced by the Australian supplier needing to liaise with overseas corporate headquarters and legal representatives.

All supplier representatives who manage recalls will need Authority to Act going forward. This may improve communication efficiency and publication timeframes by enabling better use of the ROVER messaging system. The department will continue to work with industry and raise awareness of the importance of publishing recalls promptly and improve responsiveness to the department.

Performance measure 9	Delivery of non-infrastructure road safety grants programs to support the implementation of the National Road Safety Action Plan 2023–25
Target	Non-infrastructure road safety grants programs support the priorities of the National Road Safety Action Plan 2023–25 and are delivered in line with the terms of individual grant agreements
Methodology	Verification of initial payments being made in line with executed grant agreements for projects which align with the National Road Safety Action Plan 2023–25.
Source	ITRDCA Portfolio Budget Statements 2024–25, p.49
Category	Program
2023–24 result	Substantially met
Previous results	Not applicable. This was a new performance measure for 2023–24.
Divisional owner	Road and Vehicle Safety Division
Limitations	Not applicable.

Analysis of performance

The target for this performance measure was substantially met in 2023–24.

In 2023–24, 22 out of 23 proposed grant agreements (96%) were executed for projects under the first two funding streams (Community Education and Awareness and Vulnerable Road Users) of the *National Road Safety Action Plan 2023–25* (the Action Plan). One grant agreement has not yet been executed and its project not commenced due to ongoing negotiations. Initial payments totalling approximately \$1.5 million were made on 19 of the 22 executed grant agreements (86%). The remaining 3 grantees had not yet provided invoices in time for payment in the 2023–24 year.

Analysis

The National Road Safety Action Grants Program (the program) supports 5 key areas of activity critical to reducing deaths and serious injuries on Australia's roads as identified in the Action Plan:

- > Community education and awareness (including workplace safety)
- > Vulnerable road users
- > First Nations road safety
- > Technology and innovation
- > Research and data.

The program was established in 2023–24, with project activity required to be completed by 31 January 2026, with program completion due by 30 June 2026. This program supports the Australian Government's implementation of the *National Road Safety Strategy 2021–30* by delivering key non-infrastructure commitments in the Action Plan.

In 2023–24 no grant agreements were executed for projects under the remaining three funding streams as applications were still being assessed. In future reporting, this measure will assess grantee project delivery based on progress reports to determine alignment with outputs detailed in individual grant agreements.

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.

Key activities

Key activity	Performance measure
Lead the design of the Western Sydney Airport flight paths.	10
Manage domestic aviation programs and regulation.	11, 12, 13, 14
Administer effective domestic aviation safety policy.	15
Supporting a safe and accessible transport system.	12, 15

Performance results

Performance measure 10	Development and Environmental Assessment of Preliminary Flight Paths for Western Sydney International (Nancy-Bird Walton) Airport (WSI)
Target	<ul style="list-style-type: none"> a. Release of the draft Environmental Impact Statement (EIS) for WSI's preliminary flight paths — September/October 2023 b. Release of the Public Submissions Report — March/April 2024, subject to further planning and decision by Minister
Methodology	Assessment and verification of department records, including governance groups meeting minutes, the Project Management Plan for the airspace design process and reporting for the environmental assessment package.
Source	<i>ITRDCA Portfolio Budget Statements 2024–25, p.50 and DITRDCA Corporate Plan 2023–24, p.60</i>
Category	Program
2023–24 result	Target partially met
Previous results	2022–23 result: Target partially met.
Divisional owner	International Aviation Technology and Services Division
Limitations	Not applicable.

Analysis of performance

Overall, the target for this performance measure was partially met in 2023–24.

Target a. This target was met as the draft Environmental Impact Statement (EIS) for Western Sydney International (Nancy-Bird Walton) Airport's (WSI) preliminary flight paths was released on 24 October 2023.

Target b. This target was not met as the Public Submissions Report was not released in March/April 2024. This was due to the high volume of public submissions received by the department.

Analysis

The department allowed for a public exhibition period of 67 business days following the release of the draft EIS on 24 October 2023. This provided the community with sufficient time to respond to the preliminary flight paths and their associated environmental impacts, as outlined in the draft EIS. The department received 8,477 submissions on the draft EIS. In comparison, the 2016 EIS for Western Sydney Airport received 4,975 public submissions. Due to the high number of submissions received, the Public Submissions Report is still being finalised and scheduled for release with the final EIS to take place in Quarter 4 of 2024. On 13 May 2024, the department released a brochure summarising the high-level issues raised in submissions.

Though the EIS project program schedule initially indicated that a draft Public Submissions Report would be ready for release by April 2024, the department is now planning for its release in the 2024–25 reporting year. We have adjusted our forward targets as a result.

The department was supported in its work by numerous other agencies including; Airservices Australia (Airservices), Civil Aviation Safety Authority (CASA), Department of Defence (Defence), and WSA Co Limited (WSA Co).

Airservices and CASA are co-referrers of the Plan for Aviation Airspace Management (i.e. the preliminary flight paths for WSI) to the Department of Climate Change, Energy, the Environment and Water under section 160 of the *Environment Protection and Biodiversity Conservation Act 1999*. Airservices, CASA, Defence and WSA Co are assisting the department in finalising the Public Submissions Report.

The delay of the draft Public Submissions Report has had no impact on the EIS publication timeline. The final EIS, which will include the final Public Submissions Report, is still scheduled for publication at the end of 2024.

Performance measure 11	Percentage of master plans and major development plans processed for federally leased airports within statutory timeframes
Target	100% of master plans and major development plans assessed and submitted to Minister with sufficient time for consideration with statutory timeframes in each financial year
Methodology	All master plans and major development plan submissions and the decisions are recorded through Parliamentary Document Management System (PDMS) and include statutory timeframes.
Source	<i>ITRDCA Portfolio Budget Statements 2024–25, p.50 and DITRDCA Corporate Plan 2023–24, p.61</i>
Category	Program
2023–24 result	Target met
Previous results	2022–23 result: Target met.
Divisional owner	Domestic Aviation and Reform Division
Limitations	Not applicable.

Analysis of performance

The target for this performance measure was met in 2023–24.

All master plans and major development plans were considered by the minister within statutory timeframes under the *Airports Act 1996* (the Act).

Analysis

The statutory timeframe to process master plans and major development plans for federally leased airports is within 50 business days as specified in the Act. During the 2023–24 financial year, the department processed 100% of master plans and major development plans within the statutory timeframes.

The department assessed 3 master plans and 3 major development plans in 2023–24 in advance of a decision to approve, or refuse to approve, by the Minister for Infrastructure, Transport, Regional Development and Local Government. Master Plans for Archerfield Airport, Townsville Airport and Moorabbin Airport were assessed by the department within statutory timeframes. Major development plans for the Brisbane Airport Domestic Terminal Building P2 Car Park Extension, Canberra Airport 3 Wellington Place, and Perth Airport’s Woolworths Distribution Centre Expansion were similarly assessed by the department within the statutory timeframes.

The minister made decisions on all draft master plans and major development plans within the statutory period. None of the plans were automatically deemed approved in 2023–24. The minister was provided with information to support their decision about whether to approve or refuse to approve master plans under section 81 of the Act and major development plans under section 94 of the Act.

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 assessments against legislated requirements by the department and other agencies, such as Airservices Australia, the Civil Aviation Safety Authority 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.

Performance measure 12	Performance of the Regional Airports Program (RAP) and the Remote Airstrip Upgrade (RAU) program
Target	RAP and RAU projects are completed in line with their funding agreements
Methodology	Analysis of funding agreements, project completion reports, financial payments, and reporting to the Department of Industry, Science and Resources Business Grants Hub.
Source	<i>ITRDCA Portfolio Budget Statements 2024–25, p.50 and DITRDCA Corporate Plan 2023–24, p.62</i>
Category	Program
2023–24 result	Target met
Previous results	2022–23 result: Target met.
Divisional owner	Domestic Aviation and Reform Division
Limitations	Not applicable.

Analysis of performance

The target for this performance measure was met in 2023–24. During the 2023–24 financial year, 46 RAP projects and 44 RAU projects were completed in line with funding agreements.

Analysis

Of the 46 RAP projects completed during the 2023–24 year, 12 required variations to extend their original project end date, with 17 of the 44 RAU projects requiring variations to extend the project end date due to impacts from COVID-19, delays in contractor availability and supply chains, cost increases, requirements for scope changes and extreme weather events.

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

- > improve 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 connectivity of Australia's regions to domestic and global market opportunities (RAP only) and complement air services delivery to communities subsidised by the Australian Government Remote Air Services Subsidy (RASS) Scheme (RAU only)
- > support Closing the Gap outcomes.

On 9 May 2024, the Assistant Minister for Regional Development announced an additional 21 projects under Round 10 of the RAU.

In the 2024–25 Budget, additional funding was announced for the RAP and RAU, including:

- > \$40 million to extend the RAP for a further 3 years and to extend the program to assist with the infrastructure required to transition to net zero emissions for example with electric charges or hydrogen storage facilities
- > \$50 million over 3 years to extend the RAU to improve safety of remote airstrips and accessibility for people with disability.

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
Target	All eligible communities are admitted and maintained in the RASS Scheme
Methodology	Analysis of consolidated data from contracts with RASS air operators, and number of ports serviced through the RASS program.
Source	ITRDCA Portfolio Budget Statements 2024–25, p.50 and DITRDCA Corporate Plan 2023–24, p.63
Category	Program
2023–24 result	Target met
Previous results	2022–23 result: Target met.
Divisional owner	Domestic Aviation and Reform Division
Limitations	Not applicable.

Analysis of performance

The target for this performance measure was met in 2023–24. One new location (Kalamurina, South Australia) was admitted to the RASS Scheme during 2023–24 and existing locations who chose to receive a service were maintained within the Scheme.

Analysis

Monthly reporting from each air operator for each region confirmed whether a location was serviced or not for each flight service. A location can choose not to receive a service, or may not be serviced due to airstrip condition or weather impact. It is the responsibility of the location to maintain the airstrip in order to be able to receive the service and to provide a report each week that it is safe to land at the airstrip.

Remote aviation services that are not commercially viable, but are essential for the social and economic wellbeing of communities in remote and isolated areas of Australia, were supported with these communities provided with much needed transportation, fresh food, education material, medical/veterinary supplies and/or machinery parts.

Performance measure 14	The number of per-fluoroalkyl and poly-fluoroalkyl (PFAS) investigations commenced at civilian airports
Target	The department has executed contracts with expert contaminated land consultants to undertake per- and poly-fluoroalkyl substances (PFAS) investigations at 16 civilian airports
Methodology	Data is collated from the total number of contracts contained in the contract register. For civilian airports to participate in PFAS investigations, a Memorandum of Understanding (MoU), must be executed prior to commencement. Execution of a contract by a departmental delegate will be the metric to confirm that an airport is under investigation.
Source	<i>ITRDCA Portfolio Budget Statements 2024–25, p.50 and DITRDCA Corporate Plan 2023–24, p.63</i>
Category	Proxy/Regulatory
2023–24 result	Target met
Previous results	Not applicable. This was a new performance measure for 2023–24.
Divisional owner	Domestic Aviation and Reform Division
Limitations	Not applicable.

Analysis of performance

The target for this performance measure was met in the 2023–24 reporting year. At 30 June 2024, the department is currently undertaking PFAS investigations in relation to 16 airports.

Analysis

As at 30 June 2024, the department has executed contractual agreements with expert contaminated land consultants to undertake PFAS investigations in relation to 16 airports. Procurement of these consultants commenced after the relevant airports had confirmed their intention to participate in the program.

An additional airport initially committed to participate in the program, but subsequently rescinded this commitment prior to a PFAS investigation contract being executed. As such, this airport is not considered to be under investigation.

The Australian Government has committed \$130.5 million over 6 financial years (to 30 June 2027) to undertake detailed environmental investigations to understand the nature and extent of PFAS contamination at civilian airports where the Commonwealth has historically provided firefighting services which used PFAS-containing foams.

The department is undertaking the PFAS investigation process in consultation with a range of key stakeholders including (but not limited to) federal, state, and local government entities, environmental regulators, and the airports and their tenants. These stakeholders are regularly consulted and engaged in the delivery of the PFAS investigation process, however the department is solely responsible for project-managing PFAS investigations.

PFAS investigations are long-term technical undertakings which take on average 2 to 3 years to complete, but airports vary significantly in the scope of investigation that may be required. This affects the ability to accurately determine a timeframe for investigation completion at each airport.

In the 2024–25 reporting year, the department will focus on further increasing the number of PFAS investigations commenced at civilian airports. This is intended to be a proxy measure, which will be updated in forward reporting years to reflect the status of investigation outcomes and confirmation of departmental performance in achieving the objectives of the program.

Performance measure 15	Contribute to a reduction in the number of aviation fatalities per 100,000 people for the current year's 10-year average
Target	The current rolling 10-year average aviation fatalities is maintained or reduced
Methodology	Analysis and verification of Australian Transport Safety Bureau air fatalities data with reference to departmental policy advice on air safety.
Source	<i>ITRDCA Portfolio Budget Statements 2024–25, p.51 and DITRDCA Corporate Plan 2023–24, p.64</i>
Category	Program
2023–24 result	Target met
Previous results	Not applicable. This was a new performance measure for 2023–24.
Divisional owner	International Aviation, Technology and Services Division
Limitations	Not applicable.

Analysis of performance

The target for this performance measure was met in 2023–24. In 2023, there were 33 aviation fatalities, a rate of 0.12 fatalities per 100,000 people. The 10-year average (2014–2023) was 0.12 fatalities per 100,000 people, unchanged from the previous 10-year average (2013–2022).

Analysis

The availability of safe, efficient and sustainable air services within Australia and internationally is critical to our national interest, and Australia has worked hard to develop and maintain an internationally-respected and mature aviation safety system.

Australia was one of the first countries in the world to implement a State Safety Programme (SSP) and *National Aviation Safety Plan* (NASP). The department is currently finalising Australia's second NASP for release in 2024, which builds on the lessons learned from our inaugural NASP in 2021.

The Australian SSP plays an important role in identifying, monitoring and maintaining the effectiveness of all aspects of our aviation safety performance and objectives. It establishes our key safety principles, structures and processes that underpin our future aviation safety system.

The Australian NASP supports the SSP by setting out clear strategies on how we intend to meet our aviation safety objectives. Both documents are supported by Australia's *National Air Navigation Plan* (NANP) which outlines our current air traffic management system, in addition to the roles and responsibilities of government agencies and industry.

Outcome 3:

Regional Development, Local Government, Cities and Northern Australia



Outcome Statement

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.

Purpose: Regional Development

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

Image: Sunset over Darwin, Northern Territory, Australia. Credit: Posnov, Getty Images.

Performance Snapshot

Program	Target met	Target substantially met	Target partially met	Target not met	No target
Program 3.1 — Regional Development	-	-	1	-	-
Program 3.2 — Local Government	1	-	-	-	-
Program 3.3 — Cities	-	-	1	1	-
Program 3.4 — Growing a Stronger Northern Australian Economy	1	-	-	-	-
Total	2	-	2	1	-



Image: Regional Community. Credit: DITRDCA

Spotlight

Projects to grow a stronger Northern Australian economy

Pilbara Ports Project

The department continues to work with the Western Australian Government and Pilbara Ports overseeing the implementation of a \$565 million investment to support common-user port infrastructure upgrades at Lumsden and Dampier. These upgrades will unlock supply chain capacity; facilitating industry diversification within the Pilbara. The Lumsden Point development is progressing at Port Hedland with construction of a causeway, and Pilbara Ports awarding major construction contracts for dredging and land reclamation. It is anticipated the common-user upgrades at Port Dampier, which includes construction of the Dampier Cargo Wharf Link Bridge, will commence in 2025.



Image: Courtesy of Pilbara Ports Port Hedland, WA

These major projects are delivered through a Federation Funding Agreement — Infrastructure Schedule. The first 2 milestone payments under the Schedule were completed successfully in 2023–24.

Central Australia Plan Community Infrastructure Package

The department is working with the Northern Territory Government, Office of the Central Australian Regional Controller and MacDonnell and Central Desert Regional Councils to identify in-need community infrastructure projects as part of the National Indigenous Australians Agency (NIAA)-managed Central Australia Plan.

In 2023–24, the first tranche of projects within the Central Australia Plan Community Infrastructure Package (the Package) commenced (9 projects representing \$5.2 million), and in 2024–25, the second tranche of projects was announced (23 projects representing \$28 million). The Package, based on advice from the Central Australia Plan Aboriginal Leadership Group, will support the delivery of community infrastructure that provides a range of social and economic benefits by improving community amenities and liveability in Central Australia.

The Package is delivered through a Federation Funding Agreement — Infrastructure Schedule. To date, all Tranche 1 projects are underway benefitting 9 communities within Central Australia.

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.

Key activities

Key activity	Performance measure
Deliver programs to support regional development and local governments.	17

Performance results

Performance measure 17 ⁸	Establishment and implementation of the regional Precincts and Partnerships Program (rPPP) within agreed timeframes
Target	Program is opened and funding committed and expended under rPPP within agreed timeframes
Methodology	Data is available from the Department of Industry, Science and Resources Business Grants Hub (Business Grants Hub) on establishment and implementation of the program. This is supported by the Minister for Infrastructure, Transport, Regional Development and Local Government's media release opening the rPPP, accompanied by the Program Guidelines, on 23 August 2023. An initial 6 successful projects were announced in the Minister's media release on 16 May 2024.
Source	ITRDCA Portfolio Budget Statements 2024–25, p.57 and DITRDCA Corporate Plan 2023–24, p.73
Category	Program
2023–24 result	Target partially met.
Previous results	Not applicable. This was a new performance measure for 2023–24
Divisional owner	Partnerships and Projects Division
Limitations	Not applicable.

8 This performance measure was amended in the 2024–25 PBS, however further review found it was correctly published in the 2023–24 Corporate Plan. Reporting is against what was published in the 2023–24 Corporate Plan.

Analysis of performance

The target for this performance measure was partially met in 2023–24. The rPPP provides funding between \$500,000 and \$50 million across 2 streams to state and territory governments and entities, local government entities, incorporated not-for-profit organisations and regional universities to support both precinct development proposals and the delivery of construction-ready precinct projects across regional, rural and remote Australia. On 16 May 2024, the Minister for Infrastructure, Transport, Regional Development and Local Government, announced an initial 6 successful projects following their consideration of the first batch of assessments under the rPPP. These projects have been announced but not yet financially committed, therefore a partially met result has been recorded. At 30 June 2024, a second batch of applications was under assessment by the department.

Analysis

Six projects were approved for funding in May 2024 totalling \$35.17 million. At 30 June 2024, successful applicants had not yet entered into formal funding arrangements. Funding is expected to be expended in the 2024–25 financial year. The budget of \$100 million in 2023–24 was moved into 2024–25 through a 'Movement of Funds' process. A second batch of applications is under assessment by the department, with further applications being packaged by the Business Grants Hub for assessment by the rPPP's Independent Expert Panel. The department is progressing consideration of funding arrangements for successful projects.

Delivery of the rPPP in 2023–24 and beyond will contribute to the *Regional Investment Framework*. Subject to the nature of applications received, implementation of the rPPP, and delivery of a greater number of precinct development plans and precinct infrastructure projects across regional and remote Australia, will contribute to other Australian Government policies and priorities, such as social and affordable housing, the National Cultural Policy and the *National Agreement on Closing the Gap*.

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.

Key activities

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

Performance results

Performance measure 19	Financial assistance is provided to local government in accordance with the Local Government (Financial Assistance) Act 1995 consisting of: <ol style="list-style-type: none"> a. a general-purpose component which is distributed between the states and territories according to population (i.e. on a per capita basis) b. an identified local road component which is distributed between the states and territories according to fixed historical shares
Target	Funding is provided on time and aligned with the budget appropriation
Methodology	Analysis of the department's Regional Development and Local Government Division Central Data Store, the Financial Management System and the Department of Industry, Science and Resources Business Grants Hub.
Source	ITRDCA Portfolio Budget Statements 2024–25, p.59 and DITRDCA Corporate Plan 2023–24, p.76
Category	Program
2023–24 result	Target met
Previous results	2022–23 result: Target met
Divisional owner	Regional Development and Local Government Division
Limitations	Not applicable.

Analysis of performance

The target for this performance measure was met in 2023–24. In 2023–24, the Australian Government provided \$2.8 billion in untied funds under the Financial Assistance Grant Program. This included an early payment of 85%, or \$2.78 billion, of the 2024–25 estimated entitlement (\$3.3 billion) to ensure councils had funds ready to deliver the services we all rely on.

Analysis

All quarterly payments for 2023–24 were made in accordance with section 9(3) and (4) of the *Local Government (Financial Assistance) Act 1995*. On 28 June 2024, the Australian Government announced an 85% bring forward payment of the estimated 2024–25 Financial Assistance Grant entitlement be made to assist councils to deliver services. The bring forward payment of \$2.78 billion was made to states and territories on 28 June 2024. The Financial Assistance Grant Program supports the Australian Government’s objective of providing financial assistance to local governments to strengthen local government capacity and better support local communities.



Image: Public playground, Hobart, Tasmania. Credit: DITRDCA

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.

Key activities

Key activity ⁹	Performance measure
Advise on and deliver commitments to enhance Australia's cities and towns.	20, 21

Performance results

Performance measure 20	Establishment and implementation of the urban Precincts and Partnerships Program (uPPP) within agreed timeframes
Target	Program is established within agreed timeframes in preparation for grant funding which will commence from 2024–25
Methodology	Data is available from the Department of Industry, Science and Resources Business Grants Hub (Business Grants Hub) on establishment and implementation of the Program. This is supported by the Minister's media release of 16 May 2024 releasing a Forecast Funding Opportunity for the Program.
Source	<i>ITRDCA Portfolio Budget Statements 2024–25, p.60 and DITRDCA Corporate Plan 2023–24, p.78</i>
Category	Program
2023–24 result	Target partially met
Previous results	Not applicable. This was a new performance measure for 2023–24.
Divisional owner	Partnerships and Projects Division
Limitations	Not applicable.

9 The key activities have been updated from the *DITRDCA Corporate Plan 2023–24* to better reflect the work under Program 3.3: Cities.

Analysis of performance

The target for this performance measure was partially met in 2023–24. Following program design, on 16 May 2024, the Minister for Infrastructure, Transport, Regional Development and Local Government released a Forecast of Funding Opportunity to establish the uPPP which outlined the forecast program objectives, along with information on eligibility and the expected application process. At 30 June 2024, the program guidelines were not yet publicly released.

Analysis

The uPPP is a new program and was in the planning and design phase throughout 2023–24. The Program design was subject to agreement across government and early indicative timeframes were extended while we worked collaboratively with other government departments, including the Business Grants Hub in the Department of Industry, Science and Resources, to establish arrangements for the uPPP.

Following program design, the Minister for Infrastructure, Transport, Regional Development and Local Government announced a Forecast Funding Opportunity on 16 May 2024, including information on program objectives, eligibility and the expected application process. The uPPP opened on 29 July 2024, consistent with commencement of funding for the Program in 2024–25. The uPPP will progress through implementation in the 2024–25 financial year.

Establishment of the uPPP delivers the department's purpose under Program 3.3: Cities, including driving Commonwealth urban policy and transport priorities and supporting the development of more liveable and productive cities.

Performance measure 21	Establishment and implementation of the Thriving Suburbs Program to support investment in community infrastructure
Target	Program is established within agreed timeframes in preparation for grant funding which will commence from 2024–25
Methodology	Provision of published guidelines, policy approval and statutory approvals.
Source	<i>ITRDCA Portfolio Budget Statements 2024–25, p.60 and DITRDCA Corporate Plan 2023–24, p.79</i>
Category	Program
2023–24 result	Target not met
Previous results	Not applicable. This was a new performance measure for 2023–24.
Divisional owner	Regional Development and Local Government Division
Limitations	Not applicable.

Analysis of performance

The target for this performance measure was not met in 2023–24. In late-2023, the Thriving Suburbs Program was placed on hold while broader government decisions were made regarding program delivery.

Analysis

The Growing Regions Program complements the Thriving Suburbs Program (the program), with the second round of Growing Regions also placed on hold while broader government decisions are made regarding program delivery.

In early-2024, the government began exploring a state-based program delivery model to better collaborate across governments and incorporate more localised management of government grants. This work is evolving and will impact on future grant delivery.

The department has worked in collaboration with Australian Government central agencies and state and territory governments on a state-based program delivery model.

Reshaping the program's delivery model has strengthened program design and delivery processes, which will further contribute to the department's purposes under Outcome 3. This delivery model aligns the Program to the National Urban Policy to deliver place-based investment and promote sustainable growth that enables communities to thrive.

The program opened on 27 July 2024 with project funding to successful proponents to be announced in late-2024.

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.

Key activities

Key activity	Performance measure
Progress key initiatives and monitor whole-of-government implementation of the Northern Australia agenda.	22

Performance results

Performance measure 22	Percentage of Northern Australia Infrastructure Facility (NAIF) proposal notices processed for Ministerial consideration within statutory timeframes
Target	100% of proposal notices received within the financial year are processed within statutory timeframes
Methodology	Analysis of register of proposal notices processed within 21 days and/or the legislatively extended 60-day period.
Source	<i>ITRDCA Portfolio Budget Statements 2024–25</i> , p.61 and <i>DITRDCA Corporate Plan 2023–24</i> , p.81
Category	Program
2023–24 result	Target met
Previous results	Not applicable. This was a new performance measure for 2023–24.
Divisional owner	Partnerships and Projects Division
Limitations	Not applicable.

Analysis of performance

The target for this performance measure was met in 2023–24. In 2023–24, the department processed 100% of the proposal notices it received within statutory timeframes, thereby assisting consideration by the Minister for Northern Australia of the investment decisions taken by NAIF during the year. This outcome supports Program 3.4: Growing a Stronger Northern Australian Economy, by providing infrastructure financing to the states and territories and other entities.

Analysis

The department supports the Minister for Northern Australia to administer the *Northern Australia Infrastructure Facility Act 2016*. As part of this work, the department's Secretary (or delegate) is a member of the NAIF Board and has prior visibility towards potential NAIF investment decisions. In 2023–24 the department enabled NAIF to deliver its increased funding of \$7 billion in the north and to its expanded Indian Ocean Territories remit. The department delivered the Australian Government's commitment to ensuring NAIF's investments benefit local communities and create new jobs across the north. In 2023–24 the department achieved a number of key milestones, including:

- > issuing an addendum to the NAIF's Statement of Expectations and requesting NAIF earmark \$500 million for projects that support the *Critical Minerals Strategy 2023–2030*
- > issuing the *Northern Australia Infrastructure Facility Investment Mandate Direction 2023* — focusing the NAIF's investments on benefitting communities
- > facilitating ministerial consideration of proposal notices to the value of \$580 million in investment decisions
- > supporting NAIF to commit more than \$4.4 billion of its \$7 billion appropriation to finance 33 projects, expected to generate around 18,400 jobs in Northern Australia and \$33.8 billion in public benefit.

The department will seek to continuously improve processing of proposal notices.

Spotlight

A refreshed Northern Australia policy agenda

The department supports the Minister for Northern Australia by overseeing the government's Northern Australia policy agenda to achieve sustainable and resilient northern economic and social development.

Through the 2023–24 Budget, the government committed to a refresh of the 2015 *Our North, Our Future: White Paper on Developing Northern Australia*. To inform the refresh, the department engaged with more than 700 stakeholders to gain a contemporary understanding of their views on priorities, challenges and opportunities for Northern Australia. Engagement included:

- > one-on-one sessions with key stakeholders
- > virtual sessions — 9 sessions were held with over 200 participants
- > on-ground sessions — 39 sessions were held with key local organisations to understand place-based variances
- > an online survey with over 500 respondents.

Under these 4 pillars, the department engaged with key partners, First Nations organisations, businesses, industry representatives and peak organisations, academia, community organisations and all levels of government.

Stakeholder engagement informed the development of a new action plan. Building on the 2015 *Our North, Our Future: White Paper on Developing Northern Australia*, the *2024–2029 Northern Australia Action Plan* (the Action Plan) will set out a refreshed policy agenda for northern Australia. The Action Plan was launched by the Minister for Northern Australia on 26 August 2024.

The department works with northern jurisdictions through the Northern Australia Ministerial Forum which meets bi-annually and manages the Northern Australia Grant Programs (NAGP), supported by Department of Industry, Science and Resources' Business Grants Hub. In total, 30 grants valued at \$79.6 million were awarded across a range of sectors in 2022 with \$24.1 million in payments for individual grants in 2023–24.

Northern Australia Indigenous Reference Group

The department supports First Nations economic participation including through the Northern Australia Indigenous Reference Group (IRG). The IRG comprises 8 Aboriginal and Torres Strait Islander leaders who are appointed for their business acumen and grass-roots economic development experience. The IRG advises the Minister for Northern Australia and the Minister for Indigenous Australians on practical actions to improve the prosperity of Indigenous Australians in the north. The IRG meet quarterly. In 2023–24, meetings were held in Darwin, Canberra, Mount Isa and Alice Springs.

Key accomplishments in 2023–24 include: 6 submissions to government inquiries and 9 consultations across the following topics:

1. **Economic Development:** IRG have consulted with the National Indigenous Australians Agency on reforms to the Remote Jobs and Economic Development Program, Indigenous Procurement Policy, and the *National Strategy for Food Security in Remote First Nations Communities*. They also appeared at the House of Representatives Joint Standing Committee inquiry into economic self-determination and opportunities for First Nations Australians, and have advocated for stronger procurement opportunities for Indigenous businesses with other Commonwealth agencies.
2. **Infrastructure and Resource Contribution:** IRG made several submissions to the inquiry into the Implications of Severe Weather Events on the National Regional, Rural and Remote Road Network. This concluded with virtual representation by IRG members at the House Representatives Standing Committee.
3. **Digital Infrastructure:** IRG made a submission to the *Initial Data and Digital Government Strategy*. The IRG have consulted and continue to consult with the First Nations Digital Inclusion Advisory Group to advise government on changes to digital infrastructure for Indigenous business and community.
4. **Collaboration and Policy Influence:** IRGs suggestions have been incorporated into the Northern Australia agenda, helping to facilitate the shift towards economic empowerment and self-governance for Indigenous communities.

The department provides secretariat support to the IRG including coordination and logistics as well as supporting their participation in and submissions to government consultations and inquiries.

Accord Review

The Northern Australia Indigenous Development Accord (the Accord) is an intergovernmental framework for progressing Indigenous economic development in northern Australia. The parties to the Accord include the Prime Minister, the Premiers of Queensland and Western Australia and the Chief Minister of the Northern Territory.

The department commissioned the first triennial review of the Accord in 2023. The review assessed progress against the objectives of the Accord, and determined if the Accord remained an appropriate mechanism for progressing First Nations economic development in northern Australia. The review was finalised in March 2024.



Image: Sunset aerial view of sea and landscape, Jervis Bay, Australia. Credit: Noelia Ramon-TellingLife, Getty Images. Also seen on page 101.

Outcome 4: Territories



Outcome Statement

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.

Purpose: Territories

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

Performance Snapshot

Program	Target met	Target substantially met	Target partially met	Target not met	No target
Program 4.1 — Services to Territories	2	-	-	-	-
Total	2	-	-	-	-



Image: Point Perpendicular and Jervis Bay, NSW. Credit: Peter Harrison, Getty

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.

Key activities

Key activity	Performance measure
Ensuring governance and legislative frameworks are fit for purpose to support delivery of services and programs to Australia's non-self-governing territories.	23
Provide essential infrastructure, fund and deliver services to residents of the external territories (Norfolk Island and the Indian Ocean Territories) and the Jervis Bay Territory.	24

Performance results

Performance measure 23	Evaluation of legal and governance arrangements in the territories to continue to administer essential services
Target	Policy advice is high quality, timely and evidence based
Methodology	Policy advice is assessed and scored against criteria, by an internal panel, to determine quality, timeliness and evidence base.
Source	<i>ITRDCA Portfolio Budget Statements 2024–25</i> , p.65 ¹⁰ and <i>DITRDCA Corporate Plan 2023–24</i> , p.86
Category	Policy advice
2023–24 result	Target met
Previous results	Not applicable. This was a new performance measure for 2023–24.
Divisional owner	Territories Division
Limitations	Not applicable.

10 The performance measures and target have been amended from the and *DITRDCA Corporate Plan 2023–24* by the current year information published as part of the *ITRDCA Portfolio Budget Statements 2024–25*. Amendments enable the department to assess its performance of the work it controls and delivers.

Analysis of performance

The target for this performance measure was met in 2023–24. The total average score of the sampled policy advice was 3.57 out of 5 meaning advice was quality, timely and largely evidence-based.

A total of 7 pieces of policy advice were assessed by the department’s internal strategic policy review panel, from a total population of 7 pieces. This provides the department with a confidence interval of 100% that its result is representative of the total population.

Analysis

The department facilitated fit-for-purpose legal and governance frameworks in the territories to continue to deliver essential services and infrastructure to non-self-governing territories in 2023–24. The department enabled our partners to deliver essential services via policy advice to the Minister for Regional Development, Local Government and Territories on subject matter relating to:

- > amending the applied Aquatic Resource Management Act 2016 (WA) to maintain current fisheries arrangements in the Indian Ocean Territories
- > remaking the *Jervis Bay Territory Rural Fires Rule 2014* before the current instrument sunsets
- > modernising telecommunications on Norfolk Island.

The department will continue to develop policy advice regarding legal and governance arrangements to territories in 2024–25.

Performance measure 24	Advice on delivery of essential infrastructure and services, such as, health and education to non-self-governing territory communities
Target	Policy advice is high quality, timely and evidence based
Methodology	Policy advice is assessed and scored against criteria, by an internal panel, to determine quality, timeliness and evidence base
Source	<i>ITRDCA Portfolio Budget Statements 2024–25, p.65 and DITRDCA Corporate Plan 2023–24, p.87</i>
Category	Policy
2023–24 result	Target met
Previous results	Not applicable. This was a new performance measure for 2023–24.
Divisional owner	Territories Division
Limitations	The department identified and removed further exclusions from its population after random sampling processes had concluded. In response, the department lowered its confidence interval from 90% to 89% to account for a reduction in the sampled population. The department accepts a minor increase to our margin of error to uphold the integrity of our assessment processes.

Analysis of performance

The target for this performance measure was met in 2023–24. The total average score of the sample policy advice was 3.9 out of 5 meaning advice was quality, timely and largely evidence-based.

A total of 22 pieces of policy advice were assessed by the department's internal strategic policy review panel, from a total population of 30 pieces. This provides the department with confidence interval of approximately 89% that its result is representative of the total population.

Analysis

The department continued to make the delivery of essential services available to Australia's non-self-governing territories in 2023–24. The department ensured services were able to be delivered via service delivery arrangements and contracts with state, local and private partners. The services the department makes available are demand-driven and reflect the work we undertake to provide health, education and corrections services to the Indian Ocean Territories, Norfolk Island and Jervis Bay Territory.

In 2023–24, the policy advice developed by the department facilitated the delivery of essential services and infrastructure across the non-self-governing territories with minimal disruption. For example, the department developed policy advice to support the delivery of essential services including:

- > energy bill relief to residents and businesses in the non-self-governing territories
- > Coastal Hazard Risk Management and Adaption Plan for Cocos (Keeling) Islands
- > updating the Patient Assisted Travel Scheme for the Indian Ocean Territories.

The department enabled the delivery of essential services in collaboration with varied and numerous federal, state and private sector partners.

Image: Narrabri radio telescope at dusk with blue and pink sky with clouds, Australia.
Credit: Mikulas1, Getty Images. Also seen on page 107.



Outcome 5: Communications Connectivity



Outcome Statement

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.

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.

Performance Snapshot

Program	Target met	Target substantially met	Target partially met	Target not met	No target
Program 5.1 — Digital Technologies and Communications Services	5	-	-	-	-
Total	5	-	-	-	-



Image: NBN FTTN installation. Credit: DITRDCA

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.

Key activities

Key activity	Performance measure
Provide advice to the government on, and deliver, communications programs, including in regional and remote Australia.	25, 26
Providing effective and inclusive communications services and technologies.	27, 29
Protecting Australians through effective management of classification frameworks.	30

Performance results

Performance measure 25	Total amount of new and improved mobile coverage delivered through the Mobile Black Spot Program and the Peri-Urban Mobile Program
Target	For each program ≥ 90 per cent of total contracted coverage (i.e. the combined total of new and improved handheld coverage) is delivered by assets for which asset completion reports are received and approved in the financial year
Methodology	Analysis and assessment of program contracts, funding recipient progress reports, and asset completion reports (ACRs).
Source	ITRDCA Portfolio Budget Statements 2024–25, p.72 and DITRDCA Corporate Plan 2023–24, p.92
Category	Program
2023–24 result	Target met
Previous results	2022–23 result: Target met.
Divisional owner	Communications Services and Consumer Division
Limitations	The Peri-Urban Mobile Program is in the initial stages of implementation. The department did not report on this program as part of the result as asset completion reports are not expected to be received until the 2024–25 reporting year.

Analysis of performance

The target for this performance measure was met in 2023–24.

During 2023–24, a total of 8,355 km² of new handheld mobile coverage was delivered from 55 base stations funded under the Mobile Black Spot Program (MBSP) for which asset completion reports were received and approved in the financial year. This result exceeded the total contracted metric by 26%. A total of 5,699 premises received new handheld mobile coverage from these assets, which exceeded the total contracted metric by 19%. The Peri-Urban Mobile Program (PUMP) is in the early stages of implementation with its first base station completion expected in the 2024–25 reporting year.

Analysis

The department closely manages the administration of grant funding agreements with mobile providers to ensure contracted coverage outcomes are achieved. The funding agreements include provisions that require mobile industry grantees to seek approval for any variations to contracted handheld mobile coverage that would reduce the outcome below 90% of the contracted metrics, such as cases where a base station cannot be built at the contracted location for reasons beyond the direct control of the mobile industry grantee.

There are some cases where a base station could not be built as planned, resulting in a decrease in coverage. However, there are many more cases where a change in location and the technical configuration of a base station to optimise coverage outcomes has resulted in an increase in contracted coverage metrics — the department exceeded its 2023–24 MBSP target for this reason.

As at 30 June 2024, a total of 1,133 new mobile base stations have been delivered under the MBSP. These base stations have delivered over 181,000 km² of new handheld coverage, including to more than 132,000 premises.

This increase in mobile coverage benefits people who live, work and travel in regional, rural and remote parts of Australia. An increase in coverage provides connectivity for these Australians to keep in contact with family and friends, conduct business that contributes to economic growth and sustainability, and provides a public safety benefit for access to emergency services during natural disasters and emergency situations.

This performance measurement of the department's performance ensures mobile industry grantees are maximising mobile coverage outcomes across Australia and the delivery of quality service and localised coverage improvements in peri-urban areas. This work is consistent with the objectives of the programs to invest in telecommunications infrastructure to improve mobile coverage and competition across Australia and to improve mobile phone reception in peri-urban fringe areas of Australia's major cities.

The department will continue to closely manage the implementation of both the MBSP and PUMP. While some earlier MBSP rounds are expected to reach completion by the end of the 2024–25 financial year, there are newly contracted rounds under the MBSP which are in the initial stages of implementation.

Performance measure 26	Number of new and improved contracted outcomes delivered through the Regional Connectivity Program and connecting Northern Australia
Target	≥90% of total contracted outcomes (i.e. new and improved coverage, or relevant key service improvement metric) are delivered by assets for which completion reports are received and approved
Methodology	Analysis and assessment of program contracts, funding recipient progress reports, and Asset Completion Reports (ACRs).
Source	ITRDCA Portfolio Budget Statements 2024–25, p.72 and DITRDCA Corporate Plan 2023–24, p.93
Category	Program
2023–24 result	Target met
Previous results	Not applicable. This was a new performance measure for 2023–24.
Divisional owner	Communications Services and Consumer Division
Limitations	Not applicable.

Analysis of performance

The target for this performance measure was met in 2023–24. The performance result was 169% against the target of ≥90%. During 2023–24, over 37,000 km² of coverage was delivered from 137 assets for which asset completion reports were received and approved. This exceeded the total contracted coverage metric by 69%.

Analysis

The target was met as funding recipients delivered assets that largely exceeded their contracted coverage outcomes. The department faced challenges with progress against the contracted timeframe for assets yet to be completed as at 30 June 2024, however extensions were granted to funding recipients with all assets and consequent projects to be delivered in full by December 2024.

Mobile programs being delivered concurrently may provide additional coverage to rural, regional and remote Australia. This outcome achieved improved connectivity in rural, regional and remote Australia and improved access to communications services. Mobile programs being delivered concurrently may provide additional coverage to rural, regional and remote Australia.

Australians continue to have access to essential services and strengthened regional connectivity that are unable to be addressed by commercial investment alone.

The continued monitoring of delivery against contracted outcomes is essential, while working with funding recipients to ensure that delays in delivery can be identified and addressed promptly in support of this aim.

Performance measure 27	Provision of the Viewer Access Satellite Television (VAST) services
Target	In each financial year, commercial free-to-air satellite television services are provided in accordance with the legislative and contractual arrangement
Methodology	Analysis of quarterly KPI grantee reports and assessment of records in the internal register.
Source	ITRDCA Portfolio Budget Statements 2024–25, p.72 and DITRDCA Corporate Plan 2023–24, p.94
Category	Program
2023–24 result	Target met
Previous results	2022–23 result: Target met.
Divisional owner	Communications Services and Consumer Division
Limitations	Not applicable.

Analysis of performance

The target for this performance measure was met in 2023–24. The commercial free-to-air satellite television services were maintained in accordance with the legislative and contractual arrangements, including meeting the on-air availability requirement.

Analysis

Quarterly reports from the regional commercial television broadcasting consortiums and Optus show that there was no service downtime. There were no complaints from viewers about the availability of the services provided.

The outcome of the department's work under the measure has achieved significant impacts. Since the digital switchover in 2010, the Australian Government has subsidised the costs of commercial free-to-air television channels on the Viewer Access Satellite Television (VAST) platform. VAST provides a satellite safety net service for viewers in terrestrial television blackspots.

Around 260,000 Australian households, largely in regional and remote areas, rely on VAST direct-to-home services. Without government funding these Australians would no longer have access to a commercial free-to-air television broadcasting service. The continued availability of the VAST free-to-air satellite television safety net service benefits viewers, particularly in remote and regional Australia who are unable to access terrestrial transmissions due to remoteness or terrain.

Television is important to our communities and their residents — it builds connectivity, facilitates cultural expression and social inclusion, provides access to educational resources and the arts, and provides entertainment, particularly to the elderly. It is also an important source of news and advice, including during emergencies and natural disasters.

In 2023–24, the department simplified forward contractual agreements for Eastern and Western VAST to ensure they are clearer and more direct, and to ensure commercial free-to-air satellite television services are provided in accordance with legislative and contractual arrangements.

The department also simplified the existing payment arrangements to improve flexibility and ensure funding flows as quickly as possible to Eastern Satellite Broadcasters Pty Ltd and WA Satco through an arrangement with the Department of Social Services Community Grants Hub in mid-August 2024 to June 2031. This arrangement has a supplementary aim to ensure future reporting is completed in a timely manner.

Additionally, through the Communications and Legislation Amendment (Regional Broadcasting Continuity) Bill 2024, the government is making it easier for Australians to access television services over the VAST safety net where terrestrial broadcasts are not available.

Performance measure 29	Access to communications for people with a disability, indicated through: a. National Relay Service (NRS) performance b. Audio Description (AD) implementation by the national broadcasters¹¹ c. Broadcaster Captioning compliance¹²
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 more than 30 hours per week, on average, of audio described content c. Captioning: Broadcasters meet or exceed statutory captioning obligations.
Methodology	Analysis and assessment of monthly and quarterly provider performance reports and Australian Communications and Media Authority (ACMA) annual captioning compliance report.
Source	ITRDCA Portfolio Budget Statements 2024–25, p.73 and DITRDCA Corporate Plan 2023–24, p.96
Category	Program
2023–24 result	Target met
Previous results	2022–23 result: Target substantially met.
Divisional owner	Communications Services and Consumer Division
Limitations	Captioning data from 2022–23 has been included against this performance measure as ACMA annual captioning compliance reports are published each December for the prior financial year. Data for 2023–24 will be included in the 2024–25 Annual Performance Statement against this performance measure.

11 This is a narrated sound track provided by the Australian Broadcasting Corporation and Special Broadcasting Service for specific TV programs to provide accessibility to blind or vision impaired people.

12 This is a legislative requirement for all broadcasters for deaf and hearing-impaired people. There are different obligations for free to air broadcasters and pay TV. ACMA is the regulator for these obligations and releases compliance data every year.

Analysis of performance

Overall, this performance measure was met in 2023–24.

Target a. Met: National Relay Service provider met contractual service levels.

Target b. Met: National Broadcasters provided more than 30 hours per week of audio described content.

Target c. Met: Broadcasters met statutory captioning obligations.

Analysis

The department supports the provision of a number of media amenities which collectively maintain and improve access to communication services for people with disabilities.

Target a. National Relay Service

The National Relay Service provider is required to meet performance indicators specified in the contract for the service. The provider is required to report its performance on a monthly basis. Performance is measured in relation to call answer times. The provider consistently met these performance requirements.

Target b. Audio description

The Australian Broadcasting Corporation (ABC) reported that it provided an average of 101 hours per week of audio described content during 2023–24. The Special Broadcasting Service (SBS) reported that it provided an average of 181 hours per week of audio described content during 2023–24. The target of 30 hours per week for each broadcaster was well exceeded.

Target c. Captioning

Free-to-air TV broadcasters are required to caption 100% of all programs on their main channels between 6 am and midnight under section 130ZR of the *Broadcasting Services Act 1992* (the Act). Compliance results are required to be reported to ACMA in accordance with section 130ZZC of the Act. In 2022–23, all free-to-air TV broadcasters provided captions on over 99.9% of programs. All failures to deliver 100% captioning levels were attributable to unforeseen technical difficulty and explained in accordance with the requirements at section 130ZZAB of the Act.

Table 5.1.1: Specific percentage ranges for each licensee within the network in 2022–23

Licensee	2022–23 percentage range
ABC	99.98% to 99.99%
SBS	99.94% to 99.97%
Seven Network	99.97% to 99.98%
Network Ten	99.98% to 99.99%
Nine Network Australia	99.94% to 99.95%
Prime Television	99.95% to 99.99%
Southern Cross Austereo	99.95% to 99.99%
WIN Media	99.93% to 99.99%
Imparja	99.93%

Subscription TV broadcasters are required to comply with different annual captioning targets that apply to 9 distinct categories of programs. The targets, which increase each year, are set out in section 130ZV(2) of the Act.

Table 5.1.2: Captioning targets for 2022–23

Category	2022–23 captioning target
Category A STV movie service (1st to 6th movie channel)	100%
Category B STV movie service (7th movie channel — if nominated)	95%
Category C STV movie service (8th and more movie channels — if nominated)	85%
Category A STV general entertainment service (1st to 18th general entertainment channel)	95%
Category B STV general entertainment service (19th to 34th general entertainment channel if nominated)	85%
Category C STV general entertainment service (35th or more general entertainment channel if nominated)	65%
STV news service	55%
STV sports service	55%
STV music service	45%

Most licensees (Foxtel Cable Television, Optus Content and Telstra TV) reported that they had met or exceeded captioning requirements in the Broadcasting Services Act in all categories in 2022–23. Foxtel and Telstra TV reported that one channel, TRT World did not meet captioning requirements in 2022–23. In September 2022, the channel was removed from the platforms.

Performance measure 30	Classification decisions are published in line with legislative requirements
Target	100% of relevant classification decisions made by the Classification Board and Classification Review Board are published on the National Classification Database (NCD)
Methodology	Analysis of data stored in the department's online Customer Relationship Management System Online System for Classification Administration (OSCA) and data published on the NCD.
Source	<i>ITRDCA Portfolio Budget Statements 2024–25, p.73 and DITRDCA Corporate Plan 2023–24, p.97</i>
Category	Program
2023–24 result	Target met
Previous results	2022–23 result: Target met (performance measure no longer focuses on timeliness).
Divisional owner	Online Safety, Media and Platforms
Limitations	Not applicable.

Analysis of performance

The target for this performance measure was met in 2023–24 with approximately 97% of relevant classification decisions made by the Classification Board and Classification Review Board published on the NCD based on a sample review. A sample of 860 decisions was reviewed from a total of 393,279 decisions. The proportion of decisions not published may have been higher in the total population than this result indicates noting the relatively small size of the sample. The sample review of decisions found that 5.1% of IARC decisions were not published and 1.8% of non-IARC decisions were not published. Total decisions not published on the NCD in this sample was 3%.

Analysis

Publishing of classification decisions assists Australians to make informed choices about suitable content to view or play for themselves or those in their care. The publishing of classification decisions on the NCD is contingent on government IT systems and external stakeholder IT systems working as intended. Internal and external IT system issues can affect the receipt and transfer of classification decisions for publication.

As part of the quality assurance process, analysis of sample data showed a small number of classification decisions were not published on the NCD. Internal and external IT system issues can affect the receipt and transfer of classification decisions from OSCA to the NCD (the NCD is a website hosted on Government Content Manager System (GovCMS) and managed by Department of Finance).

The department has procedures in place to investigate and resolve any issues with OSCA, Application Programming Interfaces and GovCMS as they arise to ensure classification decisions are received, transferred and published on the NCD. For any identified cases of decisions not published on the NCD, the department works with the Department of Finance and classification tool owners to investigate and resolve the issue. The department is currently engaging with the GovCMS team to investigate opportunities for additional data validation processes. This will include consideration of provisions for ongoing quality assurance activities with data checking. In addition, where any system errors are identified, the department records a log of works to be investigated for consideration of system improvements as part of a process of continuous improvement.



Image: NBN Satellite Ground Station Bourke storm. Credit DITRDCA



Image: Australian Youth Orchestra, Momentum Ensemble. Credit: Alastair Bett.
Also seen on page 119.

Outcome 6: Creativity and Culture



Outcome Statement

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

Purpose: Creativity and Culture

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

Performance Snapshot

Program	Target met	Target substantially met	Target partially met	Target not met	No target
Program 6.1 — Arts and Cultural Development	4	-	1	-	2
Total	4	-	1	-	2



Image: Live music keyboards. Credit: DITRDCA

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

Key activities

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

Performance results

Performance measure 31	Effectiveness of the current Australian content framework
Target	Policy advice is high quality, timely and evidence based
Methodology	Policy advice is assessed and scored against criteria, by an internal panel, to determine quality, timeliness and evidence base.
Source	<i>ITRDCA Portfolio Budget Statements 2024–25</i> , p.78 and <i>DITRDCA Corporate Plan 2023–24</i> , p.103
Category	Policy
2023–24 result	Target met
Previous results	New performance measure (significantly amended from 2022–23).
Divisional owner	Office for the Arts
Limitations	Not applicable.

Analysis of performance

The target for this performance measure was met in 2023–24. The total average score of the sampled policy advice was 3.5 out of 5 meaning advice was quality, timely and largely evidence-based.

A total of 6 pieces of policy advice were assessed by the department’s internal strategic policy review panel, from a total population of 6 pieces. This provides the department with a confidence level of 100% that its result is representative of the total population.

Analysis

In 2023–24, the department briefed the government, in consultation with the Australian Communications and Media Authority (ACMA), on the effectiveness of the Australian content framework when compliance results were released. The department relied on Australian content data and compliance results to inform policy advice to government on Australian content obligations, including the development of a future Australian content framework for subscription video on demand services.

ACMA has statutory requirements to collect, collate, verify and publish Australian Content Standards compliance data that is used to brief the government on the effectiveness of the content framework. The department also uses this data to inform policy advice to the government on Australian content obligations.

An effective Australian content framework means that Australians can benefit from creative experiences and culture, supports inclusiveness and growth in Australia’s creative sector and protects and promotes Australian content and culture.

The department will continue to provide high-quality, timely and evidence-based policy advice on the effectiveness of the Australian content framework to government. In the event that an Australian content framework for subscription video on demand services is legislated, the department will report on its effectiveness.

Performance measure 32	Progress against the development, release and implementation of the Arts and Disability Associated Plan
Target	The Arts and Disability Associated Plan is released
Methodology	Analysis of departmental records including: briefings and advice to government, public communiques, stakeholder meeting minutes and draft Associated Plan. Records are assessed to measure the development and release stage of the Arts and Disability Associated Plan.
Source	ITRDCA Portfolio Budget Statements 2024–25, p.78 and DITRDCA Corporate Plan 2023–24, p.104
Category	Program
2023–24 result	Target partially met
Previous results	2022–23 result: Target not met.
Divisional owner	Office for the Arts
Limitations	Not applicable.

Analysis of performance

The target for this performance measure was partially met in 2023–24. In January 2023, the Australian Government committed \$5 million for implementation of a new Arts and Disability Associated Plan under the National Cultural Policy — *Revive: a place for every story, a story for every place* (Revive).

In 2023–24, the *Arts and Disability Associated Plan* (Associated Plan) was substantially drafted, as informed by significant Commonwealth and stakeholder consultation activities in the second half of 2023. Graphic design services supporting the Associated Plan have been secured, and communication activities focused on the launch and implementation of the Associated Plan are in development.

Analysis

In 2023–24, the department has improved on its 2022–23 results with demonstrated progress against the development, release and implementation of the Associated Plan.

The Associated Plan will be a supporting document for both *Revive* and *Australia's Disability Strategy 2021–2031* (ADS). In 2023–24, the department has worked in partnership with Creative Australia to develop the Associated Plan, building on the clear opportunity to leverage combined funding and policy responsibilities in the arts and disability space, and identify the shared future priorities and investment opportunities to lift participation by people with disability in arts and cultural life.

In 2023–24, the Associated Plan has been further developed in the context of significant, broader disability policy reform across the Commonwealth, in particular the outcomes of the *Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability*, the 2023 Independent Review into the National Disability Insurance Scheme, and pending reforms to Disability Employment Services. This working environment has provided the opportunity for the department to engage closely with relevant Commonwealth agencies to better understand the impacts these reform processes may have on the arts and disability sector in the context of developing the Associated Plan.

An all-jurisdictions Arts and Disability Intergovernmental Working Group has also been established, under the auspices of the Cultural Ministers Meeting, to increase intergovernmental engagement on disability and inclusion matters in the arts and culture sectors, and in regards to the implementation of the Commonwealth-only Associated Plan. The Working Group is expected to convene for the first time in the second half of 2024.

Creative Australia and the Department of Social Services has contributed to performance against the measure. Ongoing engagement and consultation with the Department of Social Services and Creative Australia will ensure the final Associated Plan supports the Minister for the Arts to meet shared responsibilities for delivery of outcomes under the ADS, as well as the *Revive* principles of access, equity, participation and representation in arts and cultural activities for all people in Australia.

The Associated Plan is expected to be finalised and released in 2024.

Performance measure 33	Number of students completing courses at national performing arts training organisations
Target	≥900 students in each calendar year
Methodology	Analysis and evaluation of data sourced from bi-annual reports completed by 7 national performing arts training organisations. The department verifies the reliability, consistency and completeness of the data in line with standard operating procedures
Source	ITRDCA Portfolio Budget Statements 2024–25, p.78 and DITRDCA Corporate Plan 2023–24, p.105
Category	Program
2023–24 result	Target met
Previous results	2022–23 result: Unable to make an assessment ¹³
Divisional owner	Office for the Arts
Limitations	Not applicable.

Analysis of performance

The target for this performance measure was met in 2023–24. Under the National Performing Arts Training Program, 1,113 students graduated or completed courses in their chosen field in the 2023 calendar year with the 7 organisations funded under the Program.

Analysis

Across the 7 funded national performing arts training organisations (ATOs), 1,113 students graduated or completed courses in their chosen field in the 2023 calendar year. This result is similar to the number of students reported for the 2022 calendar year, which reflected unverified results of 1,187 student graduations or course completions.

The performance measure assesses data sourced from 7 ATOs funded under the National Performing Arts Training Program:

- > Australian Ballet School
- > Australian National Academy of Music
- > Australian Youth Orchestra
- > Flying Fruit Fly Circus
- > NAISDA Dance College
- > National Institute of Circus Art
- > National Institute of Dramatic Art.

The number of students who graduate or complete courses with the ATOs is a robust measure of the outcome of the government's investment in these organisations. Exceeding the target demonstrates the National Performing Arts Training Program is successful.

¹³ In the 2022–23 Annual Report, the department reported that 492 students successfully completed courses at national performing arts training organisations against the equivalent measure. This figure referred only to accredited courses. For comparative purposes (using the 2023–24 performance measurement methodology) this figure increases to 1,187 when referring to all courses offered by these organisations.

Investing in Australia's ATOs supports the government to achieve its arts and culture policy objectives by promoting artistic excellence and development for artistic freedom through support for the provision of training opportunities across a range of performing art forms, and by aligning with the policy outcomes of the National Cultural Policy, Revive.

In May 2023, as part of the 2023–24 Budget announcement, the Australian Government committed to a one-year uplift operational funding for the ATO's and a financial sustainability review to inform government investment in the organisations.

Following the review, in May 2024, as part of the 2024–25 Budget, the government announced a significant funding uplift to support the ongoing financial viability of the ATOs.

While funding is provided to the ATOs to address the areas of greatest need first, including immediate staffing pressures and to safeguard the delivery of their core courses, the uplift will eventually allow for the ATOs to expand their training offerings. The department will monitor this growth closely and adjust the target as necessary.

Performance measure 34	Number of payments made to claimants (including authors, illustrators and publishers) through lending rights
Target	≥17,000 payments to claimants in each financial year
Methodology	Analysis and evaluation of annual surveys provided to the department by lending libraries. Payments are calculated on the number of copies of books estimated to be held in Australian lending libraries.
Source	<i>ITRDCA Portfolio Budget Statements 2024–25, p.78 and DITRDCA Corporate Plan 2023–24, p.106</i>
Category	Program
2023–24 result	Target met
Previous results	2022–23 result: Target met.
Divisional owner	Office for the Arts
Limitations	Not applicable.

Analysis of performance

The target for this performance measure was met in 2023–24. In 2023–24, 18,147 Public and Educational Lending Right payments were made, against a target of more than 17,000 payments for the year.

Analysis

2023–24 was the first year that payments for ebooks and audiobooks were made. The announcement of the inclusion of digital formats, and the high profile of Revive, the National Cultural Policy, more generally, prompted a significant increase in claims from creators and publishers for ebooks, audiobooks and various print formats. This resulted in more than 30,000 claims (an increase of 272% from the previous year). Surveying digital holdings in libraries required new relationships with digital book vendors and working with digital holdings data, adding further time and complexity to the annual cycle of work.

The survey for Public Lending Rights (PLR) and Educational Lending Rights (ELR) was conducted much later than in previous cycles.

The introduction of digital holdings into the surveys has allowed additional claimants to participate including digital publishers and digital self-publishers. It will also allow trend data to be collected on the uptake of digital formats across public schools and university lending libraries.

Education Services Australia, a national not-for-profit company owned by the state, territory and Australian Government education ministers delivers the primary and secondary school's portion of the ELR survey.

This outcome delivers on the National Cultural Policy action to 'Modernise and extend the Public and Educational Lending Right schemes to include digital content under the schemes'. The payments made to claimants were for all formats of books, including ebooks and audiobooks.

The department will continue to raise the profile of the Australian Lending Right schemes to increase participation from eligible Australian creators and publishers, as well as lending libraries and library vendors through targeted promotional campaigns and relationship building. The department will also continue to develop survey methodology as digital book holdings increase in the survey, and track the changing way Australians read and consume books through lending rights data and trend analysis.

Performance measure 35	Number of Indigenous Art Centres funded through the Indigenous Visual Arts Industry Support (IVAIS) program
Target	≥80 Indigenous Art Centres in the financial year
Methodology	Analysis and evaluation of grantees 6-monthly milestone reports sourced through the SmartyGrants management system.
Source	<i>ITRDCA Portfolio Budget Statements 2024–25, p.78 and DITRDCA Corporate Plan 2023–24, p.107</i>
Category	Program
2023–24 result	Target met
Previous results	2022–23 result: Target met.
Divisional owner	Office for the Arts
Limitations	Not applicable.

Analysis of performance

The target for this performance measure was met in 2023–24. IVAIS Program funded 94 art centres during 2023–24. This is 14 additional centres than the target of 80.

Analysis

The outcomes supported by the IVAIS ongoing program are a professional, viable and ethical Indigenous visual arts industry that features strong participation by Aboriginal and Torres Strait Islander people, and the continued exhibition, critique, purchase and collection of Indigenous visual art nationally and internationally. Indigenous art centres, mostly located in remote or very remote communities, form the infrastructure that provides artists with studio space, materials, art development opportunities, marketing and exhibition support, as well as a range of professional support and services for artists, art centre staff and directors.

Funding is prioritised to achieve outcomes by providing base operational support for Indigenous-owned art centres that provide professional support to Aboriginal and Torres Strait Islander artists in the production, promotion and marketing of their art. This provides opportunities for Aboriginal and Torres Strait Islander artists to develop, extend, market and generate income from their professional art practice, and provides employment and economic opportunities in the visual arts industry for Aboriginal and Torres Strait Islander people.

IVAIS has supported approximately 80 art centres over a number of years. Maintaining this level of funding support to arts centres from IVAIS is important to the Indigenous visual arts industry. Opportunities to support additional art centres not previously supported through IVAIS have been made possible through increases to the annual program appropriation. While increases to the number of art centres funded under IVAIS is a good outcome, challenges include supporting the 80-minimum level of art centres to funding levels that reflect increases to operational and employment costs in remote communities within the available program budget and continual support to additional art centres each year.

Integrity of the IVAIS is maintained by ensuring performance measure results are cross-checked against program management documents including finance and payment reports, forward commitments and modelling. Data in SmartyGrants per activity/record is continually cross-checked against program management documents to ensure results extracted from SmartyGrants are accurate.

Funding and support for Indigenous communities and programs have also been provided by Creative Australia, National Indigenous Australians Agency, Indigenous Land and Sea Corporation, state and territory governments, not-for-profits and non-governmental organisations, philanthropists and the private sector.

This outcome aligns with the National Cultural Policy — Revive, specifically by continuing investment in First Nations art centres, as well as pivotal sector organisations, through IVAIS to benefit First Nations communities.

Performance measure 36	Support the repatriation of Aboriginal and Torres Strait Islander ancestral remains (ancestors) and secret sacred objects (objects) through: <ol style="list-style-type: none"> new agreements to repatriate ancestors from overseas ancestors and/or objects repatriated to their community ancestors repatriated to Australia with no known community
Target	No target. Internationally, activities are responsive to international negotiations and community consultations. Domestically, activities are responsive to demand from the funding recipients and community consultations supported through the Indigenous Repatriation Program — Museum Grants (Museum Grants)
Methodology	Analysis and evaluation of data sourced through Final Performance Reports provided by Grantees through SmartyGrants. Data held on ancestors and objects is reviewed to ensure reliability.
Source	<i>ITRDCA Portfolio Budget Statements 2024–25, p.79 and DITRDCA Corporate Plan 2023–24, p.108</i>
Category	Program
2023–24 result	No target
Previous results	2022–23 result: No target.
Divisional owner	Office for the Arts
Limitations	Not applicable.

Analysis of performance

The department did not set a target for this performance measure in the 2023–24 reporting year.

- Target a.** Two in-principle agreements were reached with collecting institutions in the United States of America and a further 6 formal agreements were secured with collecting institutions in New Zealand (3), the United Kingdom (1), Japan (1) and the United States of America (1).
- Target b.** The department supported the repatriation of 21 ancestors to their Traditional Custodians returned from overseas. Through the Indigenous Repatriation Program — Museum Grants, 73 ancestors were returned to Country.
- Target c.** The department supported the repatriation of 10 ancestors under Australian Government stewardship as their Traditional Custodians were unknown.

Analysis

Internationally, the department continued to progress negotiations with overseas collecting institutions to secure new in-principle and formal agreements to repatriate. The department facilitated 3 handover ceremonies that supported the repatriation of 31 ancestors. Of these, 21 were repatriated to their Traditional Custodians and 10 were repatriated under Australian Government stewardship as their Traditional Custodians were unknown.

The department also worked in partnership with the respective First Nations communities and state museums to support the return to Country of 27 ancestors who had been returned from overseas between 1991 and 2023 and held in temporary care.

Domestically, the department administered the Indigenous Repatriation Program — Museum Grants (Museum Grants), and executed 7 funding agreements to support repatriation activities to enable the return of ancestors and secret sacred objects held in their care to their Traditional Custodians. Through the Indigenous Repatriation Program — Museum Grants, 73 ancestors were collectively returned to Country from 2 museums.

The outcome is consistent with the action in the Australian Government's National Cultural Policy — Revive — which commits to 'Continue pursuing, in a culturally sensitive way, the return of First Nations ancestors and cultural heritage material from overseas, and domestically the return of ancestors and secret sacred objects in Australia's major museums'.

The department will continue, in partnership with First Nations people, to advocate for the voluntary and unconditional return of ancestors held overseas and will work collaboratively with the 8 major Australian museums funded under the Museum Grants and state and territory governments to enhance a collaborative approach to repatriation.

Performance measure 37	Reach of Indigenous Languages and Arts (ILA) activities (excluding visual arts) that support Aboriginal and Torres Strait Islander people to express, preserve and maintain their cultures: a. People attending an Indigenous language activity b. People attending an Indigenous arts activity
Target	No target. Results are expected to be variable over time, given the variety of Indigenous languages and arts activities funded through an annual open competitive grant opportunity
Methodology	Analysis and evaluation of six-monthly reporting from grant funding recipients provided through SmartyGrants.
Source	<i>ITRDCA Portfolio Budget Statements 2024–25, p.79 and DITRDCA Corporate Plan 2023–24, p.109</i>
Category	Program
2023–24 result	No target
Previous results	New performance measure — previously reported on the impact of 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. ¹⁴
Divisional owner	Office for the Arts
Limitations	Participation data is available up until 30 December 2023 due to delays in data availability. Data for the second half of 2023–24 will not be available until 30 September 2024 and will be reported in the 2024–25 Annual Report. The data presented below is from the current grant agreements in place with each individual Indigenous language centre (ILC) and Indigenous arts organisation. The majority of these grant agreements commenced in 2022–23. One organisation was unable to report during the specified period.

Analysis of performance

The department did not set a target for this performance measure in 2023–24. Through the ILA Program, the department continued to administer grant agreements in place with 24 ILCs delivering language conservation, revitalisation and sustainability services, and 6 arts organisations creating, promoting and celebrating Indigenous cultural expression through traditional and modern art forms. Throughout 2023–24, 22,577 participants have engaged with funded Indigenous language activities, and 3,462 participants have engaged with funded Indigenous arts activities.

¹⁴ The department was unable to fully report on its result for this performance measure in the 2022–23 Annual Report. This data is now included in Appendix A: Additional 2022–23 Performance Reporting.

Analysis

This outcome is consistent with the action in the Australian Government's National Cultural Policy — *Revive*, which commits to 'Continue support for First Nations peoples to express, preserve and maintain their culture through languages and arts, under the Indigenous Languages and Arts Program'. In 2023–24, the ILA Program invested the entire budget of \$30.281 million through grant funding for 125 community-based activities that supported Aboriginal and Torres Strait Islander peoples to conserve, revitalise and sustain their cultures.

Announced in May 2024, as part of the 2024–25 Budget, the government is investing an additional \$53.8 million over 4 years to enhance support for community-led language learning. The funding goes directly to areas identified by *Voices of Country: Australia's Action Plan* for the International Decade of Indigenous Languages 2022–2032, and the Language Policy Partnership national priorities.

The recording of culturally appropriate data and data sovereignty remains a focus of consultation with the Indigenous languages sector represented through the Languages Policy Partnership.

During 2023–24, the ILA program piloted a project in partnership with 3 ILCs to record the number of people attending ILC delivered Indigenous language activity. The approach, including working in partnership with the three ILCs on the design, aimed to have a simple and culturally appropriate tool that could record consistent data over time through the network of 24 ILCs that could be used as one way of demonstrating progress against Target 16 of the *National Agreement on Closing the Gap*¹⁵ — 'Cultures and languages are strong, supported and flourishing'. The department will continue working to support ethically and culturally appropriate data collection as part of the ILA program.

15 Further information is available at: www.closingthegap.gov.au/national-agreement/targets



Image: Green Woman – Walking with Giants Finale in Colac, Victoria. Photo by Rebecca Hosking. Walking with Giants was supported by the Regional Arts Fund, which is managed by Regional Arts Australia and organisations in each state and territory on behalf of the Australian Government. Photo also used on front cover.

Part 3

Management and Accountability

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Part 3.1: Corporate Governance

The department's *Governance Framework* enables us to manage our responsibilities, 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.

Our governance practices comply with all statutory requirements and are regularly reviewed to ensure they remain relevant and effective.



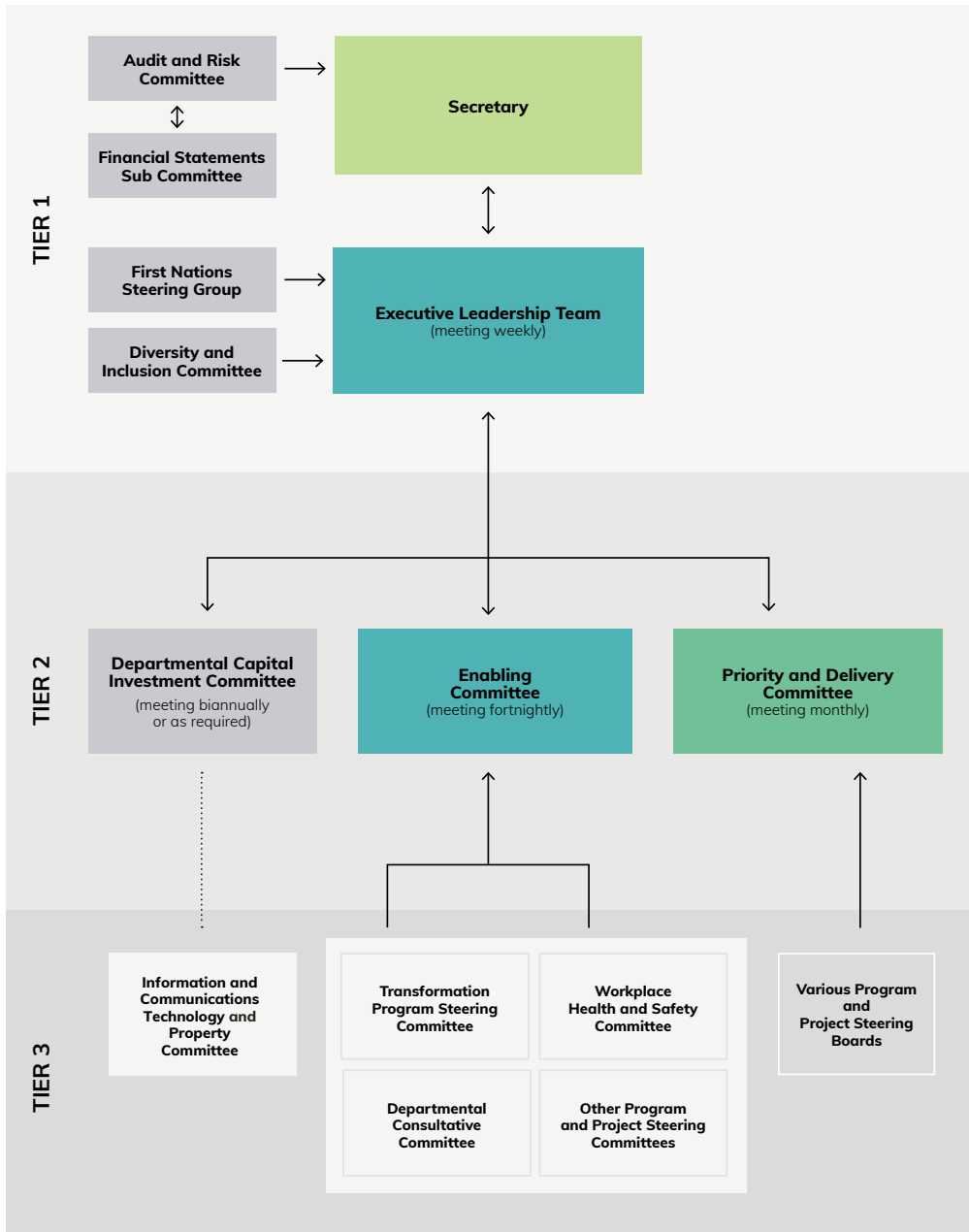
Image: National Film and Sound Archives. Credit: DITRDCA

Governance Committees

The department's governance committees oversee key areas of our strategy and operations, and support the Secretary in their role as the accountable authority.

The department has a small number of high-level governance committees. As at 30 June 2024, these included the Executive Leadership Team, Enabling Committee, Priority and Delivery Committee, the Departmental Capital Investment Committee and the Audit and Risk Committee.

Figure 3.1.1: Governance committee structure as at 30 June 2024



Executive Leadership Team

The Executive Leadership Team is chaired by the Secretary and membership includes all deputy secretaries.¹⁶ It is a decision-making body responsible for planning, leading and overseeing the strategic direction of the department in accordance with the terms of the relevant legislative instruments that give rise to the entity. The Executive Leadership Team plans, leads and oversees matters which are significant for the department including on key internal priorities, enterprise risks, the department's operating environment and in driving a culture of accountability and psychosocial safety.

Enabling Committee

The Enabling Committee comprises a representative deputy secretary or first assistant secretary from each group, and is chaired by the Chief Operating Officer. The Enabling Committee is focused on driving the corporate agenda and culture of the department, including through the operationalising of departmental strategies, policies and projects set by the Secretary and/or Executive Leadership Team.

The Enabling 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 relevant matters to the Secretary with recommendations for consideration.

Priority and Delivery Committee

The Priority and Delivery Committee comprises a representative deputy secretary or first assistant secretary from each group, and is currently chaired by the Deputy Secretary, Transport Group. The committee is focused on the management of externally facing programs and priorities. This includes 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 Priority and Delivery 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 relevant matters to the Secretary with recommendations for consideration.

Departmental Capital Investment Committee

The Departmental Capital Investment Committee comprises senior leadership staff, and is chaired by the Chief Financial Officer. The Departmental Capital Investment Committee is responsible for reviewing potential departmental projects that require investment of capital funding, and providing advice to the Executive Leadership Team on high priority or meritorious proposals.

Audit and Risk Committee

The Secretary has established the Audit and Risk Committee (ARC) in compliance with section 45 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). The ARC provides independent advice on the department's financial and performance reporting, system of risk oversight and management, and system of internal control. More information on the ARC's functions, roles, responsibilities and administrative arrangements can be found in the ARC Charter available on the department's website.¹⁷ Table 3.1.1 details information about the ARC members, including qualifications, remuneration and meeting attendance.

¹⁶ A review and update of the Terms of Reference for the Executive Leadership Team were finalised and agreed by the Executive Leadership Team on 26 June 2024. As part of the revised Terms of Reference, the Chief People Officer and the First Assistant Secretary, First Nations Partnerships, have been formalised as members of the Committee along side the Secretary and deputy secretaries.

¹⁷ Available at: www.infrastructure.gov.au/about-us/corporate-reporting/audit-and-risk-committee-charter

Table 3.1.1: Members of the Audit and Risk Committee of the Department of Infrastructure, Transport, Regional Development, Communications and the Arts

Member name	Qualifications, knowledge, skills or experience	Number of meetings attended	Total number of meetings held	Total annual remuneration (GST inc.)	Additional information
Mr Ian McPhee AO PSM	<p>Mr McPhee was Auditor-General for Australia from 2005 to 2015 and former Deputy Secretary of the Financial Management Group at the Department of Finance.</p> <p>Mr McPhee's roles include being a Council member of Central Queensland University and Distinguished Honorary Professor at the Research School of Accounting at the Australian National University. Mr McPhee also has experience on other audit and risk committees.</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>	8	8	\$55,000	Independent chair
Mr Geoff Knuckey	<p>Mr Knuckey is a former Managing Partner of Ernst & Young's Canberra Office where he specialised in financial statements auditing and advised on internal audit, corporate governance and risk management. Mr Knuckey is currently chair or non-executive director of several private sector companies. Mr Knuckey also has experience on other audit and risk committees.</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>	8	8	\$40,000	Independent member

Member name	Qualifications, knowledge, skills or experience	Number of meetings attended	Total number of meetings held	Total annual remuneration (GST inc.)	Additional information
Ms Gayle Ginnane	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. Ms Ginnane also has experience on other audit and risk committees. Ms Ginnane holds a Bachelor of Arts (Mathematics and Statistics), Bachelor of Economics, Master of Defence Studies and Graduate Diploma in Strategic Studies.	8	8	\$31,500	Independent member
Dr David Bryant	Dr Bryant is a Senior Australian Computer Society Certified Professional and former Australian Institute of Project Management Certified Practising Project Director; he specialises in IT governance and projects. Dr Bryant also has experience on other audit and risk committees. Dr Bryant holds a PhD (Information Management Systems), Master of Business Administration (Technology Management) and Bachelor of Information Technology.	7	8	\$30,000	Independent member

Corporate Plan

The Corporate Plan is the department's primary planning document (required to cover a minimum of 4 reporting periods and updated annually), which sets out the strategies for achieving the department's purpose and how our success is measured. The Corporate Plan sets out the department's purpose and significant activities, explains the environment and context in which we operate as well as our planned performance, risk management and capability. It is designed to complement the Portfolio Budget Statements and provide, where required, more detailed performance measures. The Corporate Plan provides a clear link between the program objectives, the key activities that will assist the department in achieving the objectives and the performance information that will be used to measure and assess performance. Our current and previous Corporate Plans are published on the department's website.¹⁸

Business planning

Business Planning is the process by which the department operationalises our Corporate Plan. This is done through divisional planning. Business planning provides a clear line of sight between the department's purpose and the work of each group in contributing to achieving it.

Divisional business plans are developed following publication of the Corporate Plan each year and form part of the department's integrated planning approach, where areas undertake all business, workforce and risk planning processes at the same time.

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 process.

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

The department's *Risk Management Policy and Framework* (the framework) provides guidance to staff on engaging with risk. The framework, including risk appetite and tolerance statements, provides guidance on the level of risk the department is willing to accept or retain to achieve our purposes, outcomes and responsibilities. The framework was 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 our people are required to undertake an introduction to risk management training via eLearning. Further tailored risk training was delivered to interested staff in 2023–24.

18 Available at: www.infrastructure.gov.au/about-us/corporate-reporting

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 and Corruption Control Plan aligns with section 10 of the *Public Governance, Performance and Accountability (PGPA) Rule 2014*. The Plan was updated in 2023–24 to align with the 2024 Commonwealth Fraud and Corruption Control Framework and the launch of the National Anti-Corruption Commission (NACC). All of our people are required to undertake fraud awareness training via eLearning.

The NACC was established and came into effect on 1 July 2023, under the *National Anti-Corruption Act 2022* (NACC Act). The NACC operates independently of government and has a broad jurisdiction to investigate serious or systemic corruption across the federal public sector, including corruption that occurred before its establishment. The department has NACC arrangements in place and will continue to comply with our obligations under the legislation. All officials have a crucial role in reducing the department's exposure to corruption.

Staff or members of the public can report suspected fraudulent or corrupt conduct to the department's dedicated fraud tip-off number, through iReport, to the department's fraud control mailbox¹⁹, or by writing to the Director, Risk Section or Assistant Secretary, Assurance, Integrity, Risk and Governance Branch.

Staff are also able to report suspected fraudulent or corrupt conduct by making a Public Interest Disclosure (PID).

Compliance reporting

There were no significant issues reported to ministers under section 19(1)(e) of the PGPA Act that relates to non-compliance with finance law and action taken to remedy non-compliance in 2023–24.

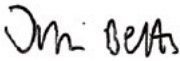
As part of our commitment to child safety, the department publishes an annual statement of our compliance with the *Commonwealth Child Safe Framework*, outlining the risk profile of our work and our progress in implementing continuous improvement initiatives to our child safety practices. The department's annual statement is available at www.infrastructure.gov.au/about-us/corporate-reporting/our-commitment-child-safety.

19 fraudcontrol@infrastructure.gov.au

Certification of the departmental fraud control arrangements

In accordance with sections 10 and 17AG of the *Public Governance, Performance and Accountability Rule 2014*, I, Jim Betts, certify that the Department of Infrastructure, Transport, Regional Development, Communications and the Arts has:

- > prepared fraud risk assessments and fraud control plans
- > in place appropriate fraud prevention, detection, investigation, and reporting mechanisms that meet the specific needs of the department
- > taken all reasonable measures to appropriately deal with fraud relating to the department.



Jim Betts

27 September 2024

Internal audit

Internal Audit supports the department in achieving its objectives by assessing and improving the effectiveness of the department's governance, risk management and control processes.

An internal audit work program is developed annually using a risk-based approach. The work program is reviewed and endorsed by the department's Enabling Committee and Audit and Risk Committee, before being approved by the Secretary.

Internal audits are delivered through a co-sourced model with both in-house staff and external providers.

The Audit and Risk Committee monitors the progress of the work program throughout the year. This includes endorsing the 'closure' of agreed recommendations from completed audits once the underlying risk has been appropriately mitigated.

Internal audits completed and endorsed by the Audit and Risk Committee in 2023–24:

- > Work, Health and Safety within Territories (September 2023)
- > Effectiveness of Payroll Controls (September 2023)
- > Administration of the National Partnership Agreement (September 2023)
- > Project Management Office IT Project Delivery (September 2023)
- > Probity in Practice (December 2023)
- > Information and Communication Technology (ICT) Service Management (December 2023)
- > Northern Australian Investments and Projects Branch Governance and Oversight Arrangements of the Northern Australia Infrastructure Facility (December 2023).

Part 3.2: People Management

In 2023–24, the department’s leadership team and staff once again demonstrated commitment and drive in working to achieve our purposes. We have continued to build our capabilities and our strong and inclusive culture supports and encourages all staff to work to the best of their abilities to ensure we are delivering on behalf of Australians.

Developing people

Our focus in this financial year was to uplift workforce capability by aligning our efforts with the insights and recommendations of the Australian Public Service Commission (APSC) Capability Review²⁰ and the Department of Infrastructure, Transport, Regional Development, Communications and the Arts’ (the department’s) Strategic Workforce Plan 2024–2027. Through the principles in the department’s Learning Strategy 2021–2024 (the Learning Strategy), we aim to develop and retain a high-performing workforce that thrives in the department and Australian Public Service (APS).

In 2023–24, we:

- > offered 118 formal training opportunities across 29 different courses delivered online and face to face
- > upskilled 1,823 staff members in different topics such as leadership, procurement, cultural appreciation and writing for the APS
- > supported 2,107 staff to complete self-paced online training in areas such as digital formats, metadata, child safety, inclusion programs and core cultural learning
- > supported 6 staff members to undertake a Graduate Certificate in Public Policy and Finance through the Secretary’s Scholarship Program.

We are currently developing the department’s Learning Strategy 2025–2028 to ensure our learning objectives and focus remain fit for purpose and aligned with our strategic requirements and the APS *Learning and Development Strategy*. As part of the One APS initiative, the department has adopted the following mandatory courses from the APS Academy for staff members to complete annually:

- > APS Essentials — Integrity in the APS
- > APS Essentials — Work Health & Safety
- > APS Essentials — Privacy Awareness
- > APS Essentials — Records Management
- > APS Essentials — Security Awareness.

We are also refreshing the department’s Induction Program. In the future this program will provide a smoother and more robust onboarding process for our new starters.

20 For more information on the APSC Capability Review refer to Part 3.4: External Scrutiny.

People performance framework

The department's performance framework, THRIVE@Work complements the department's values and Learning Strategy, and promotes 3 core objectives: ongoing future-focused conversations, enabling our people to adapt and succeed into the future, and working together on the department's priorities to make a difference.

An evaluation of the THRIVE@Work framework was undertaken in early 2023–24. Staff feedback was used to inform improvement of staff experience and participation, with a focus on how to have valuable performance conversations, identifying challenges and providing useful resources for staff and managers. This has resulted in a 9.5% increase in participation from the previous years end of cycle from 79% in 2022–23 to 88.5% completion in 2023–24. Ongoing feedback from employees continues to be evaluated and implemented. Engagement with the THRIVE@Work learning sessions remains consistent, with 15 sessions delivered to a total of 334 attendees.

In 2023, the APSC released the Senior Executive Service (SES) *Performance Leadership Framework* (the framework) in response to Priority One of the APS Reform Agenda. The framework is mandatory for all agencies and must be implemented by 2025. Preparation to implement the framework occurred throughout 2023–24, and has been launched for the 2024–25 performance cycle from 1 June 2024.

Diversity and inclusion

The department has a Diversity and Inclusion Committee, SES Diversity Champions and 6 staff-led diversity networks:

- > First Nations Network
- > Disability, Neurodiversity and Allies Network
- > Cultural and Linguistically Diverse Network
- > Gender Equality Network
- > Pride and Allies Network
- > Mental Health and Wellbeing Network.

We are members of external organisations such as Pride in Diversity, the Diversity Council of Australia and the Australian Disability Network.

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*.

Disability reporting

We are committed to ensuring inclusivity and accessibility for people with disability, and are guided by key frameworks and legislative obligations. In alignment with Australia's *Disability Strategy 2021–2031*, we report on our efforts to create inclusive environments and accessible services. Under the *Disability Discrimination Act 1992*, we are also committed to preventing discrimination and providing workplace adjustments for people with disability.

Through the *APS Disability Employment Strategy 2020–2025*, we track our progress in increasing employment opportunities for people with disability, including setting targets and fostering an inclusive workplace culture.

We are working to enhance our digital accessibility, with adherence to the *Digital Service Standard*, and ensuring compliance with the latest version of the *Web Content Accessibility Guidelines* and the *Digital Inclusion Standard*. We use these standards to guide our ongoing efforts to make digital services accessible to all.

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

Accessibility Report

In 2023–24, we conducted an accessibility project to assess the effectiveness of the department’s accessibility supports and services, and identify areas for improvement. This project comprised a review of departmental practices and documentation, and in-depth consultation with Corporate Group business areas, the Disability, Neurodiversity and Allies Network, and external stakeholders.

The final report was endorsed in June 2024, and the department is now progressing to implementation of recommendations.

Our values, integrity and ethical behaviour

The department is committed to a high performing workforce which follows standards including:

- > the APS Code of Conduct
- > the APS Values
- > the APS Employment Principles
- > those given in the *Public Governance, Performance and Accountability Act 2013*
- > our values.

Our values identify the skills, capabilities, characteristics and behaviours that are valued across our department. Our 5 values encapsulate the behaviours and professional capabilities needed for our success:



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



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



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



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

The department is undertaking a review of our values, in consultation with staff. The review should be completed in late-2024. Any changes to our values will be published on the department's website at www.infrastructure.gov.au/about-us.

We follow standards to comply with the law and Australian Government policy and to give confidence in the way we work to achieve objectives.

As APS employees we have an ongoing obligation to understand and behave at all times in accordance with related legislation and policies.

The department has adopted the APSC's definition of integrity in the APS as, **'the pursuit of high standards of professionalism, which in turn means doing the right thing at the right time to deliver the best outcomes for Australia sought by the government of the day'**.

The department's *Integrity Strategy 2022–2024*, which includes our *Integrity Framework*, engages and empowers our staff, through knowledge and accountability, to consider integrity and risk on a daily basis, while undertaking all departmental business activities.

The department aims to attain an optimised level of integrity maturity and, through promotion of the department's pro integrity culture, staff will uphold the highest level of ethical standards as normal practice.

Staff have the opportunity to participate in integrity initiatives throughout the year, including an integrity week, supporting the pro-integrity culture.

In addition, the department has an eLearning program with mandatory modules that all staff must complete annually. Each module has been designed to increase understanding of our ethical obligations, responsibilities and duties.

In 2023–24, we conducted our annual formal declaration of personal interests process for all SES employees and Executive Level 2 employees. For the first time, the department elected to make it mandatory for all SES and Executive Level 2 employees to complete an annual declaration of interests. Previously only SES employees and identified non-SES employees were required to complete a declaration. Moving forward, future annual declarations will have mandatory requirements to include identified positions across the Executive Level 1 and APS cohorts. 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).

Employment arrangements

The department's employment arrangement practices are consistent with the Public Sector Workplace Relations Policy 2023, the *Fair Work Act 2009* and the *Public Service Act 1999*. Information on employment arrangements are outlined below.

Enterprise agreement

Following a successful staff ballot process, conducted in March 2024, the *Department of Infrastructure, Transport, Regional Development, Communications and the Arts Enterprise Agreement — 2024* (the Agreement) came into operation on 3 April 2024, with a nominal expiry date of 28 February 2027.

Of the 84% of staff who participated in the vote, 94.5% voted to accept the Agreement.

In line with the Australian Government's Public Sector Workplace Relations Policy 2023, the Agreement incorporates common conditions that apply across the APS.

The Agreement covers all employees in the department employed under the *Public Service Act 1999*, other than SES employees or equivalent.

The department is currently updating the over 65 employment policies, procedures and guidelines (EPs) to reflect the changes and improvements to employment conditions.

The changes to the EPs are being conducted through a consultation process with all staff and union delegates. The consultation process opened on 3 June 2024 and will continue for around 12 months. The existing EPs remain in effect until the updated versions are finalised.

Non-salary benefits provided to staff

The department provides staff 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.

Refer to Appendix D: Workforce Statistics (Table D.15) for more information on non-salary benefits.

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 Senior Executive Remuneration and Performance Policy is designed to position the department competitively in the labour 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 Australian Public Service Remuneration Report.

SES employees received:

- > a 4% wage increase on 14 March 2024 consistent with the Public Sector Interim Workplace Arrangements 2022
- > a re-alignment lump sum payment equating to the payment the SES would have received had they received the 4% wage increase on 13 October 2023
- > consistent with public sector workplace relations policy and pay increases received by staff across the department, a one-off payment of 0.92% of base salary following the successful outcome of the department's Enterprise Agreement.

Refer to Appendix D: Workforce Statistics (Tables D.12 to D.14) for present remuneration information for key management personnel, senior executives and other highly paid employees.

Part 3.3: Financial Management

Assets

The department is responsible for managing \$1.19 billion in non-financial assets, including right-of-use assets recognised under the Australian Accounting Standard for Leases, and assets recognised in the Departmental financial statements and 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 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
- > memorials, reserves and temples on Christmas Island
- > historic aircraft
- > phosphate mining lease rights on Christmas Island.

In line with the department's asset accounting policy and revaluation schedule, an independent valuer undertook a revaluation of administered land and conducted a materiality review of the remaining asset classes during the 2023–24 financial year. As a result of the materiality review, administered buildings, heritage and infrastructure assets were also subject to a full revaluation during 2023–24.

During the 2023–24 financial year, the department conducted a risk-based annual stocktake to ensure assets owned and controlled by the department were accurately recorded in the asset register. The department's assets management processes were effective in 2023–24.

Purchasing

The department's procurement policies and processes during 2023–24 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 2023–24 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 2023–24 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.²¹

During 2023–24, 73 new reportable consultancy contracts were entered into involving total actual expenditure of \$11.3 million. In addition, 65 ongoing reportable consultancy contracts were active during the period, involving total actual expenditure of \$10.2 million.

The main categories under which consultants were engaged, are:

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

Table 3.3.1: Reportable consultancy contracts 2023–24

	Number	Expenditure \$,000 (GST inc.)
New contracts entered into during the reporting period	73	11,274
Ongoing contracts entered into during a previous reporting period	65	10,231
Total	138	21,505

Table 3.3.2: Top five consultancy suppliers (by total expenditure value) 2023–24

Name of organisation	Organisation ABN	Expenditure \$,000 (GST inc.)	Proportion of 2023–24 total spend
Jacobs Group (Australia) Pty Ltd	37 001 024 095	3,458	16.08%
Turner & Townsend Pty Ltd	84 115 688 830	2,025	9.42%
Aecom Australia Pty Ltd	20 093 846 925	1,574	7.32%
Callida Pty Ltd	40 154 007 664	1,258	5.85%
Aurecon Australasia Pty Ltd	54 005 139 873	1,151	5.35%

21 Available at: www.tenders.gov.au

Non-consultancy contracts

Decisions to enter into arrangements for the purchase of goods and services during 2023–24 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 2023–24, 822 new non-consultancy contracts were entered involving total actual expenditure of \$86.3 million. In addition, 542 ongoing non-consultancy contracts were active during the period, involving total actual expenditure of \$536.1 million.

Table 3.3.3: Reportable non-consultancy contracts 2023–24

	Number	Expenditure \$,000 (GST inc.)
New contracts entered into during the reporting period	822	86,250
Ongoing contracts entered into during a previous reporting period	542	536,095
Total	1,364	622,345

Table 3.3.4: Top five non-consultancy suppliers (by total expenditure value) 2023–24

Name of organisation	Organisation ABN	Expenditure \$,000 (GST inc.)	Proportion of 2023–24 total spend
Telstra Limited	64 086 147 781	323,291	51.95%
Linx Stevedoring Pty Ltd	82 000 013 838	23,895	3.84%
Concentrix Services Pty Ltd	63 166 171 991	18,573	2.98%
Mediabrand Australia Pty Ltd	19 002 966 001	13,481	2.17%
Data#3 Ltd	31 010 545 267	13,263	2.13%

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

The department supports small business participation in the Commonwealth Government procurement market. Small and medium enterprises and small enterprise participation statistics are available on the Department of Finance's website.²²

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 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. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury's website.²³

We support 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 2023–24 portfolio target for supporting Aboriginal and/or Torres Strait Islander businesses. Further details are available on the National Indigenous Australians Agency website.²⁴

Australian National Audit Office Access Clauses

No contracts of \$100,000 or more (inclusive of GST) were entered into during 2023–24 that did not provide for the Auditor-General to have access to the contractor's premises.

Exempt contracts

No contracts during 2023–24 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*.

22 Available at: www.finance.gov.au/government/procurement/statistics-australian-government-procurement-contracts-

23 Available at: www.treasury.gov.au/small-business/pay-time-survey-performance-reports

24 Available at: www.niaa.gov.au/our-work/employment-and-economic-development/indigenous-procurement-policy-ipp#ipp-dataresults

Grants

Information on grants awarded by the department during 2023–24 is available at www.grants.gov.au.

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 2023–24, our legal expenditure was:

- > \$7,285,929 for total external legal services expenditure
- > \$5,440,000 for total internal legal services expenditure.



Image: Legal proceeding concept with gavel, computer keyboard, notebook, pen with top view copy space — stock photo. Credit: Arijit Mondal, Getty

Part 3.4: External Scrutiny

Parliamentary scrutiny

During 2023–24, the department contributed to over 17 parliamentary committees of inquiry through submissions and by attending public hearings, including:

- > Senate Select Committee on Commonwealth Bilateral Air Service Agreements — Inquiry into Commonwealth Bilateral Air Services Agreements
- > Senate Environment and Communications References Committee — Inquiry into the Optus Network Outage
- > Joint Committee of Public Accounts and Audit — Inquiry into probity and ethics in the Australian Public Sector
- > Senate Rural and Regional Affairs and Transport References Committee — Inquiry into the impact and mitigation of aircraft noise
- > Senate Environment and Communications References Committee — Inquiry into the Middle Arm Industrial Precinct
- > House of Representatives Standing Committee on Communications and the Arts — Inquiry into the challenges and opportunities within the Australian live music industry.

The department responded to 97 inquiry questions on notice and processed 1,794 Senate Estimates questions on notice.

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

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

Judicial decisions, decisions of administrative tribunals and decisions by the Australian Information Commissioner

There were no judicial decisions, decisions of administrative tribunals or decisions of the Australian Information Commissioner that had a significant effect on the department in 2023–24.

Australian National Audit Office

In 2023–24, the Australian National Audit Office (ANAO) published 6 audit reports within the portfolio:

- > Audits of the Annual Performance Statements of Australian Government Entities — 2022–23 (cross-entity) report tabled February 2024, the department received a qualified audit conclusion
- > National Broadband Network — Transition from Construction to Operation report tabled May 2024, 3 recommendations were made to NBN Co Limited, all of which were Agreed in full

- > Award of Funding under the Mobile Black Spot Program report tabled May 2024, 3 recommendations were made to the department, 2 of which were *Agreed in full* and one was *Agreed in part*
- > Design of the Growing Regions Program (cross-entity) report tabled May 2024, 2 recommendations were made to the department, both of which were *Agreed in principle*
- > 2022–23 Aids to Navigation Maintenance Procurement report tabled June 2024, 4 recommendations were made to the Australian Maritime Safety Authority, all of which were *Agreed in full*
- > Compliance with Gifts, Benefits and Hospitality Requirements in the Australian Communications and Media Authority Report tabled June 2024, 3 recommendations were made to the Australian Communications and Media Authority, all of which were *Agreed in full*.

The audit reports which include the department's full response, are available on the Performance audit reports page on the ANAO's website²⁵ and the Annual performance statements audits page on the ANAO's website.²⁶

Reports by the Commonwealth Ombudsman

The department works with the Office of the Commonwealth Ombudsman (the Office) on complaints relating to the department's administrative activities. During 2023–24, the department received two preliminary enquires (section 7A of the Ombudsman Act 1976) and one investigation (section 8 of the Ombudsman Act 1976) from the Office.

Freedom of Information

In 2023–24, the department received 356 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). Details of the department's IPS can be found on our website at: www.infrastructure.gov.au/about-us/corporate-reporting/information-publication-scheme. This 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 at: www.infrastructure.gov.au/about-us/freedom-information/freedom-information-disclosure-log.

²⁵ Available at: www.anao.gov.au/pubs/performance-audit

²⁶ Available at: www.anao.gov.au/pubs/performance-statements-audit

Australian Public Service Commission (APSC) Capability Review

The Australian Government committed to a pilot Capability Review program as part of its plan for Australian Public Service Reform.

Capability reviews are independent, forward-looking and assess an agency's ability to meet future objectives and challenges. The aim of the review is to facilitate discussion around an organisation's desired future state, highlight organisational capability gaps and identify opportunities to address them.

The department process commenced from 15 March 2023, with the final APSC Capability Review Report (the Review) published on the APSC website²⁷ on 14 September 2023.

Staff engagement during the APSC Capability Review (the Review)

The Australian Public Service Commissioner (the APS Commissioner), Dr Gordon de Brouwer, stated in the Review's Foreword that staff engagement during the review was constructive, collaborative and positive. Staff saw the Review as an opportunity to capitalise on the department's strengths built over time, and to talk frankly about areas for development. The department's open and collaborative approach was seen by the APS Commissioner as a positive sign for change.

The Review received input from staff at all levels, as well as stakeholders across government and industry. This included input from 55 individual interviews and 100 participants in 7 staff workshops.

APSC Capability Review Report: findings

Regarding the agency's key strengths, the Review found that:

- > the department's work is critical to the economic and social well-being of the nation
- > staff feel rightly proud of the tangible difference they make to the lives of Australians every day
- > there are strong pockets of capability in all the nominated domains. This provides a strong foundation for the department to build on, by turning separate cases of good practice into a consistent operating standard across the organisation, and leveraging existing capability
- > the leadership team had already begun implementing purposeful integration to support cultural and behavioural change in areas like project management, integrity and risk, and embedding a customer-focus
- > the highest maturity rating could be applied to the quality of the department's staff engagement and experience. Staff feel valued and say their work is varied and interesting. They described the culture as warm and supportive.

The Review acknowledged that Machinery of Government changes and fiscal constraints over a period of time have had a negative impact on the department operating as a unified entity.

²⁷ Available at: www.apsc.gov.au/initiatives-and-programs/workforce-information/research-analysis-and-publications/capability-review-program/capability-review-department-infrastructure-transport-regional-development-communications-and-arts

The Review used a rating scale to measure capability and summarised the department's ratings against 5 domains: **Leadership and Culture; Collaboration; Delivery; People; and Resourcing and Risk**. Each domain was broken down into elements that were given individual ratings based on the department's maturity level in that capability.

A total of **39 actionable findings** were made in the review across the five domains. Overall, the Review rated many of the department's capabilities as 'developing' (20 of 24 elements), reflecting that the department is a diverse entity and, while there are pockets of excellence and new enterprise-wide initiatives, many are at a conceptual or developmental stage.

Agency Action Plan: APSC Capability Review Response (the Response)

The department acknowledged that we need to continue bringing the department together as one, to leverage the benefit of our scale and diversity, and to foster consistency and collaboration. It was also acknowledged that more could be done to be bold and ambitious in putting forward strategic advice, based on evidence, to inform innovation and reform across our diverse portfolio areas.

To support the development of a formal response, and to ensure that it was authentic, tangible and achievable, five working groups were formed by deputy secretaries, Senior Executive Service officers and staff, with each working group focused on 1 of 5 themes.

The **5 themes** correlated to the expected outcomes mapped against the desired future state:

- > We operate as **one enterprise** that is greater than the sum of its parts, guided by a strong purpose, a positive culture, high standards of integrity and appropriate resourcing.
- > Our corporate and enabling functions provide a **strong centre**, that deliver efficient and effective services that strengthen our accountability, governance and decision making, and strategic workforce planning.
- > Staff have access to **modern digital and data** systems and tools, and there is an increase in digital and data literacy through training, communication, and sharing of insights and best practice across government and industry.
- > **Collaboration** is an expected, valued and celebrated behaviour across all levels. We'll engage meaningfully with our staff, communities, industry, jurisdictions and our government colleagues, to leverage collective knowledge and co-design solutions.
- > We will confidently steward **strategic policy** advice across the portfolio, and be recognised as an employer of choice for aspiring and experienced policy professionals. Embedding diverse perspectives and a partnership approach in our policy processes will be standard business.

Between September and October 2023, the working groups identified the **15 prioritised actions** that were represented in the department's final Response.

The Response was endorsed by the department's Executive in November 2023 and was published on the APSC website²⁸ on 1 December 2023.

28 Available at: www.apsc.gov.au/initiatives-and-programs/workforce-information/research-analysis-and-publications/capability-review-program/capability-review-department-infrastructure-transport-regional-development-communications-and-arts

Where are we now: Capability Priorities Program

In January 2024, the Executive Leadership Team recognised alignment between the *APSC Capability Review Action Plan*, *Corporate Group Strategy 2023–27*, and the *2023 Census Action Plan*. An integrated enterprise-level program of work, the Capability Priorities Program was established to bring together these various action plans into a single, cohesive program.

Extensive engagement occurred over a 14-week period to understand work that was already completed, underway or planned, and to scope, prioritise and cost proposed new work.

As of May 2024, the department has **already delivered significant achievements that respond to the review findings**, including (but not limited to):

One Enterprise

- > finalisation of a departmental functional review
- > significant records migration to the new departmental records management system.

Strong Centre

- > establishing a new Change Management Office
- > strengthened emergency management processes
- > finalisation of the *2023–27 Corporate Group Strategy*
- > publication of the *2024–27 Strategic Workforce Plan*
- > establishing a new Diversity, Equity and Inclusion section to foster a culture of belonging
- > launch of a new performance framework to ensure performance measures meet PGPA Act and PGPA Rule
- > delivering new governance procedures for departmental projects and programs.

Modern Digital and Data Capability

- > delivering an Information Technology Roadmap, including a Generative Artificial Intelligence awareness program, cyber awareness program, replacing Skype with Webex, cloud modernisation, and consolidating two departmental networks into one
- > establishing a new Data Community of Practice (CoP), with over 100 staff members currently participating
- > delivering a data governance framework.

Collaboration as an ongoing priority

- > broadening our footprint outside Canberra (increasing our geographic presence across multiple state offices)
- > establishing a new Corporate Liaison Network and Integrated Services Engagement section.

Strategic Policy Capability

- > publication of a new evaluation strategy
- > increased engagement with state and territory colleagues and other government departments via infrastructure roadshows, graduate-level policy training workshops, CoP engagements, and evaluation presentations and workshops.

Where to next?

As we move into the new financial year (2024–25), the department will continue to prioritise the actions identified in our *Capability Review Response and Agency Action Plan* through the implementation of initiatives of the Capabilities Priorities Program.



Image: Road Transport, Henry Roland Park, Canberra. Credit: DITRDCA



Image: A train at high dusk. Indooroopilly, Queensland, Australia. Credit: Wenyi Liu, Getty Images.

Part 4

Financial Statements

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2023–24 Financial Statements Preparation and Assurance Process

The department is required to prepare annual financial statements in accordance with section 42 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). The financial statements must comply with the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (PGPA Rule) and Australian Accounting Standards.

To support the preparation of quality financial statements, the department maintains good financial reporting practices throughout the year. This includes: the preparation of monthly accrual financial statements; monthly key reconciliations where anomalies are investigated and rectified as they are identified; monthly reporting to the Secretary and the Executive Leadership Team that includes an analysis of the financial position and the projected financial outcome at year-end; and a detailed mid-year budget review that provides an opportunity to revise the internal budget based on year-to-date actual performance.

Where the department is required to develop accounting estimates that require the exercise of professional judgement, the department has an established process to develop and produce reliable accounting estimates. The process includes assessing the risks of material misstatement, analysing the effect of uncertainty, engaging internal and/or external expertise as required, and documenting the approach to estimating the accounting estimate in an accounting position paper that is reviewed and endorsed at the appropriate level of management.

The 2023–24 financial statements have been prepared to align with the format outlined in the Department of Finance's *Primary Reporting Information Management Aid* (PRIMA).

The department's Audit and Risk Committee (ARC), as required under the PGPA Rule, has provided the Secretary, as the accountable authority, with independent advice on the preparation and review of the financial statements. The department's Financial Statements Sub-Committee, as a review and advisory committee, reported through ARC on the planning, management and finalisation of the annual financial statements.

The 2023–24 financial statements have been audited by the Australian National Audit Office (ANAO) in accordance with the ANAO Auditing Standards, which incorporate the *Australian Auditing Standards* made by the Australian Auditing and Assurance Standards Board.

For reference, the financial statements include colour coding:

- > grey shading — administered items (items managed by the department on behalf of the government)
- > blue shading — administered accounting policy
- > no shading — departmental items (resources controlled by the department) and accounting policy.



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 2024:

- (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 2024 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 2024 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 material accounting policy information 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 2024 the value of administered trade and other receivables for advances and loans was \$3,601 million.

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 2024;
- 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 received 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 - 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 requires 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:

- the estimated future cash flow of the

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;
-

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 the 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 statements disclosures relating to these financial instruments because the valuation models are based on unobservable market data.

As at 30 June 2024 the value of the investments recognised on the basis of discounted cashflows was:

- NBN Co Limited was \$20.6 billion;
 - Australian Rail Track Corporation was \$1.6 billion; and
 - Airservices Australia was \$0.59 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 made in note 4.1D to the financial statements to determine whether that 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



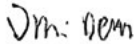
Carla Jago
Acting Deputy Auditor-General

Canberra
16 September 2024

**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 2024.

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

13 September 2024



Cha Jordanoski
Chief Financial Officer

13 September 2024

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS**
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2024

		2024	2023	Original Budget 2024
	Notes	\$'000	\$'000	\$'000
NET COST OF SERVICES				
Expenses				
Employee benefits	1.1A	302,170	267,309	291,822
Suppliers	1.1B	156,931	142,943	155,588
Grants and contributions	1.1C	3,355	5,580	2,200
Depreciation and amortisation	3.2A	45,753	42,222	36,910
Finance costs	1.1D	1,312	1,258	1,890
Write-down and impairment of assets	1.1E	13,858	7,015	-
Total expenses		523,379	466,327	488,410
Own-source income				
Own-source revenue				
Revenue from contracts with customers	1.2A	4,610	3,569	3,161
Rental income	1.2B	5,682	5,711	5,634
Other revenue	1.2C	3,412	2,720	7,082
Total own-source revenue		13,704	12,000	15,877
Gains				
Other gains	1.2D	293	10	-
Total gains		293	10	-
Total own-source income		13,997	12,010	15,877
Net cost of services		509,382	454,317	472,533
Revenue from Government	1.2E	461,328	428,356	455,618
(Deficit) on continuing operations		(48,054)	(25,961)	(16,915)
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassification to net cost of services				
Changes in asset revaluation reserve		-	10,828	-
Total other comprehensive income		-	10,828	-
Total comprehensive (loss)		(48,054)	(15,133)	(16,915)

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 2024**

		2024	2023	Original Budget 2024
	Notes	\$'000	\$'000	\$'000
ASSETS				
Financial assets				
Cash and cash equivalents	3.1A	13,074	18,360	18,384
Trade and other receivables	3.1B	157,039	149,606	143,509
Accrued revenue		1,028	2,978	3,431
Total financial assets		171,141	170,944	165,324
Non-financial assets¹				
Buildings	3.2A	86,907	106,348	68,941
Heritage and cultural	3.2A	43,691	43,038	42,232
Property, plant and equipment	3.2A	15,442	20,264	15,376
Intangibles	3.2A	47,956	59,038	86,062
Other non-financial assets	3.2C	13,872	10,052	7,317
Total non-financial assets		207,868	238,740	219,928
Total assets		379,009	409,684	385,252
LIABILITIES				
Payables				
Suppliers	3.3A	28,096	25,017	28,166
Other payables	3.3B	12,075	13,992	11,764
Total payables		40,171	39,009	39,930
Interest bearing liabilities				
Leases	3.4A	74,533	87,075	60,712
Total interest bearing liabilities		74,533	87,075	60,712
Provisions				
Employee provisions	6.1A	82,938	76,870	73,461
Other provisions	3.5	725	700	631
Total provisions		83,663	77,570	74,092
Total liabilities		198,367	203,654	174,734
Net assets		180,642	206,030	210,518
EQUITY				
Contributed equity		67,943	45,277	67,143
Retained surplus		55,264	103,318	96,768
Reserves		57,435	57,435	46,607
Total equity		180,642	206,030	210,518

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
for the year ended 30 June 2024

	2024	2023	Original Budget 2024
	\$'000	\$'000	\$'000
CONTRIBUTED EQUITY			
Opening balance as at 1 July	45,277	32,826	45,261
Transactions with owners			
Return of contributed equity ¹	-	(5)	-
Contributions by owners			
Departmental Capital Budget	22,666	12,456	21,882
Total transactions with owners	22,666	12,451	21,882
Closing balance as at 30 June	67,943	45,277	67,143
RETAINED SURPLUS			
Opening balance as at 1 July	103,318	129,279	113,488
Comprehensive income			
(Deficit) for the period	(48,054)	(25,961)	(16,720)
Total comprehensive (loss)	(48,054)	(25,961)	(16,720)
Closing balance as at 30 June	55,264	103,318	96,768
ASSET REVALUATION RESERVE			
Opening balance as at 1 July	57,435	46,607	46,607
Comprehensive income			
Other comprehensive income			
Changes in asset revaluation reserve			
Non-financial assets	-	10,828	-
Total comprehensive income	-	10,828	-
Closing balance as at 30 June	57,435	57,435	46,607

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS
STATEMENT OF CHANGES IN EQUITY**
for the year ended 30 June 2024

	2024	2023	Original Budget 2024
	\$'000	\$'000	\$'000
TOTAL EQUITY			
Opening balance			
Opening balance as at 1 July	206,030	208,712	205,356
Comprehensive income			
(Deficit) for the period	(48,054)	(25,961)	(16,720)
Changes in asset revaluation reserve			
Non-financial assets	-	10,828	-
Total comprehensive (loss)	(48,054)	(15,133)	(16,720)
Transactions with owners			
Return of contributed equity ¹	-	(5)	-
Contributions by owners			
Departmental Capital Budget	22,666	12,456	21,882
Total transactions with owners	22,666	12,451	21,882
Closing balance as at 30 June	180,642	206,030	210,518

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.

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS
CASH FLOW STATEMENT**
for the period ended 30 June 2024

	Notes	2024 \$'000	2023 \$'000	Original Budget 2024 \$'000
OPERATING ACTIVITIES				
Cash received				
Appropriations		487,839	460,342	438,763
Revenue from contracts with customers		6,123	4,604	8,795
Net GST received		16,110	16,560	15,402
Other		7,673	7,313	5,807
Total cash received		517,745	488,819	468,767
Cash used				
Employees		295,891	260,684	290,564
Suppliers and grants		180,941	165,653	156,384
Interest payments on lease liabilities		1,301	1,241	1,824
Section 74 receipts transferred to Official Public Account (OPA)		27,165	21,249	-
Total cash used		505,298	448,827	448,772
Net cash from operating activities		12,447	39,992	19,995
INVESTING ACTIVITIES				
Cash used				
Purchase of buildings		2,715	2,539	491
Purchase of property, plant and equipment		2,584	5,331	3,109
Purchase of intangibles		9,378	20,302	18,282
Total cash used		14,677	28,172	21,882
Net cash (used by) investing activities		(14,677)	(28,172)	(21,882)
FINANCING ACTIVITIES				
Cash received				
Departmental Capital Budget		22,666	12,519	21,882
Total cash received		22,666	12,519	21,882
Cash used				
Principal payments of lease liabilities		25,722	23,318	19,995
Total cash used		25,722	23,318	19,995
Net cash from/(used by) financing activities		(3,056)	(10,799)	1,887
Net increase/ (decrease) in cash held		(5,286)	1,021	-
Cash and cash equivalents at the beginning of the reporting period		18,360	17,339	18,384
Cash and cash equivalents at the end of the reporting period	3.1A	13,074	18,360	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 2024

Explanations of Major Departmental Budget Variances

The table below provides explanations for significant variances between the departmental budget estimates, as published in the 2023–24 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 in grants and contributions is primarily due to a transfer of appropriation to administered within the Public Telecommunications Services Special Account and grants paid to state museums.
Depreciation and amortisation (Statement of Comprehensive Income)	The increase of \$8.8 million in depreciation and amortisation expense is due to prior year revaluation and new or renewed right of use leases. Other adjustments were driven from impairment of assets during the financial year.
Revenue from contracts with customers (Statement of Comprehensive Income) Accrued revenue (Statement of Financial Position)	The increase of \$1.4 million in revenue from contracts with customers and the increase of \$2.4 million in accrued revenue is due to a higher number of secondees and revenue from cost recovery activities.
Other revenue (Statement of Comprehensive Income)	The decrease of \$3.7 million in other revenue is due to lower than expected annual contributions into special accounts.
Cash and cash equivalents (Statement of Financial Position)	The decrease of \$5.3 million is due to timing of drawdowns on 30 June 2024. A float of \$10.0 million is maintained throughout the year to service the operations of the department.
Buildings (Statement of Financial Position) Leases (Statement of Financial Position)	The increase of \$18.0 million in buildings and an increase of \$13.8 million in lease liability is primarily due to the recognition of new accommodation leases and renewal of existing arrangements.
Intangibles (Statement of Financial Position)	The decrease of \$38.1 million in intangibles is due to delays in projects and higher write-down and impairments.
Other non-financial assets (Statement of Financial Position)	The increase of \$6.6 million in other non-financial assets is due to the timing of prepayments relating to grant administration and information technology expenses.
Employee provisions (Statement of Financial Position)	The increase of \$9.5 million is due to an increase in staffing levels and an increase in salaries due to the commencement of the 2024 Enterprise Agreement.

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS
ADMINISTERED SCHEDULE OF COMPREHENSIVE INCOME**
for the period ended 30 June 2024

		2024	2023	Original Budget 2024
	Notes	\$'000	\$'000	\$'000
NET COST OF SERVICES				
Expenses				
Employee benefits	2.1A	17,621	17,255	17,284
Suppliers	2.1B	624,190	583,413	571,567
Subsidies	2.1C	1,104,734	1,080,866	1,083,371
Grants	2.1D	5,375,012	6,338,496	6,271,401
Depreciation and amortisation	4.2A	56,079	56,829	47,750
Impairment loss on financial instruments	4.1C	145,682	174,970	-
Write-down and impairment of assets	2.1E	10,973	2,761	32,025
Payments to corporate Commonwealth entities	2.1F	2,348,422	2,156,760	2,318,742
Concessional loans		6,222	54,092	429,702
Other expenses	2.1G	31,049	13,346	8,040
Total expenses		9,719,984	10,478,788	10,779,882
Income				
Revenue				
Taxation revenue				
Taxes	2.2A	29,180	31,658	27,307
Total taxation revenue		29,180	31,658	27,307
Non-taxation revenue				
Revenue from contracts with customers	2.2B	50,309	48,443	52,995
Levies, fees and fines	2.2C	143,091	151,925	184,551
Interest	2.2D	419,410	382,151	375,886
Dividends	2.2E	-	21,805	-
Rental income	2.2F	4,415	4,412	4,525
Other revenue	2.2G	12,298	14,781	96,881
Total non-taxation revenue		629,523	623,517	714,838
Total revenue		658,703	655,175	742,145
Gains				
Gains from sale of assets		115	8	-
Other gains	2.2H	-	6,151	-
Total gains		115	6,159	-
Total income		658,818	661,334	742,145
Net cost of services		(9,061,166)	(9,817,454)	(10,037,737)
(Deficit)		(9,061,166)	(9,817,454)	(10,037,737)
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassification to net cost of services				
Changes in asset revaluation reserve		(331,346)	(2,740,596)	-
Total other comprehensive (loss)		(331,346)	(2,740,596)	-
Total comprehensive (loss)		(9,392,512)	(12,558,050)	(10,037,737)

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 2024

		2024	2023	Original Budget 2024
	Notes	\$'000	\$'000	\$'000
ASSETS				
Financial assets				
Cash and cash equivalents	4.1A	57,250	65,176	50,039
Trade and other receivables	4.1B	3,601,236	8,635,934	4,095,935
Investments	4.1D	41,640,684	39,254,275	45,800,044
Total financial assets		45,299,170	47,955,385	49,946,018
Non-financial assets				
Land and buildings	4.2A	225,620	213,510	189,665
Heritage and cultural	4.2A	191,963	184,866	181,810
Property, plant and equipment	4.2A	486,814	469,756	581,928
Intangibles	4.2A	70,313	69,975	81,981
Inventories	4.2B	3,097	3,074	3,067
Prepayments		3,605	3,305	3,311
Total non-financial assets		981,412	944,486	1,041,762
Total assets administered on behalf of Government		46,280,582	48,899,871	50,987,780
LIABILITIES				
Payables				
Suppliers	4.3A	363,048	351,784	338,558
Subsidies	4.3B	15,058	12,729	39,744
Grants	4.3C	147,821	178,774	147,303
Other payables	4.3D	5,244	6,329	5,008
Total payables		531,171	549,616	530,613
Provisions				
Employee provisions	6.1B	3,934	3,623	3,907
Loan commitment provision		54,815	171,237	319,787
Other provisions	4.4	930,972	877,127	877,377
Total provisions		989,721	1,051,987	1,201,071
Total liabilities administered on behalf of Government		1,520,892	1,601,603	1,731,684
Net assets		44,759,690	47,298,268	49,256,096

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 2024

	Notes	2024 \$'000	2023 \$'000
Opening assets less liabilities as at 1 July		47,298,268	47,225,742
Net (cost of)/contribution by services			
Income		658,818	661,334
Expenses			
Payments to entities other than corporate Commonwealth entities		(7,371,562)	(8,322,028)
Payments to corporate Commonwealth entities		(2,348,422)	(2,156,760)
Other comprehensive income			
Revaluations and impairments transferred to reserves - non-financial assets		60,597	(4,267)
Revaluations transferred to reserves - investments		(391,943)	(2,736,329)
Transfers (to)/from Australian Government			
Appropriation transfers from Official Public Account (OPA)			
Administered asset and liabilities appropriations			
Other administered asset and liabilities appropriations		2,800,707	3,454,400
Annual appropriations			
Payments to entities other than corporate Commonwealth entities		2,911,740	2,825,168
Payments to corporate Commonwealth entities		2,348,422	2,160,653
GST		96,510	104,722
Special appropriations (limited)			
Northern Australia Infrastructure Facility		596,032	584,976
Special appropriations (unlimited)			
Payments to corporate Commonwealth entities		260,088	256,810
Refund of administered receipts - section 77 PGPA Act		831	455
Protection of the Sea Pollution Compensation Fund		688	2
Special appropriations - Financial Assistance Grants		2,920,572	3,896,008
Funds provided from related entity to the Public Interest Telecommunications Services Special Account		209,014	217,797
Regional Broadband Scheme			
Funds provided from related entity to the Regional Broadband Scheme Special Account		25,262	23,620
Settlement of provision ¹		777,592	714,296
Appropriation transfers to OPA			
Transfers to OPA		(566,232)	(652,218)
Airservices Australia capital return		-	(52,500)
Transfers to OPA non-cash		(688)	(2)
Repayments of loans		(5,526,604)	(903,611)
Closing assets less liabilities as at 30 June		44,759,690	47,298,268

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS
ADMINISTERED RECONCILIATION SCHEDULE
for the period ended 30 June 2024**

¹ As at 30 June 2023, NBN Co was the only eligible funding recipient for the Regional Broadband Scheme (the scheme) and its entitlement under the scheme was \$802.9 million in subsidies, for the period 1 July 2022 to 30 June 2023. NBN Co applied for a charge offset certificate in March 2024 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 2022 to 30 June 2023. A total of \$25.3 million remained owing to NBN Co and was subsequently paid in May 2024. 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 2024

	2024	2023
Notes	\$'000	\$'000
OPERATING ACTIVITIES		
Cash received		
Revenue from contracts with customers	48,685	47,665
Fees and fines	143,233	151,133
Interest	44	25
Dividends	-	21,805
Rental income	2,879	2,887
Royalties	2,162	1,587
Net GST received	97,204	159,193
Other taxes	29,180	31,658
Other revenue	10,141	17,092
Total cash received	333,528	433,045
Cash used		
Employees	17,275	17,455
Grants	5,405,965	6,304,941
Subsidies	292,402	312,531
Suppliers	710,152	673,353
Payments to corporate Commonwealth entities	2,348,422	2,160,653
Other expenses	8,681	9,610
Total cash used	8,782,897	9,478,543
Net cash (used by) operating activities	(8,449,369)	(9,045,498)
INVESTING ACTIVITIES		
Cash received		
Repayments of loans	5,526,604	903,611
Interest	256,387	244,977
Proceeds from return of equity by corporate Commonwealth entities	-	52,500
Total cash received	5,782,991	1,201,088
Cash used		
Advances and loans made	596,032	584,976
Investments	2,778,352	3,441,242
Purchase of property, plant and equipment	37,951	23,322
Purchase of land and buildings	2,690	1,547
Purchase of heritage and cultural assets	1,296	1,631
Purchase of intangibles - Biodiversity offset credits	1,569	4,015
Total cash used	3,417,890	4,056,733
Net cash from/(used by) investing activities	2,365,101	(2,855,645)

**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT,
COMMUNICATIONS AND THE ARTS**
ADMINISTERED CASH FLOW STATEMENT
for the period ended 30 June 2024

	Notes	2024 \$'000	2023 \$'000
FINANCING ACTIVITIES			
Cash received			
Funds provided from related entity to the Public Interest Telecommunications Services Special Account		209,014	217,797
Funds provided from related entity to the Regional Broadband Scheme Special Account		25,262	23,620
Total cash received		234,276	241,417
Net cash from financing activities		234,276	241,417
Net decrease in cash held		(5,849,992)	(11,659,726)
Cash and cash equivalents at the beginning of the reporting period		65,176	50,039
Cash from Official Public Account			
Appropriations		11,338,870	12,698,216
Advances and loans made		596,032	584,976
Total cash from Official Public Account		11,934,902	13,283,192
Cash to Official Public Account			
Appropriations		(566,232)	(704,718)
Repayments of loans		(5,526,604)	(903,611)
Total cash to Official Public Account		(6,092,836)	(1,608,329)
Cash and cash equivalents at the end of the reporting period	4.1A	57,250	65,176

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 2024

Explanations of Major Administered Budget Variances

The table below provides explanations for significant variances between the administered budget estimates, as published in the 2023–24 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 (Administered Schedule of Comprehensive Income)	The decrease of \$0.9 billion is due to a Government decision to bring forward a lower percentage of Financial Assistance grant program payments to 2023–24 (\$0.3 billion) and delays in delivering regional development (\$0.3 billion) and communication service programs (\$0.3 billion).
Impairment loss on financial instruments (Administered Schedule of Comprehensive Income)	The variance is primarily due to higher than expected impairment of the Northern Australia Infrastructure Facility loans due to increased credit and exposure risks, as well as lower loan advances being made than originally anticipated.
Trade and other receivables (Administered Schedule of Assets and Liabilities)	
Concessional loans (Administered Schedule of Comprehensive Income),	The variance is due to lower new Northern Australia Infrastructure Facility loan commitments than originally anticipated.
Loan commitment provision (Administered Schedule of Assets and Liabilities)	

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

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**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 2020-1 and AASB 2023-3) have been adopted for the 2023–24 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 department’s financial statements.

Standard	Nature of change in accounting policy, transitional provisions, and adjustment to financial statements
<i>AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current</i>	<p>Amends AASB 101 <i>Presentation of Financial Statements</i> to clarify the classification of liabilities as either current or non-current. For example, a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period.</p> <p>AASB 2020-1 is applicable to annual reporting periods beginning on or after 1 January 2024.</p>
<i>AASB 2023-3 Amendments to Australian Accounting Standards – Disclosure of Non-current Liabilities with Covenants: Tier 2 (AASB 2023-3)</i>	<p>AASB 2023-3 amends the tier 2 reporting requirements in AASB 1060 to be consistent with the Tier 1 reporting requirements amended by AASB 2020-1 and AASB 2022-6. This includes:</p> <ul style="list-style-type: none"> (a) clarifying a liability is non-current if an entity has the right at reporting date to defer settlement of the liability for at least 12 months after the reporting date (b) clarifying the reference to settlement of a liability by the issue of equity instruments in classifying liabilities, and (c) require disclosure of information to help users understand the risk that non-current liabilities with covenants could become repayable within 12 months. <p>AASB 2023-3 applies to annual periods beginning on or after 1 January 2024.</p>

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

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.

Breach of Section 83 of the Constitution

Section 83 of the Constitution of the Commonwealth of Australia provides that no money shall be drawn from the Treasury of the Commonwealth except under an appropriation made by law. The department annually completes a risk assessment across its special appropriations and special accounts, and gives consideration to risk assessments relating to grant programs. In the normal course, the department has other controls in place to reduce the risk of non-compliance with section 83.

The department is conducting a review of the sources of constitutional and legislative authority for particular spending activities. The review is ongoing and has not been finalised as at the reporting date. Where appropriate to do so, the department will consider responses to mitigate any risks identified through this review.

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 2024.

1.1 Expenses

	2024	2023
	\$'000	\$'000
1.1A: Employee benefits		
Wages and salaries	228,828	197,420
Superannuation		
Defined contribution plans	26,435	22,069
Defined benefit plans	15,352	15,723
Leave and other entitlements	29,069	30,680
Separation and redundancies	857	693
Other employee expenses	1,629	724
Total employee benefits	302,170	267,309
1.1B: Suppliers		
Goods and services supplied or rendered		
Communications	5,099	3,856
Consultants	11,617	12,092
Contracted services	49,313	49,651
Contractors	26,727	25,070
Information technology services	19,395	13,227
Legal	5,585	4,229
Property operating costs	11,632	11,300
Training and conferences	5,039	4,485
Travel and accommodation	7,875	6,743
Other goods and services	12,518	10,438
Total goods and services supplied or rendered	154,800	141,091
Goods supplied	16,241	10,517
Services rendered	138,559	130,574
Total goods and services supplied or rendered	154,800	141,091
Other suppliers		
Short-term leases	386	381
Low value leases	227	308
Workers compensation expenses	1,518	1,163
Total other suppliers	2,131	1,852
Total suppliers	156,931	142,943
The department has no short-term lease commitments as at 30 June 2024 (2023: nil).		
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)	2,200	4,400
State and Territory Governments	427	282
Contributions to special accounts	718	869
Other	10	29
Total grants and contributions	3,355	5,580
1.1D: Finance costs		
Interest on lease liabilities	1,301	1,241
Unwinding of provision for restoration	11	17
Total finance costs	1,312	1,258

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

	2024	2023
	\$'000	\$'000
1.1E: Write-down and impairment of assets		
Leasehold improvements	21	-
Heritage and cultural assets	1	42
Property, plant and equipment	2,733	1,923
Intangible assets	11,063	4,995
Financial assets	40	55
Total write-down and impairment of assets	13,858	7,015

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 recognises shared accommodation arrangements for 10 or less work points as short-term or low value assets leases.

Grants and Subsidies

The department administers a number of grant and subsidy schemes on behalf of 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.

Finance costs

All borrowing costs are treated as an expense in the period in which they are incurred.

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

	2024	2023
	\$'000	\$'000
Own-Source Revenue		
<u>1.2A: Revenue from contracts with customers</u>		
Rendering of services	4,610	3,569
Total revenue from contracts with customers	4,610	3,569
Disaggregation of revenue from contracts with customers		
Corporate services	377	447
Cost recovery	2,885	1,694
Overseas projects	1,348	1,428
Total revenue from contracts with customers	4,610	3,569
<u>1.2B: Rental Income</u>		
Operating lease		
Lease income	1,996	2,223
Artwork	3,686	3,488
Total rental income	5,682	5,711
Operating Leases		
Maturity analysis of operating lease receivables		
Within 1 year	2,151	2,132
One to two years	2,225	2,204
Two to three years	2,303	2,277
Three to four years	1,083	2,303
Four to five years	-	1,083
Total undiscounted lease payments receivable	7,762	9,999
<u>1.2C: Other revenue</u>		
Resources received free of charge		
Remuneration of auditors	930	900
Seconded employees	400	197
Assets received free of charge	87	39
Special account contributions	1,134	1,272
Other	861	312
Total other revenue	3,412	2,720

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

	2024	2023
	\$'000	\$'000
1.2D: Other gains		
Sale of assets	267	-
Change in discount rate - provision for restoration	-	10
Foreign exchange gains - non-speculative	1	-
Other	25	-
Total other gains	293	10
1.2E: Revenue from Government		
Appropriations		
Departmental appropriations	461,328	428,356
Total revenue from Government	461,328	428,356

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.

Other revenue

Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

Other Gains

Sale of Assets

Gains from disposal of assets are recognised when control of the asset has passed to the buyer.

Foreign exchange gain.

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 in Montreal, Canada.

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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.

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

	2024	2023
	\$'000	\$'000
2.1A: Employee benefits		
Wages and salaries	12,642	13,083
Superannuation		
Defined contribution plans	1,843	1,746
Defined benefit plans	105	55
Leave and other entitlements	2,425	1,875
Other employee expenses	606	496
Total employee benefits	17,621	17,255
2.1B: Suppliers		
Goods and services supplied or rendered		
Advertising campaigns	16,188	319
Contracted services	-	8,068
Fuel and oil	15,398	14,323
Information, communication and technology	2,325	2,138
Medical supplies	6,555	4,166
Property and operating costs	7,159	6,555
Rail and road research	15,438	5,742
Repairs and maintenance	12,513	11,018
Royalty payments	26,619	23,221
Service delivery arrangements	130,445	127,559
Service fees	368,762	366,386
Travel and accommodation	527	351
Other goods and services	21,752	12,659
Total goods and services supplied or rendered	623,681	582,505
Goods supplied	21,953	18,489
Services rendered	601,728	564,016
Total goods and services supplied or rendered	623,681	582,505
Other suppliers		
Short-term leases	114	41
Workers compensation expenses	395	867
Total other suppliers	509	908
Total suppliers	624,190	583,413

The department has short-term lease commitments for residential and storage leases. There were no material commitments for these leases at 30 June 2024 (2023: nil).

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

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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 recognises shared accommodation arrangements for 10 or less work points as short-term or low value assets leases.

	2024	2023
	\$'000	\$'000
2.1C: Subsidies		
Subsidies in connection with		
Tasmanian Freight Equalisation Scheme	185,152	178,523
Bass Strait Passenger Vehicle Equalisation Scheme	58,272	59,165
Regional Broadband Scheme	835,265	817,103
Other subsidies	26,045	26,075
Total subsidies	1,104,734	1,080,866
2.1D: Grants		
Public sector		
Australian Government entities (related parties)	442,785	461,519
State and Territory Governments	2,882,462	3,996,980
Local Governments	1,118,651	828,929
Private sector		
Not-for-profit organisations	597,464	720,721
Commercial entities	330,003	327,848
Overseas	3,647	2,499
Total grants	5,375,012	6,338,496
Grants to State and Territory Governments include \$2.8 billion (2023: \$3.9 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	1,502	2,052
Heritage and cultural assets	375	-
Intangibles	437	-
Property, plant and equipment	8,659	709
Total write-down and impairment of assets	10,973	2,761

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	2024 \$'000	2023 \$'000
2.1F: Payments to corporate Commonwealth entities		
Australian Broadcasting Corporation	1,137,568	1,107,158
Australian Film, Television and Radio School	24,283	22,997
Australian Maritime Safety Authority	102,278	90,757
Australian National Maritime Museum	27,029	24,017
Civil Aviation Safety Authority	107,602	91,155
Creative Australia ¹	257,974	220,531
High Speed Rail Authority ²	29,231	-
Infrastructure Australia	12,961	12,524
National Film and Sound Archive of Australia	37,270	29,702
National Gallery of Australia	66,003	48,045
National Library of Australia	75,948	60,989
National Museum of Australia	53,768	50,912
National Portrait Gallery of Australia	18,648	12,615
National Transport Commission	7,033	4,777
Northern Australia Infrastructure Facility	21,295	20,681
Old Parliament House	21,702	15,261
Screen Australia	12,890	27,834
Special Broadcasting Service Corporation	334,939	316,805
Total payments to corporate Commonwealth entities	2,348,422	2,156,760

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

² The High Speed Rail Authority (HSRA) formally commenced operations on 13 June 2023 as a Corporate Commonwealth entity under the *High Speed Rail Authority Act 2022*.

Accounting Policy

Grants and Subsidies

The department administers a number of grant and subsidy schemes on behalf of 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	8,188	7,596
Prizes and awards	-	600
Contributions	937	1,105
Protection of the sea levy payment	688	2
Biodiversity offset credits	21,236	4,023
Other expenses	-	20
Total other expenses	31,049	13,346

Accounting Policy

Biodiversity Offset Credits

Accounting policies for biodiversity offset credits expenses are contained in the Other Provision section (Note 4.4).

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2.2 Administered – Income		
	2024	2023
	\$'000	\$'000
<u>2.2A: Taxes</u>		
Levies	2,633	1,399
Land tax equivalents	22,814	25,168
Other tax equivalents	3,733	5,091
Total taxes	29,180	31,658
<u>2.2B: Revenue from contracts with customers</u>		
Rendering of services	18,007	20,478
Regulatory and other fees	32,302	27,965
Total revenue from contracts with customers	50,309	48,443
Disaggregation of revenue from contracts with customers		
Major product / service line:		
Classification fees	2,315	2,916
Electricity services	9,258	10,411
Health services	189	405
Marine shipping and wharfage services	805	733
Plant and equipment hire	763	534
Water and sewerage services	4,677	5,479
Rendering of services	18,007	20,478
Airport Building Controllers	10,796	9,587
Airport Environment Officers	2,176	1,842
Motor Vehicle Standards	-	1,638
Road Vehicle Standards	16,132	11,811
Other fees	3,198	3,087
Regulatory and other fees	32,302	27,965
Total revenue from contracts with customers	50,309	48,443
<u>2.2C: Levies, fees and fines</u>		
Drone levies	702	891
Marine Navigation levies	94,292	95,313
Protection of the Sea levies	37,957	38,304
Levies from regulatory services	132,951	134,508
Loan fees	9,710	16,972
Fines	430	445
Total levies, fees and fines	143,091	151,925
<u>2.2D: Interest</u>		
Loan to NBN Co Limited	212,809	224,079
Other loans	154,130	114,225
Unwinding of discount - concessional loans	52,427	43,822
Other interest	44	25
Total interest	419,410	382,151

Accounting Policy

Interest revenue is recognised using the effective interest method.

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	2024	2023
	\$'000	\$'000
<u>2.2E: Dividends</u>		
Australian Postal Corporation	-	21,805
Total dividends	-	21,805
<u>2.2F: Rental income</u>		
Indefeasible Rights of Use	1,529	1,529
Other rental income	2,886	2,883
Total rental income	4,415	4,412

Lease disclosures should be read in conjunction with the accompanying Notes 2.1B 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

Return of unspent funding from prior year	4,661	9,356
Phosphate mine royalties	2,162	1,587
Contributions	1,796	869
Other revenue	1,031	2,206
Insurance recoveries	2,648	763
Total other revenue	12,298	14,781

2.2H: Other gains

Reversal of prior year expenses	-	6,151
Total other gains	-	6,151

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.

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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).

Loan fees revenue relates to the Northern Australia Infrastructure Facility loans.

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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

	2024	2023
	\$'000	\$'000
3.1A: Cash and cash equivalents		
Cash on hand or on deposit	5,237	10,310
Cash held in the OPA (special accounts)	7,413	7,535
Cash in special accounts	61	219
Other	363	296
Total cash and cash equivalents	13,074	18,360
3.1B: Trade and other receivables		
Goods and services receivables		
Contract assets	1,884	3,383
Total goods and services receivables	1,884	3,383
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.		
Appropriations receivable		
Existing programs	151,425	142,782
Total appropriations receivable	151,425	142,782
Other receivables		
GST receivable from the Australian Taxation Office	3,852	3,577
Other	80	58
Total other receivables	3,932	3,635
Total trade and other receivables (gross)	157,241	149,800
Less impairment loss allowance		
Contract assets	(202)	(194)
Total impairment loss allowance	(202)	(194)
Total trade and other receivables (net)	157,039	149,606

Credit terms for goods and services were within 30 days (2023: 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.

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3.2 Non-Financial Assets

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

	Intangibles					Total \$'000
	Buildings ¹ \$'000	Heritage and cultural ^{1,2} \$'000	Property, Plant and Equipment ¹ \$'000	Computer Software Internally Developed \$'000	Computer Software Purchased \$'000	
Reconciliation of the opening and closing balances of property, plant and equipment and intangibles for 2024						
As at 1 July 2023						
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 1 July 2023	106,348	43,038	20,264	58,844	194	228,688
As at 1 July 2023 - Opening balance adjustments						
Gross book value	(3,193)	(509)	(1,674)	(7,839)	(817)	(14,032)
Accumulated depreciation, amortisation and impairment	3,193	509	1,674	7,839	817	14,032
Total as at 1 July 2023 - Opening balance adjustments	-	-	-	-	-	-
Adjusted Total as at 1 July 2023	106,348	43,038	20,264	58,844	194	228,688
Additions						
Purchase	2,651	479	2,282	-	-	5,412
Internally developed	-	-	-	9,529	-	9,529
Right-of-use assets	6,477	-	55	-	-	6,532
Remeasurement of right-of-use assets	3,406	-	-	-	-	3,406
Impairments and write downs recognised in net cost of services	(21)	(1)	(2,732)	(11,037)	(27)	(13,818)
Depreciation and amortisation	(8,283)	(101)	(5,754)	(7,792)	(105)	(22,035)
Depreciation on right-of-use assets	(23,671)	-	(47)	-	-	(23,718)
Reclassifications	-	276	1,374	(1,650)	-	-
Total as at 30 June 2024	86,907	43,691	15,442	47,894	62	193,996
Total as at 30 June 2024 represented by						
Gross book value	208,166	43,905	22,302	83,574	5,012	362,959
Accumulated depreciation, amortisation and impairment	(121,259)	(214)	(6,860)	(35,680)	(4,950)	(168,963)
Total as at 30 June 2024	86,907	43,691	15,442	47,894	62	193,996
Carrying amounts of right-of-use assets	67,433	-	58	-	-	67,491

¹ These classes of assets are held at fair value except for those classified as right-of-use assets under AASB 16 Leases which are carried at cost.

² Land, buildings and other property, plant and equipment that met the definition of a heritage and cultural items were disclosed in the heritage and cultural asset class

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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, no revaluations of non-financial assets were conducted during 2023-24. An independent valuer conducted a materiality review of asset classes not subject to revaluation and confirmed there were no material differences between carrying values and fair values.

Impairment and write down of non-financial assets

An impairment and write down loss of \$13.8 million was recognised for all asset classes as at 30 June 2024 (2023: \$7.0 million). Recognition of impairment and write down adjustments is in accordance with the asset 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: (<https://www.artbank.gov.au/policy-information>). 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.

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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.

An assessment of useful lives was undertaken in 2023–24 which considered advice from an independent valuer. Indefinite lives are assigned where curatorial and preservation policies are in place and have been adopted by the department. It was determined the useful lives for all heritage and cultural assets (excluding the Vickers Vimy Aircraft) were to change from indefinite to definite lives. The change impact for 2023–24 was \$0.7 million.

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

	2024	2023
Buildings - Leasehold improvements	Lesser of useful life or lease term	Lesser of useful life or lease term
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 300 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 2024, 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 (2023: 1 to 9 years).

All software assets excluding nil net book values were assessed for indicators of impairment as at 30 June 2024.

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 valuer as at 30 June 2023. In 2023–24, the valuer confirmed there were no material differences between the carrying value and fair value at 30 June 2024. The next full comprehensive valuation will be undertaken during 2025–26.

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 valuer as at 30 June 2023. In 2023–24, the valuer confirmed there were no material differences between the carrying value and fair value at 30 June 2024. The next full comprehensive valuation will be undertaken during 2025–26.

Heritage and cultural assets

The fair value of heritage and cultural assets has been taken to be the market value or current replacement cost as determined by an independent valuer as at 30 June 2022. In 2023–24, the valuer confirmed there were no material differences between the carrying value and fair value at 30 June 2024. The next full comprehensive valuation will be undertaken during 2024–25.

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3.2B: Capital Commitments Acquisition

Contractual commitments for the acquisition of property, plant, equipment and intangible assets for 2024

	Within 1 year	Between 1 to 5 years
	\$'000	\$'000
Property, plant and equipment	627	-
Computer software internally developed	12,872	-
Total capital commitments	13,499	-

The above commitment amounts are GST exclusive.

	2024	2023
	\$'000	\$'000
3.2C: Other non-financial assets		
Prepayments	12,821	8,860
Operating lease rentals - sublease	809	880
Lease incentive - sublease	242	312
Total other non-financial assets	13,872	10,052

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

3.3 Payables

	2024	2023
	\$'000	\$'000
3.3A: Suppliers		
Trade creditors	2,150	1,415
Accrued expenses	25,946	23,602
Total suppliers	28,096	25,017

Settlement is usually made within 20 days (2023: 20 days).

3.3B: Other payables

Unearned revenue	2,916	4,885
Salaries and wages	7,116	6,708
Superannuation	1,141	987
Separations and redundancies	302	702
Other	600	710
Total other payables	12,075	13,992

Accounting Policy

Other Payables

Unearned revenue is primarily associated from contracts with customers on leased artworks. Timeframes for the satisfaction of performance obligations range from 1 to 12 months.

All other payables are expected to be settled within 12 months of the balance date.

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3.4 Interest Bearing Liabilities

	2024	2023
	\$'000	\$'000
3.4A: Leases		
Lease liabilities ¹	74,533	87,075
Total lease liabilities	74,533	87,075

Total cash outflow for leases for the year ended 30 June 2024 was \$25.7 million (2023: \$24.6 million).

Maturity analysis - contractual undiscounted cash flows

Within 1 year	26,571	24,752
Between 1 to 5 years	45,977	64,357
More than 5 years	5,112	34
Total leases	77,660	89,143

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 2023	638	62	700
Additional provisions made	-	14	14
Unwinding of discount or change in discount rate	11	-	11
Total as at 30 June 2024	649	76	725

The department has five agreements at 30 June 2024 (2023: 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.

Accounting Policy

Provision for Restoration Obligation

Where the department has a contractual obligation to undertake remedial work upon vacating leased properties, the estimated cost of that work is recognised as a liability. An equal value asset is created at the same time and amortised over the life of the lease of the underlying leasehold property.

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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

	2024	2023
	\$'000	\$'000
4.1A: Cash and cash equivalents		
Cash in special accounts	48,595	64,324
Cash on hand or on deposit	8,455	652
Other	200	200
Total cash and cash equivalents	57,250	65,176

The closing balance of cash in special accounts does not include amounts held in trust \$0.04 million (2023: \$0.04 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
NAIF loans	1,642,800	1,122,092
Commercial entities	2,256,250	2,161,457
State and Territory Governments	31,696	35,346
Total advances and loans	3,930,746	8,818,895

Other receivables

Contract assets	7,094	7,788
GST receivable from Australian Taxation Office	45,560	46,112
Other revenue	10	7
Total other receivables	52,664	53,907
Total trade and other receivables (gross)	3,983,410	8,872,802

Less impairment allowance

Loan to NBN Co Limited	-	(3,463)
NAIF loans	(380,543)	(232,647)
Commercial entities	(1,340)	(489)
Other receivables	(291)	(269)
Total impairment allowance	(382,174)	(236,868)
Total trade and other receivables (net)	3,601,236	8,635,934

Credit terms for goods and services were within 30 days (2023: 30 days). Refer Note 4.3A for information relating to contract liabilities.

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4.1C: Reconciliation of the impairment allowance

Movements in relation to 2024					
	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 2023	3,463	232,647	489	269	236,868
Amounts written off	-	-	-	(376)	(376)
Increase/(Decrease) recognised in net cost of services	(3,463)	147,896	851	398	145,682
Total as at 30 June 2024	-	380,543	1,340	291	382,174

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	2024	2023
	\$'000	\$'000
4.1D: Investments		
Investments accounted for using the net assets method		
Australian Government authorities		
Australian Broadcasting Corporation	1,169,716	1,171,921
Australian Film, Television and Radio School	9,401	11,074
Australian Maritime Safety Authority	225,904	220,465
Australian National Maritime Museum	292,727	290,765
Civil Aviation Safety Authority	133,209	106,245
Creative Australia ¹	32,339	17,150
High Speed Rail Authority ²	22,658	-
Infrastructure Australia	3,146	3,101
National Film and Sound Archive of Australia	442,631	424,716
National Gallery of Australia	7,505,234	7,468,479
National Library of Australia	1,649,350	1,557,347
National Museum of Australia	483,648	470,985
National Portrait Gallery of Australia	164,003	157,210
National Transport Commission	2,036	1,209
Northern Australia Infrastructure Facility	21,010	14,742
Old Parliament House	134,775	120,577
Screen Australia	14,458	14,733
Special Broadcasting Service Corporation	243,738	242,180
Total Australian Government authorities	12,549,983	12,292,899
Australian Government companies		
Australian Postal Corporation	2,356,000	1,539,200
Bundanon Trust	102,690	101,368
Creative Partnerships Australia ³	-	9,578
National Intermodal Corporation Limited	872,165	801,874
WSA Co Limited	2,954,682	2,496,655
Total Australian Government companies	6,285,537	4,948,675
Australian Government controlled entities		
Norfolk Island Health and Residential Aged Care Service	1,564	5,101
Total Investments accounted for using the net assets method	18,837,084	17,246,675
Investments accounted for using the discounted cash flow method		
Australia Government authorities		
Airservices Australia	588,500	722,400
Australian Government companies		
Australian Rail Track Corporation Limited	1,615,100	1,785,200
NBN Co Limited	20,600,000	19,500,000
Total Investments accounted for using the discounted cash flow method	22,803,600	22,007,600
Total Investments	41,640,684	39,254,275

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

² The High Speed Rail Authority (HSRA) formally commenced operations on 13 June 2023 as a Corporate Commonwealth entity under the *High Speed Rail Authority Act 2022*.

³ Creative Partnerships Australia transferred into Creative Australia on 1 July 2023.

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Accounting Policy

Loans and Receivables

Credit terms for goods and services were within 30 days (2023: 30 days).

Loans have been provided to States, Territories, Commercial Entities and Government Business Enterprises. The loans are made for a period ranging from 7 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 2024. 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. **Airservices Australia:** Airservices Australia is a corporate Commonwealth entity, responsible for providing facilities and services for the safety, regularity and efficiency of air navigation within Australian-administered airspace. This includes providing air traffic services, aviation rescue fire-fighting services, aeronautical information, radio navigation and telecommunications services.
2. **Australian Broadcasting Corporation (ABC):** The ABC is a national broadcaster and digital media provider. It is an integral part of the Australian media, providing radio, television and digital media services to all Australians, including independent news and information services. It offers programming that informs, educates and entertains, and contributes to and reflects Australia's national identity, including delivering such programming to overseas audiences. The ABC encourages cultural diversity, fosters public debate, engages directly with local communities, and nurtures and promotes the creative industries, music and the arts. In addition to its legislated obligations, the ABC also delivers emergency broadcasting services.
3. **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.
4. **Australian Maritime Safety Authority (AMSA):** AMSA is responsible for the maritime safety of international shipping and domestic commercial vessels, protection of the marine environment from ship-sourced pollution and other environmental damage caused by shipping, and search and rescue nationally.
5. **Australian National Maritime Museum (ANMM):** The ANMM is responsible for leading the promotion and conservation of Australia's maritime heritage and culture. This is done through: developing and sharing its collections, knowledge and expertise; motivating learning through research, educational programs and products; supporting community participation to retain Australia's maritime heritage; and exploring contemporary issues of public interest and maritime relevance.
6. **Australian Postal Corporation (Australia Post):** Australia Post is a Government Business Enterprise, wholly owned by the Australian Government. It provides a letter delivery service to all people in Australia, and a range of parcel, logistics and other services.
7. **Australian Rail Track Corporation Limited (ARTC):** The ARTC is a Government Business Enterprise, wholly owned by the Australian Government. It was established in 1998, and manages and operates more than 8,500 kilometres of the national rail network across five states.
8. **Bundanon Trust:** Bundanon Trust cares for the Boyd art collection and supports arts practice and engagement with the arts through its Art Museum and its residency, learning, research and performance programs. In preserving the natural and cultural heritage of its site, Bundanon Trust promotes the value of landscape in all our lives.

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9. Civil Aviation Safety Authority (CASA): CASA has the function of conducting the safety regulation of the civil air operations in Australian territory and the operation of Australian aircraft outside Australian territory. While safety regulation of civil aviation remains its primary role, CASA also performs other safety-related and associated functions. CASA also has responsibility for airspace regulation.
10. Creative Australia (CA): CA is the Australian Government's principal arts investment, development, funding, and advisory body with a purpose to champion and invest in arts and creativity for a dynamic and creative Australia. CA has a national leadership role in supporting and building Australia's cultural infrastructure by ensuring local and global audiences enjoy the benefits of thriving, dynamic and sustainable cultural and creative industries.
11. High Speed Rail Authority (HSRA): The HSRA was established on 12 June 2023 and formally commenced operations on 13 June 2023 as a Corporate Commonwealth entity under the *High Speed Rail Authority Act 2022*. The HSRA will oversee the development of a High Speed Rail (HSR) network and advise on Australia's current and future HSR needs.
12. Infrastructure Australia (IA): IA's primary role is to be the Commonwealth Government's independent adviser on nationally significant infrastructure investment planning and project prioritisation.
13. National Film and Sound Archive of Australia (NFSA): The NFSA is Australia's premier audiovisual archive. It collects and preserves significant Australian film, recorded sound, broadcast works and new media, and shares the collection with audiences across Australia and overseas.
14. National Gallery of Australia (the National Gallery): The purpose of the National Gallery is to: develop and maintain a national collection of works of art; exhibit, or make available for exhibition by others, works of art from the national collection or works of art that are otherwise in the possession of the National Gallery; and to make the most advantageous use of the national collection in the national interest.
15. National Intermodal Corporation Limited (National Intermodal): National Intermodal is a Government Business Enterprise wholly owned by the Australian Government. It has been established to facilitate the development and operation of a national network of modern, state-of-the-art, open access intermodal precincts.
16. National Library of Australia (Library): The Library ensures that documentary resources of national significance relating to Australia and the Australian people, as well as significant non-Australian library materials, are collected, preserved and made accessible either through the Library or through collaborative arrangements with other libraries.
17. National Museum of Australia (NMA): The NMA brings to life the rich and diverse stories of the nation through researching, developing, preserving, digitising and exhibiting a significant national collection, and creating programs and partnerships for national and international audiences.
18. National Portrait Gallery of Australia (NPGA): The purpose of the NPGA is to develop, preserve, maintain and promote a national collection of portraits and other works of art. It also develops and engages a national audience for the collection, exhibitions, education, research, publications, and public and online programs.
19. National Transport Commission (NTC): The NTC leads national land transport reform in support of Australian governments to improve safety, productivity, environmental outcomes and regulatory efficiency relating to road, rail and intermodal transport.
20. NBN Co Limited (NBN Co): NBN Co is a Government Business Enterprise, wholly owned by the Australian Government. It is supporting the transition of Australia to a digital future by operating the National Broadband Network, a high-speed, wholesale local access broadband network. NBN Co's purpose is to lift the digital capacity of Australia, allowing all Australians to have access to fast and reliable broadband.
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): NAIF provides financial assistance by way of debt, equity or alternative financing mechanisms to infrastructure projects that will support economic growth and stimulate population growth in northern Australia. NAIF is able to finance a wide range of infrastructure assets that facilitate the establishment or enhancement of business activity or increase economic activity in the region.

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23. Old Parliament House (OPH): OPH is a corporate Commonwealth entity. It was the home of the Federal Parliament from 1927 to 1988 and is an icon of national significance. It now houses the Museum of Australian Democracy, which provides dynamic exhibitions, events, engagement and education programs, to explore Australia's democratic traditions and the factors and people that shaped that journey and improve understanding of democracy and the skills required to participate in it.
24. Screen Australia (SA): SA is a corporate Commonwealth entity that funds bold, diverse and culturally significant Australian screen stories that reflect and connect us. The agency invests in the development, production, promotion and distribution of Australian content that resonates with local and global audiences, and supports a skilled and entrepreneurial industry. The agency also administers the Producer Offset on behalf of the government, and is the competent authority for administering the International Co-Production Program in Australia.
25. Special Broadcasting Service Corporation (SBS): SBS is a national broadcaster. It provides multicultural and multilingual services that inform, educate and entertain all Australians. Its mission is to contribute to a more cohesive, equitable and harmonious Australia through its television, radio and digital media services.
26. WSA Co Limited (WSA Co): WSA Co is an unlisted public company limited by shares, and a Government Business Enterprise, wholly owned by the Australian Government. It was established in 2017 to develop and operate the Western Sydney International (Nancy-Bird Walton) Airport at Badgerys Creek. WSA Co is required to execute its responsibilities with the Commonwealth in order to achieve operational readiness of the Airport by the end of 2026.

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 \$1.3 million for these repayments has been made at 30 June 2024 (2023: \$0.5 million).

NBN Co Limited loan

The Australian Government provided a loan facility of up to \$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 facility limit was reached in July 2020. The loan had a fixed interest rate with interest payable monthly over the life of the facility. The loan was repaid in full by 30 June 2024.

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 2023*.

Other loans

The Australian Government has also provided loans to the Northern Territory Government on concessional terms.

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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 been reliably predictable.

The department engaged an independent valuation expert to provide advice on the valuation of Airservices as at 30 June 2024. The discounted cash flow valuation incorporates Airservices' 10 year draft strategic plan cash flow forecasts which are then extrapolated by the independent valuation expert to 30 June 2039. An estimated terminal value was assumed beyond 30 June 2039. The cash flows are discounted using a Weighted Average Cost of Capital (WACC) of 9.25 percent (2023: 10.0 percent), determined with reference to entities that operate in similar industries. The decrease in the discount rate is primarily driven by a decrease in the company specific risk premium (SRP) to account for decreased risks in the forecast cash flows, compared to the prior year, which was partially offset by an increase in the risk-free rate from 3.5% to 3.75%. The terminal value is escalated by the terminal growth rate of 2.0 percent (2023: 2.0 percent) based on aggregate forecast long-term earnings. The cash flow forecasts are estimated with reference to probability weighted projections of aeronautical revenue, operating cost forecasts 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 independent 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	9.25%	+/-0.25%	492.2	691.7
Terminal growth rate	2.00%	-/+0.50%	503.6	686.0

Australian Postal Corporation (Australia Post)

The fair value for Australia Post at 30 June 2024 has been determined based on a net assets method. A discounted cash flow method was not used because Australia Post's forecast cash flows were not considered to be reliably measurable, resulting in significant measurement uncertainty.

The department engaged an external valuation expert to provide advice on the valuation methodology at 30 June 2024. The net assets valuation of \$2,356.0 million is based on Australia Post's net assets at fair value as at 30 June 2024 (\$4,010.2 million), less intangible assets, net superannuation assets and realisation costs (\$1,654.2 million).

At 30 June 2023, the department adopted a net assets valuation of Australia Post of \$1,539.2 million. This was based on Australia Post's statutory net assets (\$2,339.7 million) less net superannuation assets (\$800.5 million). This value was based on a conservative estimate of fair value as the department's valuation methodology transitioned from a discounted cash flow to a net assets method due to the increased level of uncertainty of Australia Post's forecast cash flows.

In the twelve months to 30 June 2024, Australia Post has implemented a number of measures that support the adoption of a less conservative estimate of its fair value using net assets. Further, the department has since been able to refine its estimate which has included an adjustment for intangible assets and realisation costs. Had the department applied a less conservative estimate, the fair value as at 30 June 2023 on a net assets valuation basis, less intangibles, net superannuation assets and realisation costs would have been \$2,213.3 million. The significant uplift in value results from a change in accounting policy.

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

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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 2024, 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 market owner would take into account the impairment of these assets as part of their price for the interstate rail network.

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	7.0% to 8.1%	+/-1.4%	1.2	2.3

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 independent 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 2025-28 (IOP25), with detailed management assumptions used 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 market owner, 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 9.70 per cent (2023: 9.35 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 market owner would consider in an acquisition of the equity in NBN Co as at 30 June 2024 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 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 \$20.6 billion (2023: \$19.5 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 hypothetical market owner would provide an equity injection on 30 June 2024, 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 2024.

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 2024.

The sensitivity to the key assumptions in the valuation are set out below:

Assumption	Selection	Sensitivity	Value (\$bn)	
			Low	High
Discount rate	9.70%	+/-0.5%	19.0	22.4
Forecast total revenue	Per valuation model	+/-5% in each year	15.9	25.2
Forecast operating expenditure	Per valuation model	+/-10% in each year	18.6	22.6
Forecast capital expenditure	Per valuation model	+/-2.5% of revenue after IOP	18.8	22.4
Debt interest	Per valuation model	+/-0.5%	18.8	22.5
Terminal growth rate	2.50%	+/-0.5%	20.0	21.4

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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 \$547 million and \$550 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 at 30 June 2024. For WSA Co Limited, the department has concluded that the valuation methodology to adjust net assets for fair value of land adopted in 2022–23 is no longer appropriate given the stage of project construction for the purpose of recognising an administered investment.

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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 2024

	Land ¹	Buildings ¹	Heritage and cultural ^{1,2}	Property, plant & equipment ¹	Computer software purchased	Intangibles ¹		Total
						Phosphate mine leases	Biodiversity offset credits	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2023								
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 1 July 2023	76,151	137,359	184,866	469,756	437	3,176	66,362	938,107
Additions								
Purchase	-	2,690	1,296	37,503	-	-	1,569	43,058
Revaluations and impairments recognised in other comprehensive income	6,509	12,457	8,121	33,510	-	-	-	60,597
Impairments and write downs recognised in net cost of services	(71)	(1,431)	(375)	(8,619)	(437)	-	-	(10,933)
Depreciation and amortisation	-	(11,005)	(2,962)	(41,318)	-	(794)	-	(56,079)
Reclassifications	300	2,661	1,017	(3,978)	-	-	-	-
Disposals	-	-	-	(40)	-	-	-	(40)
Total as at 30 June 2024	82,889	142,731	191,963	486,814	-	2,382	67,931	974,710
Total as at 30 June 2024 represented by								
Gross book value	82,889	142,731	196,588	520,550	-	3,970	67,931	1,014,659
Accumulated depreciation, amortisation and impairment	-	-	(4,625)	(33,736)	-	(1,588)	-	(39,949)
Total as at 30 June 2024	82,889	142,731	191,963	486,814	-	2,382	67,931	974,710

¹ These classes of assets are held at fair value in accordance with AASB 13 *Fair value measurement* except for computer software and biodiversity offset credits which are carried at cost.

² Land, buildings and other property, plant and equipment that met the definition of a heritage and cultural item were disclosed in the heritage and cultural asset class.

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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 full comprehensive valuation of land. A materiality review was undertaken on all other administered asset classes as at 30 June 2024. As a result of the materiality review, buildings, infrastructure and heritage assets were revalued. A revaluation increment of \$60.6 million was recognised in the asset revaluation reserve (2023: nil).

Impairment and write down of non-financial assets

An impairment and write down loss of \$10.9 million was recognised for all asset classes as at 30 June 2024 (2023: \$2.8 million). Recognition of impairment and write down adjustments is in accordance with the asset policy stated below.

Contractual commitments for the acquisition of property, plant, equipment assets for 2024

	Within 1 year	Between 1 to 5 years
	\$'000	\$'000
Buildings	1,805	2
Property, plant and equipment	41,014	5,949
Total capital commitments	42,819	5,951

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 \$38.5 million (2023: \$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 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 \$94.2 million (2023: \$84.7 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 (2023: \$0.6 million), and
- c) historic aircrafts with an aggregated value of \$7.4 million (2023: \$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 are deemed to have a definite useful life, except the Vickers Vimy Aircraft which has an indefinite useful life. Indefinite useful lives are assigned where 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.

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Phosphate mining lease rights are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses.

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.

In 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 asset administered on behalf of the Australian Government has been taken to be the market value of similar assets as determined by an independent valuer at 30 June 2024.

Buildings and other property, plant and equipment

The fair value of buildings and infrastructure assets administered on behalf of the Australian Government has been taken to be market value of similar assets as determined by an independent valuer as at 30 June 2024.

The fair value of other assets administered on behalf of the Australian Government has been taken to be either the market value or current replacement cost of similar assets as determined by an independent valuer as at 30 June 2022. In 2023–24, the valuer confirmed there were no material differences between the carrying value and fair value at 30 June 2024.

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 heritage assets administered on behalf of the Australian Government have been taken to be the market value of similar assets as determined by an independent valuer at 30 June 2024.

Intangible assets

The fair value of phosphate mining lease rights was determined by an independent valuer as at 30 June 2023, measured as the present value of expected royalties on the estimated phosphate reserves remaining. The valuer confirmed there were no material differences between the carrying value and fair value at 30 June 2024.

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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.

	2024	2023
	\$'000	\$'000
4.2B: Inventories		
Inventories held for distribution ¹	3,097	3,074
Total inventories	3,097	3,074

¹ During 2024, \$7.4 million (2023: \$8.9 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

	2024	2023
	\$'000	\$'000
4.3A: Suppliers		
Trade creditors and accruals	363,048	351,784
Total suppliers	363,048	351,784

Settlement is usually made within 20 days (2023: 20 days).

4.3B: Subsidies

Subsidies in connection with

Aviation subsidies	1,215	1,531
Tasmanian Freight Equalisation Scheme	11,749	8,274
Other subsidies	2,094	2,924
Total subsidies	15,058	12,729

Settlement was due according to the terms and conditions of each grant within 30 days of performance eligibility.

4.3C: Grants

Australian Government entities	7,675	6,443
State and Territory Governments	11,247	134,960
Local Governments	63,215	104
Non-profit organisations	28,323	5,986
Commercial entities	37,361	31,169
Overseas	-	112
Total grants	147,821	178,774

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	2024	2023
	\$'000	\$'000
4.3D: Other payables		
Lease income received in advance	3,701	5,230
Classification fees received in advance	388	474
Salaries and wages	341	314
Superannuation	48	40
Other	766	271
Total other payables	5,244	6,329

4.4 Administered – Other Provisions

	Biodiversity Offset Credits \$'000	Regional Broadband Scheme \$'000	Other Provisions \$'000	Total \$'000
As at 1 July 2023	66,363	807,506	3,258	877,127
Additional provisions made	21,235	839,917	1,960	863,112
Amounts used	-	(802,854)	(1,605)	(804,459)
Remeasurement	-	(4,652)	-	(4,652)
Amounts reversed	-	-	(156)	(156)
Total as at 30 June 2024	87,598	839,917	3,457	930,972

Accounting Policy

Biodiversity offset credits

There are constructive obligations to use biodiversity credits to offset the environmental impact of development at the Western Sydney Airport. The biodiversity offset obligations are derived from the Western Sydney Airport Biodiversity Offset Delivery Plan. The department may apply to voluntarily retire these credits under relevant NSW legislation at the completion of the implementation of the biodiversity offset delivery plan. At this time, credits will no longer be available in the market for further transfer. It is at this point that the provision for offset and the related intangible will be derecognised.

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

Other provisions comprise of the phosphate mine rehabilitation provision, the asbestos remediation provision and legal provision. The phosphate mine rehabilitation 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. The legal provision represent estimated costs to settle legal claims made against the department where settlement is considered probable.

Accounting Judgements and Estimates

Biodiversity offset credits

Biodiversity offset credits are required to offset the environmental impact of the development at the Western Sydney Airport. The amount provided for is an estimate of the future biodiversity offset credits required to meet this obligation. The provision is based on the estimated price of credits at the end of the financial year, which includes a combination of historical transaction prices and available market data. The department selected the upper end of the estimate reflecting a conservative estimate of the value at 30 June 2024.

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Regional Broadband Scheme (RBS)

The 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 \$8.26 per month for each premise on their network during 2023-24 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 2024, NBN Co is the only eligible funding recipient and is estimated to receive a total of \$839.9 million in subsidies for the period 1 July 2023 to 30 June 2024.

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.

The provision for the asbestos remediation is equal to the best estimated expenditure required to settle the present obligation including any removal or remediation costs at year end and reviewed annually for adjustments.

The legal provision are provided for settlement of claims against the department where settlement is probable and the amount can be reliably estimated using professional judgement.

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5. Funding

This section identifies the department's funding structure.

5.1 Appropriations

5.1A: Annual Appropriations (Recoverable GST exclusive)

Annual Appropriations for 2023-24

	Annual Appropriation ¹ \$'000	Adjustments to appropriation ² \$'000	Total appropriation \$'000	Appropriation applied in 2023-24 (current and prior years) \$'000	Variance ³ \$'000
Departmental					
Ordinary annual services ^{1,2}	464,899	27,094	491,993	(492,572)	(579)
Capital Budget ^{1,4}	23,366	-	23,366	(14,677)	8,689
Total departmental	488,265	27,094	515,359	(507,249)	8,110
Administered					
Ordinary annual services					
Capital Budget ⁴	36,991	-	36,991	(18,935)	18,056
Administered Items ^{1,3}	2,368,076	-	2,368,076	(1,833,163)	534,913
Payments to corporate Commonwealth entities	2,348,422	-	2,348,422	(2,348,422)	-
Other services					
States, ACT, NT and Local government	860,652	-	860,652	(1,059,642)	(198,990)
Administered assets and liabilities ³	3,489,071	-	3,489,071	(2,722,227)	766,844
Payments to corporate Commonwealth entities	78,480	-	78,480	(78,480)	-
Total administered	9,181,692	-	9,181,692	(8,060,869)	1,120,823

1. Current year departmental appropriations withheld under section 51 of the PGPA Act are: Appropriation Act (No. 1)-DCB 2023-24 \$0.7 million; Appropriation Act (No. 3) 2023-24 \$3.5 million. Administered appropriations withheld under section 51 of the PGPA Act are: Appropriation Act (No. 1) 2023-24 \$127.1 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 relate to use of prior year appropriations and reduced grant expenditure due to differences of brought forward amounts across 2022-23 and 2023-24 financial years. The variance in the States and Territories appropriations was driven by higher payments relating to the 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.

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5.1A: Annual Appropriations ('Recoverable GST exclusive') (continued)

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) 2023-23* \$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.

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5.1B: Unspent Annual Appropriations ('Recoverable GST exclusive')	2024	2023
	\$'000	\$'000
Departmental		
Appropriation Act (No. 1) 2020-21 ¹	-	9,208
Appropriation Act (No. 1) 2021-22 ²	5	5
Supply Act (No. 1) 2022-23	-	131
Supply Act (No. 3) 2022-23 ²	1,836	73,480
Appropriation Act (No. 1) 2022-23	-	43,861
Appropriation Act (No. 3) 2022-23	-	27,146
Cash at bank	5,600	10,606
Appropriation Act (No. 1) 2023-24 ^{3 4}	137,655	-
Appropriation Act (No. 1) 2023-24 Departmental Capital Budget (DCB) ²	7,223	-
Appropriation Act (No. 3) 2023-24 ^{2 4}	9,281	-
Appropriation Act (No. 3) 2023-24 Departmental Capital Budget (DCB)	1,466	-
Total departmental	163,066	164,437
Administered		
Supply Act (No. 1) 2020-21 ¹	-	2,877
Appropriation Act (No. 1) 2020-21 ¹	-	278,489
Supply Act (No. 2) 2020-21 - Administered Assets and Liabilities ¹	-	454,667
Appropriation Act (No. 2) 2020-21 - Payments to States, ACT, NT and local government ¹	-	270,970
Appropriation Act (No. 1) 2020-21 - Advance to Finance Minister ¹	-	222,973
Appropriation Act (No. 3) 2020-21 ¹	-	126,629
Appropriation Act (No. 1) 2021-22 ⁵	90,386	499,316
Appropriation Act (No. 1) 2021-22 - Administered Capital Budget (ACB)	-	241
Appropriation Act (No. 2) 2021-22 - Administered Assets and Liabilities ⁵	27,947	40,519
Appropriation Act (No. 3) 2021-22	671,728	688,522
Appropriation Act (No. 3) 2021-22 - Administered Capital Budget (ACB)	-	43
Appropriation Act (No. 4) 2021-22 - Administered Assets and Liabilities	-	1,280
Supply Act (No. 1) 2022-23 ⁵	378,943	489,737
Supply Act (No. 1) 2022-23 - Administered Capital Budget (ACB)	123	3,470
Supply Act (No. 2) 2022-23 - Administered Assets and Liabilities	331,193	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	39,300	107,912
Appropriation Act (No. 1) 2022-23 - Administered Capital Budget (ACB)	3,292	15,644
Appropriation Act (No. 2) 2022-23 - Administered Assets and Liabilities	-	45,632
Supply Act (No. 3) 2022-23 ⁵	838,136	1,142,177
Supply Act (No. 3) 2022-23 - Administered Capital Budget (ACB)	12,517	12,580
Supply Act (No. 4) 2022-23 - Administered Assets and Liabilities	352,495	557,342
Supply Act (No. 4) 2022-23 - Payments to States, ACT, NT and local government	319,899	523,759
Appropriation Act (No. 3) 2022-23	-	3,030
Appropriation Act (No. 1) 2023-24 ⁵	1,336,515	-
Appropriation Act (No. 1) 2023-24 - Administered Capital Budget (ACB)	24,102	-
Appropriation Act (No. 2) 2023-24 - Payments to States, ACT, NT and local government	227,543	-
Appropriation Act (No. 2) 2023-24 - Administered Assets and Liabilities	1,446,967	-
Appropriation Act (No. 3) 2023-24	110,598	-
Appropriation Act (No. 3) 2023-24 - Administered Capital Budget (ACB)	10,000	-
Appropriation Act (No. 4) 2023-24 - Payments to States, ACT, NT and local government	5,736	-
Appropriation Act (No. 4) 2023-24 - Administered Assets and Liabilities	260,596	-
Total administered	6,488,016	6,723,801

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1. 2020–21 appropriations lapsed on 1 July 2023 in accordance with the provisions in the appropriation acts.
2. Includes departmental amount held under section 51 - *Appropriation Act (No. 1) 2021–22*: \$5,000; *Supply Act (No. 3) 2022–23*: \$1.8 million; *Appropriation Act (No.1)-DCB 2023–24* \$0.7 million; *Appropriation Act (No.3) 2023–24*: \$3.5 million.
3. *Appropriation Act (No.1) 2023-24* incurred a formal reduction under s75 of the PGPA Act. This relates to amendments to the Administrative Arrangements Order on 2 July 2022, which transferred responsibility for the Deductible Gift Recipient Register to the Australian Taxation Office (\$0.07 million departmental).
4. Includes departmental receipts retained under s74 of the PGPA Act.
5. Includes administered amounts held under section 51 of the PGPA Act - *Appropriation Act (No. 1) 2021-22* \$89.6 million; *Appropriation Act (No. 2) 2021–22* - Administered Assets and Liabilities \$27.9 million; *Supply Act (No. 1) 2022-23* \$1.9 million (applied in 2023–24 financial year); *Supply Act (No. 3) 2022–23* \$373.7 million (includes increase of \$17.8 million applied in 2023–24 financial year); *Appropriation Act (No. 1) 2023–24* \$127.1 million.

5.1C: Special Appropriations ('Recoverable GST exclusive')

Authority	Type	Appropriation applied	
		2024 \$'000	2023 \$'000
<i>Australian Maritime Safety Authority Act 1990, section 48(2)</i>	Unlimited in nature	133,934	134,642
<i>Australian National Railways Commission Sale Act 1997, sections 67AH(4), 67AW</i>	Unlimited in nature	-	-
<i>Aviation Fuel Revenues (Special Appropriation) Act 1988, section 4(4)</i>	Unlimited in nature	125,663	121,281
<i>Civil Aviation Act 1988, section 46A(4)</i>	Unlimited in nature	491	887
<i>Classification (Publications, Films and Computer Games) Act 1995, section 90(2)</i>	Unlimited in nature	-	-
<i>Local Government (Financial Assistance) Act 1995, section 19</i>	Unlimited in nature	2,920,572	3,896,008
<i>Northern Australia Infrastructure Facility Act 2016, section 41</i>	Limited in nature	596,032	584,976
<i>Protection of the Sea (Oil Pollution Compensation Fund) Act 1993, sections 40(4), 46N(4)</i>	Unlimited in nature	688	2
<i>Public Governance, Performance and Accountability Act 2013, section 77</i>	Unlimited in nature	831	455
<i>Sydney Airport Demand Management Act 1997, section 27(4)</i>	Unlimited in nature	-	-
<i>Telstra Corporation Act 1991, section 8BA(3)</i>	Unlimited in nature	-	-
Total special appropriations applied		3,778,211	4,738,251

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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		Indian Ocean Territories Special Account ³		Indigenous Repatriation Special Account 2016 ⁴		Indian Ocean, Jervis Bay and Norfolk Island Special Account 2023 ⁵		Jervis Bay Special Account ⁶	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Balance brought forward from previous period	3,852	2,973	2,321	2,334	11,223	4,923	3,476	3,875	-	-	1,580	1,248
Increases												
Departmental												
Appropriation credited to special account	-	-	-	-	-	-	284	-	-	-	-	-
Other receipts	3,957	4,517	-	-	-	-	741	890	-	-	-	-
Total Departmental	3,957	4,517	-	-	-	-	1,025	890	-	-	-	-
Administered												
Contribution received	-	-	-	-	-	-	-	-	1,017	-	-	-
Adjustments to special account	-	-	-	-	-	-	-	-	12,803	-	-	-
Appropriation credited to special account	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	1,835	1,330	-	20,123	-	-	21,423	-	-	1,252
Total Administered	-	-	1,835	1,330	-	20,123	-	-	35,243	-	-	1,252
Total increases	3,957	4,517	1,835	1,330	-	20,123	1,025	890	35,243	-	-	1,252
Available for payments	7,789	7,490	4,156	3,664	11,223	25,046	4,501	4,705	35,243	-	1,580	2,500
Decreases												
Departmental												
Payments made to suppliers	(4,205)	(3,658)	-	-	-	-	(1,396)	(1,229)	-	-	-	-
Total Departmental	(4,205)	(3,658)	-	-	-	-	(1,396)	(1,229)	-	-	-	-
Administered												
Payments made to suppliers	-	-	(1,607)	(1,543)	-	(13,823)	-	-	(33,046)	-	-	(920)
Adjustments to special account	-	-	-	-	(11,223)	-	-	-	-	-	(1,580)	-
Amounts returned to Official Public Account	-	-	-	-	-	-	-	-	-	-	-	-
Total Administered	-	-	(1,607)	(1,543)	(11,223)	(13,823)	-	-	(33,046)	-	(1,580)	(920)
Total decreases	(4,205)	(3,658)	(1,607)	(1,543)	(11,223)	(13,823)	(1,396)	(1,229)	(33,046)	-	(1,580)	(920)
Total balance carried to the next period	3,584	3,832	2,549	2,321	-	11,223	3,105	3,476	2,197	-	-	1,580
Balance represented by												
Cash held in bank account	61	219	-	-	-	34	-	-	36	-	-	1
Cash held in the Official Public Account	3,523	3,613	2,549	2,321	-	11,189	3,105	3,476	2,161	-	-	1,579
Total balance carried to the next period	3,584	3,832	2,549	2,321	-	11,223	3,105	3,476	2,197	-	-	1,580

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5.2A: Special Accounts (Recoverable GST exclusive)

	Melbourne Airport New Runway Land Acquisition Special Account ⁷		National Cultural Heritage Special Account ⁸		Public Interest Telecommunications Services Special Account ⁹		Regional Broadband Scheme Special Account ¹⁰		Services for Other Entities and Trust Moneys ¹¹	
	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000
Balance brought forward from previous period	47	47	-	-	49,130	40,346	59	-	532	759
Increases										
Departmental										
Appropriation credited to special account	-	-	-	-	4,046	4,046	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	454	326
Total Departmental	-	-	-	-	4,046	4,046	-	-	454	326
Administered										
Contribution received	-	-	500	500	-	-	-	-	-	-
Telecommunication Industry Levy receipts	-	-	-	-	209,014	217,797	25,262	23,620	-	-
Appropriation credited to special account	-	-	-	-	95,954	95,954	-	-	-	-
Other receipts	146	1,289	-	-	718	869	-	-	-	-
Total Administered	146	1,289	500	500	305,686	314,620	25,262	23,620	-	-
Total increases	146	1,289	500	500	309,732	318,666	25,262	23,620	454	326
Available for payments	193	1,336	500	500	358,962	359,012	25,321	23,620	986	1,085
Decreases										
Departmental										
Payments made to suppliers	-	-	-	-	(3,328)	(3,177)	-	-	(116)	(131)
Contribution made	-	-	-	-	(716)	(869)	-	-	-	-
Total Departmental	-	-	-	-	(4,046)	(4,046)	-	-	(116)	(131)
Administered										
Payments made to suppliers	(146)	(1,289)	(316)	(500)	(311,221)	(305,836)	(25,262)	(22,972)	-	-
Amounts returned to Official Public Account	-	-	-	-	-	-	-	(589)	-	(422)
Total Administered	(146)	(1,289)	(316)	(500)	(311,221)	(305,836)	(25,262)	(23,561)	-	(422)
Total decreases	(146)	(1,289)	(316)	(500)	(315,267)	(309,882)	(25,262)	(23,561)	(116)	(553)
Balance represented by	47	47	184	184	43,595	49,130	59	59	870	532
Cash held in bank account	-	-	-	-	-	-	-	-	85	85
Cash held in the Official Public Account	47	47	184	184	43,595	49,130	59	59	785	447
Total balance carried to the next period	47	47	184	184	43,595	49,130	59	59	870	532

- 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.

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- 3 Appropriation: *Public Governance, Performance and Accountability Act 2013*; section 78. Establishing instrument: PGPA Act (Indian Ocean Territories Special Account 2014 – Establishment) Determination 02. The special account was repealed on 1 July 2023 and its balance was transferred to the newly established Services for Indian Ocean, Jervis Bay and Norfolk Island Territories special account.
- 4 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.
- 5 Appropriation: *Public Governance, Performance and Accountability Act 2013*; section 78. Establishing instrument: PGPA Act (Indian Ocean, Jervis Bay and Norfolk Island Territories Special Account 2023). Purpose: To combine regional territories special accounts for the delivery of essential services and infrastructure within the Indian Ocean, Jervis Bay and Norfolk Island. Additional management activities for Norfolk Island also support tourism operations and the Commonwealth's heritage site obligations.
- 6 Appropriation: *Public Governance, Performance and Accountability Act 2013*; section 78. Establishing instrument: PGPA Act (Jervis Bay Territory Special Account 2014 – Establishment) Determination 03. The special account was repealed on 1 July 2023 and its balance was transferred to the newly established Services for Indian Ocean, Jervis Bay and Norfolk Island Territories special account.
- 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.
- 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.

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5.3 Regulatory Charging Summary

	2024	2023
	\$'000	\$'000
Amounts applied		
Departmental		
Annual appropriations	23,479	22,771
Administered		
Special appropriations (including special accounts)	133,934	134,642
Total amounts applied	157,413	157,413
Expenses		
Departmental	23,552	22,773
Administered	132,248	133,617
Total expenses	155,800	156,390
External Revenue		
Administered	153,339	152,130
Total external revenue	153,339	152,130
Amounts written off		
Administered	-	245
Total amounts written off	-	245

Regulatory charging activities:

- Environmental protection and building control at leased federal airports
- Coastal trading licences
- Road vehicle standards
- Australian Maritime Safety Authority levies
- Classification fees

Documentation (Cost Recovery Implementation Statement) for Environmental Protection at Leased Federal Airports and Coastal Trade Licences 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 Implementation Statement) for Road Vehicle Standards is available at
<https://www.infrastructure.gov.au/department/media/publications/cost-recovery-implementation-statement-road-vehicle-standards-2020-21>

Documentation (Cost Recovery Implementation Statement) for Australian Maritime Safety Authority Levies is available at
<https://www.amsa.gov.au/updated-cost-recovery-implementation-statement-2021-22>

Documentation (Cost Recovery Implementation Statement) for Classification Fees is available at
<https://www.classification.gov.au/sites/default/files/2019-08/cost-recovery-implementation-statement-classification-fees.pdf>

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5.4 Net Cash Appropriation Arrangements

	2024	2023
	\$'000	\$'000
Total comprehensive (loss) - as per the Statement of Comprehensive Income	(48,054)	(15,133)
Plus: depreciation/amortisation of assets funded through appropriations (Departmental Capital Budget funding and/or equity injections)	22,035	19,175
Plus: depreciation of right-of-use assets	23,718	23,048
Less: lease principal repayments	(25,722)	(23,318)
Net Cash Operating Surplus/(Deficit)	(28,023)	3,772

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.

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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

	2024	2023
	\$'000	\$'000
6.1A: Employee provisions		
Leave	82,938	76,870
Total employee provisions	82,938	76,870
6.1B: Administered employee provisions		
Leave	3,934	3,623
Total employee provisions	3,934	3,623

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.

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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 2023–24, KMP for the department comprised of the Secretary and Deputy Secretaries. KMP remuneration is reported in the table below:

	2024	2023
	\$'000	\$'000
Short-term employee benefits	3,209	3,306
Post-employment benefits	411	410
Other long-term employee benefits	149	229
Total key management personnel remuneration expenses²	3,769	3,945

The total number of KMP included in the above table are nine (2023: nine).³

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. Remuneration is reported on an accrual basis and excludes short-term acting arrangements.
3. The department had seven KMP positions at 30 June 2024 (2023: seven). 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 2023–24, 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 (Australian National Maritime Museum, Australian Rail Track Corporation Limited, National Film and Sound Archive of Australia, National Gallery of Australia, National Intermodal Corporation Limited, National Library of Australia, National Museum of Australia, National Portrait Gallery of Australia, NBN Co Limited, Old Parliament House and WSA Co Limited);
- Telecommunications Industry Levy receipts from the Australian Communications and Media Authority; and
- payments for grants administration to the Department of Industry, Science and Resource and to the Department of Social Services.

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.

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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	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Contingent assets				
Balance from previous period	9	10	9	10
New contingent assets recognised	-	9	-	9
Assets realised	-	(10)	-	(10)
Rights expired	(9)	-	(9)	-
Total contingent assets	-	9	-	9
Contingent liabilities				
Balance from previous period	27	-	27	-
New contingent liabilities recorded	120	-	120	-
Re-measurement	-	27	-	27
Liabilities realised	(44)	-	(44)	-
Total contingent liabilities	103	27	103	27
Net contingent assets/(liabilities)	(103)	(18)	(103)	(18)

Quantifiable Contingencies

Contingent Assets

As at 30 June 2024, there are no instances (2022–23: one) of non-remote, quantifiable contingent assets.

Contingent Liabilities

As at 30 June 2024, there are three instances (2022–23: nil) of non-remote, quantifiable contingent liabilities in respect of claims on the department valued at \$0.1 million (2022–23: \$0.03 million). The estimated figure is determined by conducting an objective analysis of the provable amount payable for all the claims that the department has submitted to Comcover.

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.

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7.1B: Administered - Contingent Assets and Liabilities

	Claims for damages or costs		Total	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Contingent assets				
Balance from previous period	10,282	1,895	10,282	1,895
New contingent assets recognised	1,038	1,040	1,038	1,040
Re-measurement	(51)	8,110	(51)	8,110
Assets realised	(1,158)	(763)	(1,158)	(763)
Total contingent assets	10,111	10,282	10,111	10,282
Net contingent assets	10,111	10,282	10,111	10,282

Quantifiable Contingencies

Contingent Assets

As at 30 June 2024, there are eleven (2022–23: eight) instances of non-remote, quantifiable contingent assets in respect of insurance claims submitted to recover costs for damage to properties and infrastructure on Cocos (Keeling) Island, Jervis Bay Territory and Christmas Island and one claim submitted for motor vehicle valued at \$10.1 million (2022–23: \$10.3 million). The estimated figure is determined by conducting an objective analysis of the provable amount payable for all the claims that the department has submitted to Comcover.

However, the exact amount payable under those claims is uncertain. The department is defending the claims or is trying to resolve them by recourse to alternative dispute resolution measures.

Contingent Liabilities

As at 30 June 2024, there are no instances (2022–23: nil) of non-remote, quantifiable contingent liabilities

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 *2024–25 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 2024.

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
- 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

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- 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.

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 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 2024, NBN Co had liabilities covered by the Guarantee estimated at \$11.2 billion.

The Guarantee will terminate when:

- a) NBN Co achieves specified credit ratings for a period of 2 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 polyfluoroalkyl substances (PFAS) previously contained in firefighting foams.

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

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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. To date, environmental remedial orders have been issued to Airservices at both Launceston Airport and Canberra Airport in relation to PFAS contamination caused by Airservices. AEOs are also actively considering regulatory action at Brisbane, 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.

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 signing 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.

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7.2 Financial Instruments

	2024	2023
	\$'000	\$'000

7.2A: Categories of Financial Instruments

Financial assets at amortised cost

Cash and cash equivalents	13,074	18,360
Trade and other receivables	1,762	3,247
Accrued revenue	1,028	2,978
Total financial assets at amortised cost	15,864	24,585
Total financial assets	15,864	24,585

Financial Liabilities

Financial liabilities measured at amortised cost

Suppliers	28,096	25,017
Total financial liabilities measured at amortised cost	28,096	25,017
Total financial liabilities	28,096	25,017

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

Foreign exchange	1	-
Impairment on financial assets	(40)	(55)
Net (losses) on financial assets at amortised cost	(39)	(55)
Net (losses) on financial assets	(39)	(55)

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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.

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7.3 Administered – Financial Instruments

	2024	2023
	\$'000	\$'000
7.3A: Categories of Financial Instruments		
Financial assets at amortised cost		
Cash and cash equivalents	57,250	65,176
Loan to NBN Co Limited	-	5,496,537
Other loans	3,548,863	3,085,759
Contract assets	6,803	7,519
Total financial assets at amortised cost	3,612,916	8,654,991
Financial assets at fair value through other comprehensive income		
Investments	41,640,684	39,254,275
Total financial assets at fair value through other comprehensive income	41,640,684	39,254,275
Total financial assets	45,253,600	47,909,266
Financial Liabilities		
Financial liabilities measured at amortised cost		
Suppliers payable	363,048	351,784
Subsidies payable	15,058	12,729
Grants payable	147,821	178,774
Loan commitment provision	54,815	171,237
Total financial liabilities measured at amortised cost	580,742	714,524
Total financial liabilities	580,742	714,524
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	212,809	224,079
Other loans	206,557	158,047
Concessional loan discount expense	(6,222)	(54,092)
Impairment	(145,682)	(174,969)
Net gains on financial assets at amortised cost	267,462	153,065
Financial assets at fair value through other comprehensive income		
Dividend revenue	-	21,805
Gains/(Losses) recognised in other comprehensive income	(391,943)	(2,736,329)
Net (losses) on financial assets at fair value through other comprehensive income	(391,943)	(2,714,524)
Net gains/(losses) on financial assets	(124,481)	(2,561,459)

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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 2024

	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	-	363,048	-	-	-	363,048
Subsidies payable	-	15,058	-	-	-	15,058
Grants payable	-	147,821	-	-	-	147,821
Loan commitment provision	-	30,222	22,352	2,241	-	54,815
Total	-	556,149	22,352	2,241	-	580,742

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

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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 2024

	Risk Variable	Change in risk variable %	Effect on	
			Net cost of services \$'000	Equity \$'000
Administered investments using discounted cash flows	Discount rate	(+1.36%)	-	(5,045,905)
Administered investments using discounted cash flows	Discount rate	(-1.36%)	-	7,447,075

Sensitivity analysis of the risk that the Department was exposed to for 2023

	Risk Variable	Change in risk variable %	Effect on	
			Net cost of services \$'000	Equity \$'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

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.

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	Fair value measurements at the end of the reporting period		Category (Level 1, 2 or 3)	Valuation Technique(s) and Inputs Used
	2024	2023		
	\$'000	\$'000		
Financial assets				
Investments accounted for using the net assets method	18,837,084	17,246,675	3	Net assets of entities at balance date, proportionate of the Australian Government's interest.
Investment in NBN Co Limited	20,600,000	19,500,000	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	2,203,600	2,507,600	3	Present value of future net cash flows discounted at the weighted average cost of capital.
Total financial assets	41,640,684	39,254,275		
Non-financial assets				
Land	200	180	2	Market value of similar assets as determined by an independent valuer.
Land	82,689	75,971	3	Estimated market value of similar assets as determined by an independent valuer.
Buildings	4,876	4,695	2	Market value of similar assets as determined by an independent valuer.
Buildings	137,855	132,664	3	Current replacement cost as determined by an independent valuer.
Artwork	5,453	5,473	2	Market value of similar assets as determined by an independent valuer.
Artworks	33,071	33,185	3	Estimated market value of similar assets as determined by an independent valuer.
Heritage and cultural	37,468	33,658	2	Market value of similar assets as determined by an independent valuer.
Heritage and cultural	115,971	112,550	3	Current replacement cost as determined by an independent valuer.
Other property, plant and equipment	229	279	2	Market value of similar assets as determined by an independent valuer.
Other property, plant and equipment	486,585	469,477	3	Current replacement cost as determined by an independent valuer.
Intangibles - Phosphate mine lease	2,382	3,176	3	Present value of future royalty cash flows as determined by an independent valuer.
Total non-financial assets	906,779	871,308		
Total assets	42,547,463	40,125,583		

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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		
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July	17,246,675	14,038,062	22,007,600	24,563,800	75,971	132,665	143,165	33,185	112,549	113,261	469,477	492,501	3,176	3,970
Total gains/(losses) recognised in net cost of services ¹	-	-	-	-	(70)	(10,766)	(11,561)	(114)	(2,613)	(2,359)	(41,989)	(45,819)	(794)	(794)
Total gains/(losses) recognised in other comprehensive income ²	245,567	(274,008)	(637,510)	(2,462,321)	6,488	12,054	-	-	5,113	-	33,511	-	-	-
Purchases	1,344,842	1,610,621	1,433,510	1,830,621	-	3,902	1,464	-	922	1,647	25,586	22,392	-	-
Transfers into Level 3	-	-	-	-	300	-	-	-	-	-	-	-	-	-
Returns to the Consolidated Revenue Fund	-	-	-	(52,500)	-	-	-	-	-	-	-	-	-	-
Other	-	1,872,000	-	(1,872,000)	-	-	(403)	-	-	-	-	403	-	-
Total as at 30 June	18,837,084	17,246,675	22,803,600	22,007,600	82,689	137,855	132,665	33,071	115,971	112,549	486,585	469,477	2,382	3,176
Changes in unrealised gains/(losses) recognised in net cost of services	1,590,409	3,208,613	796,000	(2,556,200)	6,718	(5,190)	(10,500)	(114)	(3,422)	(712)	17,108	(23,024)	(794)	(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.

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8. Other Information

8.1 Current/Non-current Distinction for Assets and Liabilities

	2024	2023
	\$'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	13,074	18,360
Trade and other receivables	157,039	149,606
Accrued revenue	1,028	2,978
Other non-financial assets	12,467	8,437
Total no more than 12 months	183,608	179,381
More than 12 months		
Buildings	86,907	106,348
Heritage and cultural	43,691	42,634
Property, plant and equipment	15,442	22,844
Intangibles	47,956	60,475
Other non-financial assets	1,405	1,615
Total more than 12 months	195,401	233,916
Total assets	379,009	413,297
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers	28,096	25,017
Other payables	12,075	13,992
Leases	25,454	23,788
Employee provisions	21,849	20,160
Other provisions	336	337
Total no more than 12 months	87,810	83,294
More than 12 months		
Leases	49,079	63,287
Employee provisions	61,089	56,710
Other provisions	389	363
Total more than 12 months	110,557	120,360
Total liabilities	198,367	203,654

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	2024	2023
	\$'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	57,250	65,176
Trade and other receivables	112,393	5,578,372
Inventories	3,097	3,074
Prepayments	3,605	3,305
Total no more than 12 months	176,345	5,649,927
More than 12 months		
Investments	41,640,684	39,254,275
Trade and other receivables	3,488,843	3,057,562
Land and buildings	225,620	213,510
Heritage and cultural	191,963	184,866
Property, plant and equipment	486,814	469,756
Intangibles	70,313	69,975
Total more than 12 months	46,104,237	43,249,944
Total assets	46,280,582	48,899,871
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers	363,048	351,784
Subsidies	15,058	12,729
Grants	147,821	178,774
Other payables	4,127	3,683
Employee provisions	1,056	962
Loan commitment provision	30,222	104,189
Other provisions	930,972	877,127
Total no more than 12 months	1,492,304	1,529,248
More than 12 months		
Other payables	1,117	2,646
Employee provisions	2,878	2,661
Loan commitment provision	24,593	67,048
Total more than 12 months	28,588	72,355
Total liabilities	1,520,892	1,601,603

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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.

	2024 \$'000	2023 \$'000
Services to Other Entities and Trust Moneys - Department of Infrastructure, Transport, Regional Development, Communications and the Arts		
As at 1 July	120	539
Receipts	1	3
Payments	-	(422)
Total as at 30 June	121	120
Total assets held in trust	121	120

The department has no non-monetary assets held in trust as at 30 June 2024 (2023: nil).

8.3 Restructuring

8.3A: Departmental Restructuring

RELINGUISED			
	2024 \$'000	2023 \$'000	2023 \$'000
		Copyright function	Water function
		Attorney-General's Department ¹	Department of Climate Change, Energy, the Environment and Water ²
Assets			
Appropriation receivable	-	360	1,238
Total financial assets	-	360	1,238
Total assets	-	360	1,238
Liabilities			
Provisions			
Employee provisions	-	360	1,238
Total liabilities	-	360	1,238
Net assets/(liabilities)	-	-	-
Income assumed			
Recognised by the receiving entity	-	-	-
Recognised by the losing entity	-	-	-
Total income assumed	-	-	-
Expenses assumed			
Recognised by the receiving entity	-	-	-
Recognised by the losing entity	-	-	-
Total expenses assumed	-	-	-

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.

The administration of the Deductible Gift Recipient Category – Cultural Organisations function was transferred to the Australian Taxation Office following amendments to the Administrative Arrangements Order made on 13 October 2022. The effective date for the transfer was 1 January 2024. Appropriation was transferred through Section 75 of the PGPA Act 2013 and did not include any assets and liabilities, or income and expenses.

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8.3B: Administered Restructuring

ASSUMED		2023 \$'000
	2024 \$'000	2023 \$'000
		Old Parliament House
		Department of the Prime Minister and Cabinet ¹
Assets		
Investments	-	117,158
Total assets	-	117,158
Liabilities		
Loan commitment provision	-	-
Total liabilities	-	-
Net assets/(liabilities)	-	117,158
Investments reserve	-	(117,158)
Total restructuring	-	-
Income assumed		
Recognised by the receiving entity	-	-
Recognised by the losing entity	-	-
Total income assumed	-	-
Expenses assumed		
Recognised by the receiving entity	-	15,261
Recognised by the losing entity	-	-
Total expenses assumed	-	15,261

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 of the administration of the Deductible Gift Recipient category – Cultural Organisations to the Australian Taxation Office following amendments to the Administrative Arrangements Order made on 13 October 2022. The effective date for the transfer was 1 January 2024.

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Image: A programmer working on a computer code at night. Credit: Hiranman, Getty Images.

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Appendix A: Additional 2022–23 Performance Reporting

The department was unable to report on 2 performance measures in the 2022–23 Annual Report, as data was not available.

- > **Performance Measure 16:** Reduction in the number of road fatalities and fatality rate per 100,000 population.
 - To assist with comparison across years, the National Crash Database shows 3-year rolling average road fatalities in 2021, 2022 and 2023 were 1,138, 1,136 and 1,192 respectively.
 - This performance measure was discontinued after 2022–23, as the department is not uniquely responsible for national fatality rates.
- > **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.
 - In 2022–23, 518 Indigenous art centre workers were employed and 8,315 Indigenous artists were engaged through funded Indigenous art centres under the IVAIS Program.
 - These data points are no longer reported by the department. As in Part 2: Annual Performance Statements, the department now reports on the number of people attending funded Indigenous language and arts activities.

Appendix B: Resource Statements and Expenses by Outcome

Table B.1: Entity resource statement 2023–24

		Actual available appropriation ¹ for 2023–24 \$'000	Payments made 2023–24 \$'000	Balance remaining 2023–24 \$'000
Departmental				
	Annual appropriations - ordinary annual services ²	647,217	492,572	154,645
	Departmental capital budget	23,366	14,677	8,689
	Total departmental annual appropriations³	670,583	507,249	163,334
	A			
Special accounts				
	Opening balance	7,308		
	Appropriation receipts ⁴	4,330		
	Non-appropriation receipts	4,698		
	Total special accounts receipts	16,336		
	B			
	Payments made		9,647	
	C			
	Total available special accounts			6,689
	<i>less departmental appropriations drawn from annual/special appropriations and credited to special accounts</i>	<i>(4,330)</i>	<i>(4,330)</i>	
	D			
	Total departmental resourcing	682,589	512,566	
	A+B+ C+D			
Administered⁵				
	Annual appropriations – ordinary annual services ²			
	Prior year appropriations available	3,561,662	912,201	
	Outcome 1	85,153	789	
	Outcome 2	405,066	139,460	
	Outcome 3	904,789	203,317	

		Actual available appropriation ¹ for 2023–24 \$'000	Payments made 2023–24 \$'000	Balance remaining 2023–24 \$'000
Outcome 4		244,883	162,023	
Outcome 5		401,664	218,473	
Outcome 6		291,692	196,901	
Administered capital budget ⁶		36,991	18,935	
Payments to corporate entities ⁷		2,348,422	2,348,422	
Total annual appropriations – ordinary annual services		8,280,322	4,200,520	4,079,802
Other services – non operating				
Prior year appropriations available		2,107,022	940,720	
Administered assets and liabilities		3,489,071	1,781,508	
Administered assets and liabilities – Payments to corporate entities ⁷		78,480	78,480	
Total other services – non operating		5,674,573	2,800,707	2,873,866
Other services – specific payments to states, ACT, NT and local government				
Outcome 1		485,306	618,158	
Outcome 3		375,346	441,484	
Total other services – specific payments to states, ACT, NT and local government		860,652	1,059,642	(198,990)
Total administered annual appropriations	A	14,815,547	8,060,870	6,754,677
Total available administered special appropriations	B		3,778,211	
Special accounts				
Opening balance		51,521		
Appropriation receipts ⁴		97,471		
Non-appropriation receipts ⁸		234,276		
Adjustments		12,803		
Other receipts		24,122		
Total special accounts receipts	C	420,193		

		Actual available appropriation ¹ for 2023–24 \$'000	Payments made 2023–24 \$'000	Balance remaining 2023–24 \$'000
Payments made	D		371,598	
Total available special accounts				48,595
Total resourcing and payments		15,235,740	12,210,679	
<i>less administered appropriations drawn from annual/special appropriations and credited to special accounts</i>	E	(96,454)	(97,471)	
<i>less payments to corporate entities from annual/special appropriations</i>	F	(2,684,875)	(2,686,990)	
Total administered resourcing	A+B+ C+D+ E+F	12,454,411	9,426,218	
Total resourcing and payments⁹		13,137,000	9,938,784	

1 Figures in the table represent actual appropriations provided less any legally recognised reductions as outlined in Note 5.1B of the 2023–24 Financial Statements.

2 Appropriation Act (No. 1) 2023–24 and Appropriation Act (No. 3) 2023–24.

3 Actual available appropriations for 2023–24 include prior year departmental appropriation and s74 relevant entity receipts.

4 Appropriation receipts from departmental and administered appropriations.

5 Actual available appropriations for 2023–24 include retained administered funds from previous years.

6 Administered capital budgets are not separately identified in Appropriation Bill (No. 1) and form part of ordinary annual services items.

7 Corporate entities' are corporate Commonwealth entities and Commonwealth companies as defined under the PGPA Act.

8 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, Jervis Bay and Norfolk Island Special Account and the Melbourne Airport New Runway Land Acquisition Special Account.

9 Total resourcing excludes the actual available appropriation for all special appropriations.

Table B.2: Expenses for Outcome 1: Improved infrastructure across Australia through investment in and coordination of transport and other infrastructure

	Budget ¹ 2023–24 \$'000	Actual expenses 2023–24 \$'000	Variation 2023–24 \$'000
Program 1.1: Infrastructure Investment			
Administered expenses			
Ordinary annual services (Appropriation Acts No.1 and No.3)	73,631	13,975	59,656
Other services (Appropriation Acts No.2 and No.4)	485,306	485,815	(509)
Payments to corporate entities	42,192	42,192	–
Expenses not requiring appropriation in the Budget year ²	244,322	232,281	12,041
Total for Program 1.1	845,451	774,263	71,188
Outcome 1 Total	845,451	774,263	71,188
Outcome 1 totals by appropriation type			
Administered expenses			
Ordinary annual services (Appropriation Acts No.1 and No.3)	73,631	13,975	59,656
Other Services (Appropriation Acts No.2 and No.4)	485,306	485,815	(509)
Payments to corporate entities	42,192	42,192	–
Expenses not requiring appropriation in the Budget year ²	244,322	232,281	12,041
Departmental expenses			
Departmental appropriation ³	79,198	80,238	(1,040)
Expenses not requiring appropriation in the Budget year ⁴	4,092	6,341	(2,249)
Total expenses for Outcome 1	928,741	860,842	67,899
Average staffing level (number)	309	337	(28)

1 Budget figures are based on the 2023–24 estimated actuals published in the 2024–25 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 B.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 2023–24 \$'000	Actual expenses 2023–24 \$'000	Variation 2023–24 \$'000
Program 2.1: Surface Transport			
Administered expenses			
Ordinary annual services (Appropriation Acts No.1 and No.3)	262,240	264,776	(2,536)
Special appropriations	134,137	132,936	1,201
Payments to corporate entities	109,311	109,311	–
Expenses not requiring appropriation in the Budget year ²	6,668	–	6,668
Total for Program 2.1	512,356	507,023	5,333
Program 2.2: Road Safety			
Administered expenses			
Ordinary annual services (Appropriation Acts No.1 and No.3)	13,660	6,397	7,263
Total for Program 2.2	13,660	6,397	7,263
Program 2.3: Air Transport			
Administered expenses			
Ordinary annual services (Appropriation Acts No.1 and No.3)	32,143	57,204	(25,061)
Special appropriations	123,800	126,541	(2,741)
Special accounts	–	146	(146)
Payments to corporate entities	107,602	107,602	–
Expenses not requiring appropriation in the Budget year ²	149,131	59,515	89,616
Total for Program 2.3	412,676	351,008	61,668
Outcome 2 Total	938,692	864,428	74,264

	Budget ¹ 2023–24 \$'000	Actual expenses 2023–24 \$'000	Variation 2023–24 \$'000
Outcome 2 totals by appropriation type			
Administered expenses			
Ordinary annual services (Appropriation Acts No.1 and No.3)	308,043	328,377	(20,334)
Special appropriations	257,937	259,477	(1,540)
Special accounts	–	146	(146)
Payments to corporate entities	216,913	216,913	–
Expenses not requiring appropriation in the Budget year ²	155,799	59,515	96,284
Departmental expenses			
Departmental appropriation ³	122,298	130,561	(8,263)
s74 External Revenue	4,182	7,069	(2,887)
Expenses not requiring appropriation in the Budget year ⁴	17,495	9,519	7,976
Total expenses for Outcome 2	1,082,667	1,011,577	71,090
Average staffing level (number)	589	573	16

1 Budget figures are based on the 2023–24 estimated actuals published in the 2024–25 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 B.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 2023–24 \$'000	Actual expenses 2023–24 \$'000	Variation 2023–24 \$'000
Program 3.1: Regional Development			
Administered expenses			
Ordinary annual services (Appropriation Acts No.1 and No.3)	382,115	497,956	(115,841)
Expenses not requiring appropriation in the Budget year ²	255,314	44,878	210,436
Total for Program 3.1	637,429	542,834	94,595
Program 3.2: Local Government			
Administered expenses			
Ordinary annual services (Appropriation Acts No.1 and No.3)	390	–	390
Other services (Appropriation Acts No.2 and No.4)	369,610	73,935	295,675
Special appropriations	8,678	2,796,167	(2,787,489)
Expenses not requiring appropriation in the Budget year ²	431,050	431,053	(3)
Total for Program 3.2	809,728	3,301,155	(2,491,427)
Program 3.3: Cities			
Administered expenses			
Ordinary annual services (Appropriation Acts No.1 and No.3)	100	–	100
Expenses not requiring appropriation in the Budget year ²	482	392	90
Total for Program 3.3	582	392	190

	Budget ¹ 2023–24 \$'000	Actual expenses 2023–24 \$'000	Variation 2023–24 \$'000
Program 3.4: Growing a Stronger Northern Australian Economy			
Administered expenses			
Ordinary annual services (Appropriation Acts No.1 and No.3)	10,997	–	10,997
Payments to corporate entities	21,295	21,295	–
Expenses not requiring appropriation in the Budget year ²	116,708	178,244	(61,536)
Total for Program 3.4	149,000	199,539	(50,539)
Outcome 3 Total	1,596,739	4,043,920	(2,447,181)
Outcome 3 totals by appropriation type			
Administered expenses			
Ordinary annual services (Appropriation Acts No.1 and No.3)	393,602	497,956	(104,354)
Other services (Appropriation Acts No.2 and No.4)	369,610	73,935	295,675
Special appropriations	8,678	2,796,167	(2,787,489)
Payments to corporate entities	21,295	21,295	–
Expenses not requiring appropriation in the Budget year ²	803,554	654,567	148,987
Departmental expenses			
Departmental appropriation ³	83,677	86,744	(3,067)
Expenses not requiring appropriation in the Budget year ⁴	3,856	5,993	(2,137)
Total expenses for Outcome 3	1,684,272	4,136,657	(2,452,385)
Average staffing level (number)	405	334	71

- 1 Budget figures are based on the 2023–24 estimated actuals published in the 2024–25 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 B.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 2023–24 \$'000	Actual expenses 2023–24 \$'000	Variation 2023–24 \$'000
Program 4.1: Services to Territories			
Administered expenses			
Ordinary annual services (Appropriation Acts No.1 and No.3)	244,883	226,837	18,046
Special accounts	20,365	34,991	(14,626)
Expenses not requiring appropriation in the Budget year ²	43,956	56,935	(12,979)
Total for Program 4.1	309,204	318,763	(9,559)
Outcome 4 totals by appropriation type			
Administered expenses			
Ordinary annual services (Appropriation Acts No.1 and No.3)	244,883	226,837	18,046
Special accounts	20,365	34,991	(14,626)
Expenses not requiring appropriation in the Budget year ²	43,956	56,935	(12,979)
Departmental expenses			
Departmental appropriation ³	35,340	26,948	8,392
Expenses not requiring appropriation in the Budget year ⁴	1,348	2,132	(784)
Total expenses for Outcome 4	345,892	347,843	(1,951)
Average staffing level (number)	135	115	20

1 Budget figures are based on the 2023–24 estimated actuals published in the 2024–25 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 B.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 2023–24 \$'000	Actual expenses 2023–24 \$'000	Variation 2023–24 \$'000
Program 5.1: Digital Technologies and Communications Services			
Administered expenses			
Ordinary annual services (Appropriation Acts No.1 and No.3)	325,725	65,229	260,496
Special accounts	312,250	309,595	2,655
Payments to corporate entities	1,472,507	1,472,507	–
Expenses not requiring appropriation in the Budget year ²	809,701	982,017	(172,316)
Total for Program 5.1	2,920,183	2,829,348	90,835
Outcome 5 totals by appropriation type			
Administered expenses			
Ordinary annual services (Appropriation Acts No.1 and No.3)	325,725	65,229	260,496
Special accounts	312,250	309,595	2,655
Payments to corporate entities	1,472,507	1,472,507	–
Expenses not requiring appropriation in the Budget year ²	809,701	982,017	(172,316)
Departmental expenses			
Departmental appropriation ³	81,136	90,159	(9,023)
s74 External Revenue	2,917	4,930	(2,013)
Special accounts	4,086	4,046	40
Expenses not requiring appropriation in the Budget year ⁴	8,902	7,504	1,398
Total expenses for Outcome 5	3,017,224	2,935,987	81,237
Average staffing level (number)	359	422	(63)

1 Budget figures are based on the 2023–24 estimated actuals published in the 2024–25 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 B.7: Expenses for Outcome 6: Participation in, and access to, Australia's art and culture through developing and supporting cultural expression

	Budget ¹ 2023–24 \$'000	Actual expenses 2023–24 \$'000	Variation 2023–24 \$'000
Program 6.1: Arts and Cultural Development			
Administered expenses			
Ordinary annual services (Appropriation Acts No.1 and No.3)	291,692	288,718	2,974
Special accounts	500	316	184
Payments to corporate entities	595,515	595,515	–
Expenses not requiring appropriation in the Budget year ²	1,632	4,713	(3,081)
Total for Program 6.1	889,339	889,262	77
Outcome 6 totals by appropriation type			
Administered expenses			
Ordinary annual services (Appropriation Acts No.1 and No.3)	291,692	288,718	2,974
Special accounts	500	316	184
Payments to corporate entities	595,515	595,515	–
Expenses not requiring appropriation in the Budget year ²	1,632	4,713	(3,081)
Departmental expenses			
Departmental appropriation ³	55,673	35,951	19,722
s74 External Revenue	8,973	15,166	(6,193)
Special accounts	4,082	5,717	(1,635)
Expenses not requiring appropriation in the Budget year ⁴	–	4,361	(4,361)
Total expenses for Outcome 6	958,067	950,457	7,610
Average staffing level (number)	246	234	12

1 Budget figures are based on the 2023–24 estimated actuals published in the 2024–25 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 C: Sustainability Report (Climate Disclosure Statement)

This report is made under section 516A of the *Environment Protection and Biodiversity Conservation Act 1999*.²⁹

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 recycling 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.

Climate action in government operations

The Australian Government released the *Climate Action in Government Operations Strategy*³⁰ in November 2023, setting out the overall approach and action required by Commonwealth entities to reduce its greenhouse gas emissions to achieve the APS Net Zero 2030 target, and transparently report on its emissions.

Commonwealth Climate Disclosure (CCD) is the Government's policy for Commonwealth entities to publicly disclose their exposure to climate risks and opportunities, as well as their actions to manage them. This is our first annual report which includes climate-related disclosures in accordance with the criteria in the CCD Pilot Guidance.³¹

The department's *Emissions Reduction Plan*³² includes targeted action on existing emissions reduction measures and the introduction of additional measures.

Progress against actions identified within the *Emissions Reduction Plan*, and any additional measures adopted, will be included in future annual reports. This, combined with annual emissions reporting, will be used as a measure of our progress towards reducing emissions.

29 Available at: www.legislation.gov.au/C2004A00485/2019-08-30/text

30 Available at: www.finance.gov.au/government/climate-action-government-operations/aps-net-zero-missions-2030

31 Available at: www.finance.gov.au/government/climate-action-government-operations/commonwealth-climate-disclosure-pilot

32 Available at: www.infrastructure.gov.au/department/media/publications/emissions-reduction-plan-2024

As part of the Net Zero in Government Operations Annual Progress Report, the Department of Finance will aggregate these measures to provide whole-of-government emissions reporting.

Governance and risk management

The department ensures that governance structures are underpinned by a robust enterprise risk management framework established in accordance with the requirements of the Commonwealth Risk Management Policy (2023) and the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

As defined under section 12 of the PGPA Act, the department's Secretary is the accountable authority for all departmental risks, including climate-related risks. The department has identified climate risk management as a priority, and will develop a governance framework to effectively identify and manage climate risks and opportunities. In the interim, we will use our existing governance structure (as outlined in Part 3.1: Corporate Governance) and risk systems, policies and tools to manage risks, including climate-related risks and opportunities.

We will be reviewing our existing systems to assess their effectiveness in considering the trade-offs between climate-related risks and other government policy constraints. For example, appropriate checks and balances are in place to ensure major procurements align with the emissions reduction articulated in the department's Emissions Reduction Plan.

We will continue to monitor our internal skills capability and escalate gaps to the Net Zero Unit to build the department's climate change policy and analysis capability as well as to our People Branch to incorporate into recruitment and learning and development programs.

In 2023–24, in accordance with our obligations under the Australian Government's *Approach to Climate Risk and Opportunity Management in the Public Sector 2024–26*³³, the department conducted its first organisation-wide climate risk assessment.

For the first reporting year, the department aligned with the first 5 steps of the Climate Risk and Opportunity Management Program (CROMP)³⁴ and we are in the process of finalising a strategic climate risk register and identifying actions to address climate risk. In 2024–25, we aim to complete 5 steps of the assessment and integrate climate risk assessment and reporting into business-as-usual risk processes. Refer Table C.1 for further information.

33 Available at: www.dcceew.gov.au/climate-change/publications/climate-risk-opportunity-management-program-resources

34 Available at: www.dcceew.gov.au/climate-change/policy/adaptation/climate-risk-opportunity-management-program

Table C.1: Steps in climate risk management**Step 1: Scope the assessment**

- > Identified the values at risk as the key deliverable for each of the 6 departmental outcomes.
- > Determined the geographic scope of the risk assessment to be across Australia, including the territories the department is responsible for. We have excluded international issues because departments are not required to assess climate risk on an international level.

Step 2: Consider current and future state

- > Identified the physical (acute and chronic) and transition risks that currently impact the department's programs and policies or which may impact them in the future.

Step 3: Identify your risks and opportunities

- > Developed a strategic climate risk register that identifies climate risks and opportunities which will be finalised in 2024–25.

Step 4: Prioritise risks and opportunities

- > Allocated risk ratings to risks identified in the strategic climate risk register. Further risk treatments have been identified for any risks that fall outside of the department's risk appetite and tolerance.

Step 5: Plan and take action

- > This step is underway.

Metrics and targets

The department is following the APS Net Zero 2030 target in full, as per the *Climate Action in Government Operations Strategy*. The APS Net Zero by 2030 target includes scope 1 and scope 2 greenhouse gas emissions, with decisions on scope 3 greenhouse gas emissions to be made in the future as further data becomes available (information on the target is detailed in the Pilot Metrics and Targets Factsheet³⁵).

The department's *Emissions Reduction Plan* includes a range of measures the department can implement to reduce its greenhouse gas emissions. The *Emissions Reduction Plan* has been endorsed by our Secretary and provides a more holistic approach to achieve sustainability and net zero carbon emissions across all areas and functions of the department including facilities, fleet vehicles, travel and procurement. The *Emissions Reduction Plan* includes targeted action on existing emissions reduction measures and the introduction of additional measures.

Progress against actions identified within our *Emissions Reduction Plan*, and any additional measures adopted, will be included in our annual reports. This, combined with annual emissions reporting, will be used as a measure of our progress towards reducing emissions.

As part of the *Net Zero in Government Operations Annual Progress Report*, the Department of Finance will aggregate these measures to provide whole-of-government emissions reporting.

35 Available at: www.finance.gov.au/government/climate-action-government-operations/commonwealth-climate-disclosure-pilot

The department consumed 11,158.28 gigajoules (GJ) of electricity for the financial year 2023–24. This is a 0.51% (56 GJ) increase from 2022–23. No natural gas was purchased throughout the reporting year.

Assessments using the National Australian Built Environment Rating System (NABERS) were completed for the four sites which meet the requirements under the Energy Efficiency in Government Operations (EEGO) Policy. The department's sub-lease at 26 Narellan St returned a 5.0 Star rating, 111 Alinga St returned a 4.5 Star rating and 2 Phillip Law St has been assessed by the NABERS assessor and awaiting the certification. The Whole Building rating at 62 Northbourne Ave has commenced the NABERS re-assessment process and is also pending recertification.

Figure C.1: NABERS certification star rating scale



There was no Green Power purchased throughout 2023–24.

Greenhouse gas emissions inventory

2023–24 Greenhouse gas emissions are calculated in line with the APS Net Zero Emissions Reporting Framework provided by Department of Finance, consistent with the whole-of-government approach as part of the APS Net Zero by 2030 target. Our emissions calculation method is detailed in the *Pilot Metrics and Targets Factsheet*.³⁶ The department has not deviated from this methodology.

The emissions data below presents greenhouse gas emissions over the 2023–24 period. Results are presented as carbon dioxide equivalent (CO₂-e) emissions and are based on the best available data at the time of reporting. Amendments to data may be required in future reports.

36 Available at: www.finance.gov.au/government/climate-action-government-operations/commonwealth-climate-disclosure-pilot

Table C.2: Greenhouse gas emissions inventory (location-based)

Emission source	Scope 1 t CO ₂ -e	Scope 2 t CO ₂ -e	Scope 3 t CO ₂ -e	Total t CO ₂ -e
Electricity (location-based approach)	N/A	2,108.102	170.326	2,278.428
Natural gas	0.000	N/A	0.000	0.000
Solid waste*	N/A	N/A	160.533	160.533
Refrigerants*	0.000	N/A	0.000	0.000
Fleet and other vehicles	5.116	N/A	1.292	6.408
Domestic commercial flights	N/A	N/A	1,424.721	1,424.721
Domestic hire car*	N/A	N/A	21.789	21.789
Domestic travel accommodation*	N/A	N/A	440.906	440.906
Other energy	0.000	N/A	0.000	0.000
Total t CO₂-e	5.116	2,108.102	2,219.586	4,332.804

Note: The table above presents emissions related to electricity usage using the location-based accounting method. CO₂-e = carbon dioxide equivalent.

- * Indicates emission sources collected for the first time in 2023–24. The quality of data is expected to improve over time as emissions reporting matures.
- > Due to the billing cycles not aligning with the end of the financial year, some electricity and solid waste data was not available during the initial collection process. Adjustments to the data may be required in future reports.
- > Emissions from electricity consumed by electric and plug-in hybrid vehicles has only been reported for electricity directly purchased by DITRDCA. Emissions associated with electricity consumption from public charging stations has not been reported for 2023–24.
- > Domestic travel emissions may contain some flight reservations for non-DITRDCA employees. While not within the scope of the APS Net Zero Emissions Reporting Framework, these emissions have been included as they were unable to be separated from DITRDCA’s data.
- > Commercial domestic flight emissions reported may contain some flights that were cancelled or not flown.
- > Emissions from hire cars for 2023–24 may be incomplete due to lack of robust data. The quality of data is expected to improve over time as emissions reporting matures.
- > Emissions from the High Speed Rail Authority’s operations are included in the emissions reporting of DITRDCA.

Table C.3: Greenhouse gas emissions inventory (market-based and location-based)

Emission source	Scope 2 t CO ₂ -e	Scope 3 t CO ₂ -e	Total t CO ₂ -e	Percentage of electricity use
Local based electricity emissions	2,108.102	170.326	2,278.428	100
Market based electricity emissions (residual) emissions)	420.237	51.881	472.118	16.74
Total renewable energy	-	-	-	83.26
Mandatory renewables ^a	-	-	-	18.72
Voluntary renewables ^b	-	-	-	64.54

Note: The table above presents emissions related to electricity usage using both the location-based and the market-based accounting methods. CO₂-e = carbon dioxide equivalent.

- a Mandatory renewables are the portion of electricity consumed from the grid that is generated by renewable sources. This includes the renewable power percentage.
- b Voluntary renewables reflect the eligible carbon credit units surrendered by the entity. This may include purchased large-scale generation certificates, power purchasing agreements, Green Power and the jurisdictional renewable power percentage (ACT only).

The difference in carbon dioxide equivalent in location versus market-based emissions is due to the department having most of its operations within the ACT, which has a jurisdictional renewable power percentage.

Appendix D: Workforce Statistics

The following tables show workforce statistics for the Department of Infrastructure, Transport, Regional Development, Communications and the Arts for 2023–24. This includes staff numbers by classification, distribution of staff by state and territory, Indigenous staff numbers, as well as a range of other information relating to workplace arrangements, remuneration and salary structures. For information on the department's human resource policies, refer to Part 3.2: People Management.

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Table D.1: All Ongoing Employees (2023–24)^a

	Man/Male			Woman/Female			Non-binary			Prefers not to answer			Uses a different term		
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total
NSW	39	2	41	64	8	72	-	-	-	-	-	-	-	-	113
Qld	43	1	44	82	11	93	-	-	-	-	-	-	-	-	137
SA	4	-	4	9	1	10	-	-	-	-	-	-	-	-	14
Tas	3	-	3	7	3	10	-	-	-	-	-	-	-	-	13
Vic	33	3	36	35	11	46	-	-	-	-	-	-	-	-	82
WA	8	-	8	11	5	16	-	-	-	-	-	-	-	-	24
ACT	656	45	701	865	176	1,041	3	1	4	-	-	-	-	-	1,746
NT	3	1	4	5	1	6	-	-	-	-	-	-	-	-	10
External Territories	5	-	5	5	1	6	-	-	-	-	-	-	-	-	11
Overseas	2	-	2	-	-	-	-	-	-	-	-	-	-	-	2
Total	796	52	848	1,083	217	1,300	3	1	4	-	-	-	-	-	2,152

Note:

a. Excludes inoperative employees, holders of public office and employees under the employment authority of the Indian Ocean Territories Administration.

Table D.2: All Non-Ongoing Employees (2023–24)^a

	Man/Male			Woman/Female			Non-binary			Prefers not to answer			Uses a different term		
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total
NSW	4	1	5	7	5	12	-	-	-	-	-	-	-	-	17
Qld	-	-	-	1	1	2	-	-	-	-	-	-	-	-	2
SA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tas	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vic	3	1	4	1	1	2	-	-	-	-	-	-	-	-	6
WA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ACT	32	7	39	54	17	71	1	-	1	-	-	-	-	-	111
NT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
External Territories	1	-	1	-	-	-	-	-	-	-	-	-	-	-	1
Overseas	1	-	1	-	-	-	-	-	-	-	-	-	-	-	1
Total	41	9	50	63	24	87	1	-	1	-	-	-	-	-	138

Note:

a. Excludes inoperative employees, holders of public office and employees under the employment authority of the Indian Ocean Territories Administration.

Table D.3: Australian Public Service Act Ongoing Employees (2023–24)^a

	Man/Male			Woman/Female			Non-binary			Prefers not to answer			Uses a different term		
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total
Secretary	1	-	1	-	-	-	-	-	-	-	-	-	-	-	1
SES 3	3	-	3	3	-	3	-	-	-	-	-	-	-	-	6
SES 2	8	-	8	13	-	13	-	-	-	-	-	-	-	-	21
SES 1	42	1	43	45	2	47	-	-	-	-	-	-	-	-	90
EL 2	138	9	147	189	28	217	-	-	-	-	-	-	-	-	364
EL 1	280	20	300	351	93	444	-	-	-	-	-	-	-	-	744
APS 6	178	13	191	245	60	305	-	1	1	-	-	-	-	-	497
APS 5	85	2	87	136	23	159	1	-	1	-	-	-	-	-	247
APS 4	35	2	37	68	8	76	1	-	1	-	-	-	-	-	114
APS 3	18	1	19	24	1	25	1	-	1	-	-	-	-	-	45
APS 2	4	4	8	-	2	2	-	-	-	-	-	-	-	-	10
APS 1	4	-	4	9	-	9	-	-	-	-	-	-	-	-	13
Total	796	52	848	1,083	217	1,300	3	1	4	-	-	-	-	-	2,152

Note:

a. Excludes inoperative employees, holders of public office and employees under the employment authority of the Indian Ocean Territories Administration.

Table D.4: Australian Public Service Act Non-Ongoing Employees (2023-24)^a

	Man/Male			Woman/Female			Non-binary			Prefers not to answer			Uses a different term		
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total
SES 3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SES 2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SES 1	-	-	-	1	-	1	-	-	-	-	-	-	-	-	1
EL 2	5	-	5	4	1	5	-	-	-	-	-	-	-	-	10
EL 1	7	1	8	12	2	14	-	-	-	-	-	-	-	-	22
APS 6	14	1	15	12	4	16	-	-	-	-	-	-	-	-	31
APS 5	6	-	6	12	5	17	-	-	-	-	-	-	-	-	23
APS 4	3	1	4	21	2	23	-	-	-	-	-	-	-	-	27
APS 3	5	4	9	-	6	6	1	-	1	-	-	-	-	-	16
APS 2	1	2	3	1	4	5	-	-	-	-	-	-	-	-	8
APS 1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	41	9	50	63	24	87	1	-	1	-	-	-	-	-	138

Note:

a. Excludes inoperative employees, holders of public office and employees under the employment authority of the Indian Ocean Territories Administration.

Table D.5: Australian Public Service Act Employees by Full time and Part time Status (2023–24)^a

	Ongoing			Non-Ongoing			Total
	Full time	Part time	Total Ongoing	Full time	Part time	Total Non-Ongoing	
Secretary	1	-	1	-	-	-	1
SES 3	6	-	6	-	-	-	6
SES 2	21	-	21	-	-	-	21
SES 1	87	3	90	1	-	1	91
EL 2	327	37	364	9	1	10	374
EL 1	631	113	744	19	3	22	766
APS 6	423	74	497	26	5	31	528
APS 5	222	25	247	18	5	23	270
APS 4	104	10	114	24	3	27	141
APS 3	43	2	45	6	10	16	61
APS 2	4	6	10	2	6	8	18
APS 1	13	-	13	-	-	-	13
Total	1,882	270	2,152	105	33	138	2,290

Note:

- a. Excludes inoperative employees, holders of public office and employees under the employment authority of the Indian Ocean Territories Administration.

Table D.6: Australian Public Service Act Employment type by location (2023–24)^a

	Ongoing	Non-Ongoing	Total
NSW	113	17	130
Qld	137	2	139
SA	14	-	14
Tas	13	-	13
Vic	82	6	88
WA	24	-	24
ACT	1,746	111	1,857
NT	10	-	10
External Territories	11	1	12
Overseas	2	1	3
Total	2,152	138	2,290

Note:

- a. Excludes inoperative employees, holders of public office and employees under the employment authority of the Indian Ocean Territories Administration.

Table D.7: Australian Public Service Act Indigenous Employment (2023–24)^a

	Total
Ongoing	68
Non-Ongoing	4
Total	72

Note:

- a. Excludes inoperative employees, holders of public office and employees under the employment authority of the Indian Ocean Territories Administration.

Table D.8: Australian Public Service Act Employment arrangements (2023–24)

	SES	Non-SES	Total
Individual determination under subsection 24(1) of the PS Act 1999	118	1	119
S24(1) — Determination (Salary and Allowances for Non-SES) 2024	0	2,171	2,171
Department of Infrastructure, Transport, Regional Development, Communications and the Arts Enterprise Agreement 2024	0	2,171	2,171
Total	118	2,171	2,290

Table D.9: Australian Public Service Act Employment salary ranges by classification level (Minimum/Maximum) (2023–24)^a

	Minimum Salary	Maximum Salary
SES 3	\$386,160	\$401,760
SES 2	\$263,743	\$366,196
SES 1	\$217,504	\$263,637
EL 2	\$139,418	\$198,172
EL 1	\$118,176	\$149,194
APS 6	\$92,005	\$122,021
APS 5	\$83,132	\$94,026
APS 4	\$74,464	\$85,725
APS 3	\$67,207	\$72,569
APS 2	\$58,908	\$65,032
APS 1	\$55,199	\$55,199
Other	-	-
Minimum/Maximum range	\$55,199	\$401,760

Note:

- a. Excludes inoperative employees, holders of public office and employees under the employment authority of the Indian Ocean Territories Administration.

Table D.10: Australian Public Service Act Employment Performance Pay by classification level (2023–24)

Not applicable in 2023–24. No performance payments were made at any classification level during the reporting period.

Indian Ocean Territories: employment arrangements

Table D.11 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 D.11: All staff employed under the Indian Ocean Territories Administration, by employment type, current and previous report period^{a,b}

	30 June 2023	30 June 2024
Ongoing	63	88
Non-ongoing	49	27
Casual	53	64
Total	165	179

Notes:

- Includes all employees employed under the Territory of Christmas Island Administration Ordinance 1968 and the Territory of Cocos (Keeling) Islands Administration Ordinance 1975.
- Excludes the Administrator for Christmas Island and Cocos (Keeling) Islands.

Table D.12: Information about remuneration for key management personnel (KMP)

Name	Position Title	Base Salary	Bonuses	Other Benefits and Allowance	Super-annuation Contributions	Long Service Leave	Other Long-Term Benefits	Termination Benefits	Total Remuneration
Jim Betts	Secretary	\$906,018	-	\$284	\$27,358	\$27,614	-	-	\$961,275
Stephen Arnott	Deputy Secretary	\$377,340	-	\$284	\$71,678	\$20,344	-	-	\$469,646
Marisa Purvis-Smith	Deputy Secretary	\$419,620	-	\$284	\$71,788	\$19,496	-	-	\$511,189
David Mackay	Deputy Secretary	\$388,071	-	\$284	\$56,458	\$16,715	-	-	\$461,528
Maree Bridger	Deputy Secretary/COO	\$395,423	-	\$284	\$47,398	\$7,622	-	-	\$450,727
James Chisholm	Deputy Secretary	\$73,162	-	\$49	\$12,534	\$1,641	-	-	\$87,386
Jessica Hall	Deputy Secretary	\$350,773	-	\$284	\$50,879	\$39,896	-	-	\$441,832
David Hallinan	Deputy Secretary	\$74,185	-	\$99	\$23,363	\$8,337	-	-	\$105,985
Richard Windeyer	Deputy Secretary	\$222,569	-	\$197	\$49,986	\$7,533	-	-	\$280,285

Note:

This table includes the part-year impact of KMP who either commenced or separated during the reporting period.

Table D.13: Information about remuneration for senior executives

Remuneration Band	Number of senior executives	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
\$0 – \$220,000	27	\$90,890	-	\$142	\$15,645	\$12,398	-	-	\$119,075
\$220,001 – \$245,000	10	\$178,172	-	\$810	\$26,915	\$6,795	-	-	\$212,691
\$245,001 – \$270,000	24	\$211,320	-	\$283	\$37,094	\$9,517	-	-	\$258,214
\$270,001 – \$295,000	23	\$223,283	-	\$265	\$36,939	\$14,659	-	\$6,515	\$281,661
\$295,001 – \$320,000	15	\$253,023	-	\$285	\$42,905	\$9,796	-	-	\$306,009
\$320,001 – \$345,000	10	\$275,631	-	\$274	\$43,870	\$11,034	-	-	\$330,809
\$345,001 – \$370,000	4	\$277,894	-	\$263	\$50,924	\$28,100	-	-	\$357,181
\$370,001 – \$395,000	1	\$316,566	-	\$284	\$54,813	\$20,001	-	-	\$391,664
\$395,001 – \$420,000	0	-	-	-	-	-	-	-	-
\$420,001 – \$445,000	1	\$350,824	-	\$284	\$54,225	\$16,447	-	-	\$421,780
\$445,001 – \$470,000	2	\$392,573	-	\$284	\$52,129	\$12,168	-	-	\$457,154
\$470,001 – \$495,000	2	\$377,724	-	\$284	\$65,631	\$30,142	-	-	\$473,781
\$495,001 – \$520,000	0	-	-	-	-	-	-	-	-
\$520,001 – \$545,000	1	\$433,111	-	\$284	\$72,023	\$19,496	-	-	\$524,914
\$945,001 – \$970,000	1	\$906,018	-	\$284	\$27,358	\$27,614	-	-	\$961,274

Table D.14: Information about remuneration for other highly paid staff

	Number of other highly paid staff	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	Total remuneration
\$270,001 – \$295,000	1	\$256,304	-	-	\$25,874	\$10,414	-	-	\$292,592
\$345,001 – \$370,000	1	\$316,446	-	\$9,369	\$32,722	\$5,275	-	-	\$363,812

Table D.15: Non-salary benefits to employees

Non-SES staff
Access to Individual Flexibility Arrangements
Access to paid leave at half pay
Access to remote locality conditions
Access to the Employee Assistance Program
Australian Defence Force Reserve leave
Annual close down and early stand down at Christmas Eve
Annual leave
Annual free influenza vaccinations
Bereavement and compassionate leave
Blood donation leave
Cash-out of annual leave
Community language allowance
Cultural, ceremonial and NAIDOC leave
Disaster support
Emergency response leave
Family and domestic violence support
Financial assistance for eyesight health
Financial assistance to access financial advice for staff involved in a redundancy process
Financial assistance to purchase aids or services to help quit smoking
Flexible working arrangements
Flextime (not all non-SES employees) and time in lieu
Lactation and breastfeeding support
Long service leave
Parental leave — including adoption and long-term foster care, stillbirth, pregnancy loss and premature birth leave
Personal/carer's leave
Portability of leave

Non-SES staff

Purchased and extended purchased leave

Recognition of travel time

Reimbursement for work related expenses

Relocation assistance

Study assistance

Support for professional and personal development

Working from home (The department may provide equipment necessary for, or reimbursement, for all or part of the costs associated with establishing a working from home arrangement)

SES staff

All the above benefits except flextime and access to Individual Flexibility Arrangements

Airport lounge membership

Car parking

Individual determinations made under section 24(1) of the Public Service Act 1999

Appendix E: Work Health and Safety

Work health and safety (WHS)

The department is committed to the health, safety and wellbeing of our workers and visitors in accordance with the *Work Health and Safety Act 2011* (WHS Act) and the *Safety, Rehabilitation and Compensation Act 1988*.

Throughout 2023–24, the department consulted on a quarterly basis with the WHS Committee and Health and Safety Representative Network to guide us on the key initiatives to support the physical, emotional and mental wellbeing, safety and education of our staff. During 2023–24, the department's strategic WHS priorities were:

Respect@Work Project

As part of the department's commitment to fostering a culture free from sexual harassment and sex discrimination, we progressed a Respect@Work Project. This included a comprehensive review of our controls, policies and procedures to ensure they were effective to prevent and address sexual harassment and sex discrimination. Furthermore, specialised training was organised for the department's SES officers to inform them of their positive duty to prevent sexual harassment, sex discrimination and victimisation in the workplace.

Mental health and psychosocial risk

Psychosocial risk remains at the forefront of the department's priorities and we have continued to progress initiatives based on the department's *Mental Health and Wellbeing Framework and Action Plan*. These included:

- > promotion of our Employee Assistance Program (EAP) to provide confidential counselling for our staff
- > targeted training and resources to upskill our people and leaders in mental health and wellbeing
- > training and resources for staff in high risk roles. Initiatives included early intervention modules, scheduled wellbeing checks conducted by our EAP provider, and courses in vicarious trauma, Respect@Work, difficult conversations, dealing with customer aggression and mental health first aid
- > ensuring staff impacted by incidents in the workplace are aware of the supports available to them with up to date references on the intranet.

WHS in the territories

The department provides specialist WHS risk management support and expertise to staff within the Territories Division and the administered territories. The Territories WHS System, which sits within the department's WHS Management System, provides additional direction, information and resources for specialist work undertaken in the administered territories. In 2023–24, multiple activities to achieve the department's commitment to WHS in the administered territories were undertaken, including:

- > engaged external experts to review of the Territories WHS Management System
- > engaged external experts to review of the Electrical Network Safety Management System on Christmas Island

- > delivered Elevated Work Platform Licence Course and Working from Heights Course on Norfolk Island
- > conducted internal safety sessions for contractors and Norfolk Island Regional Council staff
- > provided training on dealing with aggressive customers and managing psychosocial risks in the workplace
- > conducted Comcare Health and Safety Representatives (HSR) courses for new HSRs on Christmas Island
- > conducted refresher courses for existing HSRs on Christmas Island and Cocos (Keeling) Islands
- > delivered workplace safety training for managers and supervisors in the Indian Ocean Territories (incident notification, management, general risk, and sexual harassment awareness training) increasing awareness and building capability for compliance with statutory requirements for incident management and notification
- > engaged external experts to review and update of the Jervis Bay Territory Asbestos Management Plans and Registers, ensuring compliance with WHS regulations.

Health and wellbeing programs

As part of the department's commitment to health and wellbeing in the workplace we offer a range of initiatives for our staff, including:

- > ergonomic assessment for all new employees which allows the department to proactively provide reasonable adjustments
- > promotion of our early intervention program for work related incidents
- > facilitation of the Healthy Living Program, with onsite influenza vaccinations (864 staff participated), health checks (68 staff participated), webinars that focused on the importance of physical health in relation to mental health and inviting award winning journalist, Sophie Scott to deliver an empowering talk on The Science of High-Performance Habits
- > activities for Mental Health and Safe work months included inviting guest speaker Celia Pacquola to host a "Truth about Anxiety" fireside chat, mental health day out walks, webinars and training to educate staff about the management of burnout and emotionally intelligent leadership
- > financial assistance for optical and quit smoking aids
- > continued partnership with Osara Health, providing programs for both those living with cancer (Coach Program) and those who are providing care to a cancer patient (Carer's Program). The Coach Program is an education, support and behaviour change program designed by oncologists to help people take back control of their cancer care and achieve better outcomes. The Carer's Program is designed to equip employees with the support, information and skills to best look after their loved one living with cancer and improve their clinical outcomes.

Other Initiatives include:

- > review of the departmental and divisional WHS risk registers to ensure new risks are captured and existing controls and treatments remain fit for purpose
- > completing the department's annual hazard inspection program to capture risks early and apply corrective actions to prevent workplace incidents
- > delivery of mandatory due diligence training for all SES officers.

Provisional Improvement Notices (PINs), investigations and inspections

There were no PINs issued by health and safety representatives under the WHS Act. Further, there were no PINs issued by Comcare (the regulator) under the WHS Act during the period.

Comcare initiated a regulatory a proactive inspection with the department as part of their 2023–24 regional engagement for the purpose of assessing compliance with the legislative requirements relating to incident management. Comcare did not identify any non-compliance.

The department, including the territories, reported 17 notifiable incidents to Comcare during 2023–24.

Comcare conducted 5 inspections, with no investigations.

Table E.1: Summary of health and safety outcomes 2023–24

Health and safety outcome	2023–24
Incidents notified to Comcare	17
Notices received from Comcare under Part 10 of the WHS Act	0
Incidents notified by employees	134
Hazards notified by employees	19
Employees who accessed early intervention assistance for work-related illness or injury	8
Accepted workers compensation claims ^a	19
Claims for lost time from new claims	1
Total weeks lost from new claims through incapacity	10.9
Average time off work per injury (weeks) from new claims	10.9
Average cost per accepted compensation claim	\$17,759
Employees using Employee Assistance Program	11.7%

Note:

- a. Includes claims accepted for former employees

Appendix F: Advertising and Market Research

Advertising and market research

During 2023–24, the department conducted the following advertising campaigns:

- > Extended Online Safety Campaign
- > Modern, Cheaper-to-Run Cars Awareness Campaign
- > Regional Railway Crossing Safety Campaign.

Further information on the advertising campaigns is available at www.infrastructure.gov.au/about-us/corporate-reporting/campaign-certification 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 available at: www.finance.gov.au/government/advertising.

Tables F.1 to F.3 list advertising and market research payments of more than \$16,300 (GST inclusive) made during 2023–24, as required by section 311A of the *Commonwealth Electoral Act 1918*.

Table F.1: Advertising entities

Organisation name	Purpose	Amount of payment (GST inc.)
Clemenger	Creative production	\$510,261
TBWA	Creative production	\$1,476,109
Total advertising entities		\$1,986,370

Table F.2: Market research organisations

Organisation name	Purpose	Amount of payment (GST inc.)
Orima Research	Market research	\$574,237
Whereo Research	Market research	\$337,370
Hall and Partners	Evaluation services	\$203,377
Total market research organisations		\$1,114,984

Table F.3: Media advertising organisations

Organisation name	Purpose	Amount of payment (GST inc.)
Mediabrand Australia Pty Ltd	Public notices (various) and non-campaign advertising	\$482,740
Universal McCann	Campaign media buying and placement services	\$13,035,722
Total media advertising		\$13,518,463

Appendix G: Reports under Aviation Legislation

Environment authorisations

Sub-regulation 5.15(2) of the *Airports (Environment Protection) Regulations 1997* requires the department to report notification of authorisations granted under Part 5 of those Regulations.

The department can authorise an operator at an airport to undertake action that may result in environmental pollution, emission or discharge limits being exceeded, where the emissions or discharges would be no more damaging to the environment than would be the case if the limits were met or if the applicant believes that the limits can only be achieved by incremental improvements over a greater period of time. Two authorisations were issued over the reporting period.

The Sydney Airport Environment Officer completed an assessment and granted authorisation with conditions on 7 June 2024 to Sydney Water Corporation to periodically discharge sewerage from the overflow point at Discharge Bay, Mill Pond at Sydney Airport until 31 March 2027.

The Western Sydney International (Nancy-Bird Walton) Airport Environment Officer completed an assessment and granted authorisation with conditions on 30 July 2023 to CPB Contractors Ghella Joint Venture to discharge treated, tunnelling construction water, into Badgerys Creek, until 31 October 2024.

Both authorisations can be viewed on the department's website.³⁷ Alternatively, a copy may be inspected at the offices of the airport-lessee company for the airport concerned.

Reports under aviation legislation

Section 29(1) of the *Air Navigation Act 1920*³⁸ (the Act) requires the department to report annually on administration and operation of the Act and its regulations. This includes other civil 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 2023–24, the department granted approvals for 453 timetables, 726 timetable variations, 77 non-scheduled flights and 5 new international airline licenses.

The lingering impacts of the COVID-19 pandemic on the international aviation industry have continued to lift and international airlines have recommenced and increased their operations to Australia. By February 2024, the number of scheduled international flights to and from Australia reached pre-COVID levels for the first time. In addition, the number of international airlines operating to Australia also returned to pre-COVID levels.

Aircraft noise levy collection

Section 20 of the *Aircraft Noise Levy Collection Act 1995*³⁹ requires our annual report to include information on adherence to that Act and to the *Aircraft Noise Levy Act 1995*.⁴⁰

In 2023–24, no reportable actions or breaches were made under either of these Acts.

37 Available at: www.infrastructure.gov.au/infrastructure-transport-vehicles/aviation/airports/airport-planning-regulation/airport-environmental-management

38 www.legislation.gov.au/C1920A00050/latest/text

39 www.legislation.gov.au/C2004A04948/latest/text

40 www.legislation.gov.au/C2004A04947/latest/text

Appendix H: Report under the National Land Transport Act 2014

The *National Land Transport Act 2014*⁴¹ governs the provision of Commonwealth funding for projects in the Infrastructure Investment Program (IIP). In accordance with reporting obligations for the 2023–24 financial year, project and financial information on the operation of the IIP, including subprograms such as Black Spots and Roads to Recovery, transport development and innovation projects and funding for land transport research entities, can be found in Part 2: Annual Performance Statements of this annual report.

41 www.legislation.gov.au/C2005A00093/latest/text

Appendix I: Reports under Public Broadcasters Legislation

Australian Broadcasting Corporation (ABC) Board

This report is made under section 24Y of the *Australian Broadcasting Corporation Act 1983* (the ABC Act).⁴²

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.

In 2023–24, Mr Kimberly Williams AM was appointed as Chairperson for a 5-year term, concluding on 6 March 2029. Ms Louise McElvogue and Ms Nicolette Maury were appointed as non-executive directors for 5-year terms, concluding on 15 October 2028.

These appointment processes complied with requirements under the ABC Act.

Special Broadcasting Service (SBS) Board

This report is made under section 43C of the *Special Broadcasting Service Act 1991* (the SBS Act).⁴³

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. There were no relevant board appointments made in 2023–24.

42 Available at: www.legislation.gov.au/Series/C2004A02723

43 Available at: www.legislation.gov.au/Series/C2004A04255

Appendix J: Report under the Telecommunications (Consumer Protection and Services Standards) Act 1997

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 2023–24, 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 (NRS) contract

Under the NRS contract, service provider 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 on the [accesshub](#).⁴⁴ Several service improvement projects were also completed through the existing NRS funding footprint for the 2023–24 Financial Year, including the Teletypewriter (TTY) training program, hiring of a community engagement officer and quality of life enhancements to the NRS app interface.

Performance

In relation to the TUSOPA, in 2023–24 Telstra met all contractual requirements, no breaches were notified and no remedial action was required. In relation to the NRS, in 2023–24 Concentrix met all contractual requirements.

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.

44 Available at: accesshub.gov.au/about-the-nrs

Appendix K: Report under the Protection of Movable Cultural Heritage Act 1986

This report is made under section 47 of the *Protection of Movable Cultural Heritage Act 1986* (the Act).

Regulatory activities under the Act 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 K.1: Actions taken under the *Protection of Movable Cultural Heritage Act 1986*

Category	Action	2022–23	2023–24
Permanent export permits	Issued	29	10
Permanent export permits	Refused	0	0
Permanent export permits	Varied	1	1
Temporary export permits	Issued	1	1
Temporary export permits	Refused	0	0
Temporary export permits	Varied	6	0
Temporary export permits	Variation refused	0	1
Certificate of exemption	Issued	17	0
Certificate of exemption	Refused	0	0
Certificate of exemption	Varied	1	0
National Cultural Heritage Account	Applications approved	6	4
Unlawful import	Objects seized	13	15
Unlawful import	Objects returned to foreign countries	338	3

The number of export permits, export permit variations and letters of clearance issued are listed below in the categories under which they fall, as defined in the *National Cultural Heritage Control List, Schedule 1, Protection of Movable Cultural Heritage Regulations 2018*.

10 permanent export permits were issued:

- > 9 objects of fine or decorative art
- > 1 object of applied science or technology.

1 permanent export permit was varied:

- > 1 object of applied science or technology.

1 temporary export permit was issued:

- > 1 object of natural science.

1 temporary export permit variation was refused:

- > 1 object of fine or decorative art.

12 non-statutory letters of clearance were issued:

- > 1 object of Australian Aboriginal and Torres Strait Islander heritage
- > 1 object of natural science
- > 6 objects of applied science or technology
- > 1 object of fine or decorative art
- > 3 numismatic objects.

Applications for funding approved under the National Cultural Heritage Account in 2023–24:

- > University of Melbourne — Tommy McRae, *Before the Fight — A War Dance*, c.1890
- > Returned and Services League of Australia (Queensland Branch) Mackay Ex Service Branch — Center Bagpipes, c.1916
- > National Trust of Australia (Tasmania) — Conway Hart, *Portrait of Dorothea Pitcairn*, c.1855
- > Australian War Memorial, Hilda Rix Nicholas, *Costume designs for the Pageant of the Southern Cross*, c.1917.

Objects returned to a foreign country in 2023–24:

- > 3 objects to China: a Hyphalosaurus fossil and two Tang Dynasty figurines.

Further information on returns of foreign cultural property is available on the department's website.⁴⁵

45 Available at: www.arts.gov.au/what-we-do/cultural-heritage/movable-cultural-heritage/importing-cultural-heritage-objects-australia/returns-foreign-cultural-property



Image: Happy family having fun using and sharing a digital tablet on the sofa at home.
Credit: Courtneyk, Getty Images. Image also seen on back cover.

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List of Requirements

The table below outlines compliance with key annual performance reporting information, as required in section 17AJ(d) of the *Public Governance, Performance and Accountability Rule 2014*.

PGPA Rule Reference	Part of Report / Description	Requirement	Page no.
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	3
17AD(h)	Aids to access		
17AJ(a)	Table of contents (print only).	Mandatory	4
17AJ(b)	Alphabetical index (print only).	Mandatory	303
17AJ(c)	Glossary of abbreviations and acronyms.	Mandatory	297 & 300
17AJ(d)	List of requirements.	Mandatory	288
17AJ(e)	Details of contact officer.	Mandatory	2
17AJ(f)	Entity's website address.	Mandatory	2
17AJ(g)	Electronic address of report.	Mandatory	2
17AD(a)	Review by accountable authority		
17AD(a)	A review by the accountable authority of the entity.	Mandatory	6
17AD(b)	Overview of the entity		
17AE(1)(a)(i)	A description of the role and functions of the entity.	Mandatory	34
17AE(1)(a)(ii)	A description of the organisational structure of the entity.	Mandatory	36
17AE(1)(a)(iii)	A description of the outcomes and programs administered by the entity.	Mandatory	38
17AE(1)(a)(iv)	A description of the purposes of the entity as included in corporate plan.	Mandatory	38

PGPA Rule Reference	Part of Report / Description	Requirement	Page no.
17AE(1)(aa)(i)	Name of the accountable authority or each member of the accountable authority.	Mandatory	34
17AE(1)(aa)(ii)	Position title of the accountable authority or each member of the accountable authority.	Mandatory	34
17AE(1)(aa)(iii)	Period as the accountable authority or member of the accountable authority within the reporting period.	Mandatory	34
17AE(1)(b)	An outline of the structure of the portfolio of the entity.	Portfolio departments — mandatory	32
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
17AD(c)	Report on the Performance of the entity		
	Annual performance Statements		Part 2
17AD(c)(i); 16F	Annual performance statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule.	Mandatory	41
17AD(c)(ii)	Report on Financial Performance		
17AF(1)(a)	A discussion and analysis of the entity's financial performance.	Mandatory	24
17AF(1)(b)	A table summarising the total resources and total payments of the entity.	Mandatory	243
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.	24

PGPA Rule Reference	Part of Report / Description	Requirement	Page no.
17AD(d)	Management and Accountability		
	Corporate Governance		Part 3.1
17AG(2)(a)	Information on compliance with section 10 (fraud systems).	Mandatory	140
17AG(2)(b)(i)	A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared.	Mandatory	141
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	141
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	141
17AG(2)(c)	An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance.	Mandatory	134
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
	Audit Committee		Part 3.1
17AG(2A)(a)	A direct electronic address of the charter determining the functions of the entity's audit committee.	Mandatory	136
17AG(2A)(b)	The name of each member of the entity's audit committee.	Mandatory	137
17AG(2A)(c)	The qualifications, knowledge, skills or experience of each member of the entity's audit committee.	Mandatory	137
17AG(2A)(d)	Information about the attendance of each member of the entity's audit committee at committee meetings.	Mandatory	137
17AG(2A)(e)	The remuneration of each member of the entity's audit committee.	Mandatory	137

PGPA Rule Reference	Part of Report / Description	Requirement	Page no.
External Scrutiny			Part 3.4
17AG(3)	Information on the most significant developments in external scrutiny and the entity's response to the scrutiny.	Mandatory	152
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	152
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	152
17AG(3)(c)	Information on any capability reviews on the entity that were released during the period.	If applicable, Mandatory	154
Management of Human Resources			Part 3.2 & Appendix D
17AG(4)(a)	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives.	Mandatory	142
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	260
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"> > Statistics on staffing classification level > Statistics on full-time employees > Statistics on part-time employees > Statistics on gender > Statistics on staff location > Statistics on employees who identify as Indigenous. 	Mandatory	260
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	145 & 267

PGPA Rule Reference	Part of Report / Description	Requirement	Page no.
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	267
17AG(4)(c)(ii)	The salary ranges available for APS employees by classification level.	Mandatory	268
17AG(4)(c)(iii)	A description of non-salary benefits provided to employees.	Mandatory	146 & 273
17AG(4)(d)(i)	Information on the number of employees at each classification level who received performance pay.	If applicable, Mandatory	Not applicable
17AG(4)(d)(ii)	Information on aggregate amounts of performance pay at each classification level.	If applicable, Mandatory	Not applicable
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
17AG(4)(d)(iv)	Information on aggregate amount of performance payments.	If applicable, Mandatory	Not applicable
Assets Management			Part 3.3
17AG(5)	An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities.	If applicable, mandatory	147
Purchasing			Part 3.3
17AG(6)	An assessment of entity performance against the <i>Commonwealth Procurement Rules</i> .	Mandatory	147
Reportable consultancy contracts			Part 3.3
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	148

PGPA Rule Reference	Part of Report / Description	Requirement	Page no.
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	148
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	148
17AG(7)(d)	A statement that “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.”	Mandatory	148
Reportable non-consultancy contracts			Part 3.3
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	149
17AG(7A)(b)	A statement that “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.”	Mandatory	149
17AD(daa)	Additional information about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts		Part 3.3
17AGA	Additional information, in accordance with section 17AGA, about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts.	Mandatory	148

PGPA Rule Reference	Part of Report / Description	Requirement	Page no.
Australian National Audit Office Access Clauses			Part 3.3
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	150
Exempt contracts			Part 3.3
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	150
Small business			Part 3.3
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	150
17AG(10)(b)	An outline of the ways in which the procurement practices of the entity support small and medium enterprises.	Mandatory	150
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	150
Financial Statements			Part 4
17AD(e)	Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.	Mandatory	159

PGPA Rule Reference	Part of Report / Description	Requirement	Page no.
Executive Remuneration			Part 3.2 & Appendix D
17AD(da)	Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 2-3 of the Rule.	Mandatory	146 & 270
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	278
17AH(1)(a)(ii)	If the entity did not conduct advertising campaigns, a statement to that effect.	If applicable, Mandatory	Not applicable
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	151
17AH(1)(c)	Outline of mechanisms of disability reporting, including reference to website for further information.	Mandatory	143
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	153
17AH(1)(e)	Correction of material errors in previous annual report.	If applicable, Mandatory	Not applicable
17AH(2) Information required by other legislation			
	Ecologically sustainable developmental and environmental performance (section 516A of the <i>Environmental Protection and Biodiversity Conservation Act 1999</i>).	Mandatory	254
	Report under the <i>Work Health and Safety Act 2011</i> .	Mandatory	275
	Reports under Aviation Legislation.	Mandatory	280

PGPA Rule Reference	Part of Report / Description	Requirement	Page no.
	Report under the <i>National Land Transport Act 2014</i> .	Mandatory	281
	Reports under Public Broadcasters Legislation.	Mandatory	282
	Report under the <i>Telecommunications (Consumer Protection and Services Standards) Act 1997</i> .	Mandatory	283
	Report under section 47 of the protection of <i>Movable Cultural Heritage Act 1986</i> .	Mandatory	284

Glossary

Administered item	A component of an administered program.
Asset Completion Report (ACR)	An ACR is submitted by regional connectivity program, mobile black spot program and peri-urban mobile program funding recipients following completion of each contracted work.
Australian Government Business Enterprise (GBE)	A GBE is a Commonwealth entity or Commonwealth company prescribed by the PGPA Rule.
Australian Transport Safety Bureau	An independent Commonwealth Government statutory agency that categorises and codes aviation safety data, and provides the National Aviation Occurrence Database.
Carrier	Holder of a telecommunications carrier licence.
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.
Division	An organisational unit within the department managed by a First Assistant Secretary that reports to the Executive.
Embodied, operational and enabled carbon	<p>Embodied carbon is the carbon released from buildings and infrastructure throughout the construction process and beyond — from material extraction, to transport, manufacturing, installation and disposal.</p> <p>Operational carbon are emissions associated with the operation of assets.</p> <p>Enabled carbon are emissions associated with activities enabled by an asset.</p>
Federally-leased airport	The leased federal airports in each state and territory which 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.
Federation Funding Agreement Schedule	Schedule outlines specific funding by program and other agreement types.
Financial results	The results shown in the financial statements of an entity.
Free-to-air	The broadcast services available without a subscription or fee.

Freight	Goods transported by truck, train, ship or aircraft.
Grant	Australian Government financial assistance as defined under the Commonwealth Grants Rules and Guidelines.
Intermodal terminals	Facilities that enable freight containers to be stored and transferred between different modes of transport (e.g. road and rail).
Major Development Plans	A proposal for a major development activity.
Mobile black spot	A location with poor or non-existent mobile coverage.
Movement of Funds	A 'movement of funds' process is carried out twice a year in relation to un-expensed administered operating appropriations. This involves portfolio ministers submitting requests to the Minister for Finance advising of timing changes to funding requirements. If agreed by the Minister for Finance, there will be an increase in the amount appropriated in later year(s).
National Arts Training Organisations (ARTS8)	Includes the Australian Ballet School, Australian Film, Television and Radio School, Australian Academy of Music, Australian Youth Orchestra, Flying Fruit Fly Circus, NAISDA Dance College, National Institute of Circus Arts, and the National Institute of Dramatic Art.
National Broadband Network	National Broadband Network is a major upgrade to Australia's national telecommunications infrastructure, and will deliver fast broadband to all Australian homes and businesses.
Non-self-governing territories	Includes the Indian Ocean Territories of Christmas Island and the Cocos (Keeling) Islands, Norfolk Island, the Jervis Bay Territory, the Ashmore and Cartier Islands, and the Coral Sea Islands.
Operations	Functions, services and processes performed in pursuing the objectives or discharging the functions of an entity.
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 Portfolio Budget Statements and Portfolio Additional Estimates Statements.
Parliamentary Documentary Management System (PDMS)	The PDMS digital platform 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.
Per- and poly-fluoroalkyl substances (PFAS)	PFAS comprise a group of over 4,000 chemicals. PFAS do not naturally break down in the environment and are toxic to a range of animals.

Performance information	Evidence about performance that is collected and used systematically. It may relate to appropriateness and effectiveness, as well as efficiency and the extent to which an outcome can be attributed to an intervention.
Place-based	Place-based approaches target the specific circumstances of a place and engage the community and a broad range of local organisations from different sectors as active participants in their development and implementation.
Portfolio Budget Statements	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.
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.
Regional Development Inter-Departmental Committee (RDIDC)	The RDIDC was established to ensure investments in regions are complementary and coordinated across agencies, and utilise local data and intelligence on key regional issues.
ROVER (Road Vehicle Regulator)	ROVER is the department's road vehicle standard support system which contains data for monitoring decision-making timeframes and voluntary recalls.
Spectrum	Spectrum refers to electromagnetic spectrum — the resource which allows wireless signals to be sent.
Strategic Local Government Asset Assessment Project	Provides funding to the National Heavy Vehicle Regulator to assist local government road managers to undertake capacity assessments of bridges and culverts on key heavy vehicle routes.
Universal Service Obligation	The obligation placed on universal service providers of telecommunications to ensure that all people in Australia have reasonable access to standard telephone services.
Viewer Access Satellite Television (VAST)	VAST provides commercial free-to-air satellite television to those who cannot access terrestrial television.
Vision Zero	Australian Government's goal of zero road crash deaths and serious injuries by 2050.

Acronyms and Abbreviations

AAA	Australian Automobile Association
ABS	Australian Bureau of Statistics
ACMA	Australian Communications and Media Authority
ACR	Asset Completion Report
ACT	Australian Capital Territory
ALGA	Australian Local Government Association
ANAO	Australian National Audit Office
APS	Australian Public Service
APSC	Australian Public Service Commission
ARC	Audit and Risk Committee
ARTC	Australian Rail Track Corporation
ARTS8	National Arts Training Organisations
ATSB	Australian Transport Safety Bureau
BSPVES	Bass Strait Passenger Vehicle Equalisation Scheme
BITRE	Bureau of Infrastructure and Transport Research Economics
CAV	Connected Automated Vehicles
CBD	Central Business District
DITRDCA	Department of Infrastructure, Transport, Regional Development, Communications and the Arts
EIS	Environmental Impact Statement
FFA	Federation Funding Agreement
FFAS	Federation Funding Agreement Schedule
GBE	Government Business Enterprise
GDP	Gross Domestic Product

ICANN	Internet Corporation for Assigned Names and Numbers
iiOC	Investing in Our Communities
IIP	Infrastructure Investment Program
IPS	Infrastructure Policy Statement
ITRDCA	Infrastructure, Transport, Regional Development, Communications and the Arts
ITU	International Telecommunication Union
MDP	Major Development Plan
MERNAP	Maritime Emissions Reduction Action Plan
NAIF	Northern Australia Infrastructure Facility
NBN	National Broadband Network
NFSA	National Film and Sound Archive of Australia
NPA	National Partnerships Agreement
NRS	National Relay Service
NSW	New South Wales
NT	Northern Territory
NVES	New Vehicle Efficiency Standard
ONA	Office of Northern Australia
OSA	Online Safety Act 2021
PAES	Portfolio Additional Estimates Statements
PBS	Portfolio Budget Statements
PCIP	Priority Community Infrastructure Programs
PDMS	Parliamentary Documentary Management System
PGPA	Public Governance, Performance and Accountability
QLD	Queensland
RAP	Regional Airports Program
RASS	Remote Air Services Subsidy
RAU	Remote Airstrips Upgrade

RCP	Regional Connectivity Program
RDA	Regional Development Australia
ROVER	Road Vehicle Regulator
rPPP	regional Precincts and Partnerships Program
RVS	Road Vehicle Standards
SA	South Australia
SES	Senior Executive Service
SLGAAP	Strategic Local Government Asset Assessment Project
TAS	Tasmania
TFES	Tasmanian Freight Equalisation Scheme
uPPP	urban Precincts and Partnerships Program
UPU	Universal Postal Union
VAST	Viewer Access Satellite Television
WA	Western Australia
WHS	Work Health and Safety
WSA	Western Sydney Airport Co Limited
WSI	Western Sydney International (Nancy-Bird Walton) Airport

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About the artist and artwork

About the artwork

The artwork, *Connections*, acknowledges the journey of the department's ongoing commitment to creating positive outcomes for First Nations employees and communities across Australia. It tells the story of the cultural objectives that underpin the department's journey of shared purpose: Embracing Cultures; Yarning with Communities; and Connecting to Countries.

The blue rings represent embracing cultures — the department's values and ongoing commitment to Reconciliation and supporting mob through a united effort, fueled by curiosity and integrity.

The expansive pink circles embody the concept of yarning with communities — we all come together to listen, yarn and learn from each other and build strong connections.

The intricate green and pink circles represent connecting to Countries — celebrating the many cultures that make up First Nations Australia and symbolising the department's national footprint.

The cultural objectives are supported by the individual voices, experiences, perspectives and unique skills that the First Nations mob, employees and communities bring to the department — as we walk this journey together, celebrating the oldest continuing living cultures in the world, we create positive change.

About the artist

Mahalia Mabo is a proud Manbarra, Nywaigi, and Meriam woman. She comes from a long line of artists and creatives. Her paternal grandparents, the late activists Dr Eddie Koiki Mabo and Dr Bonita Mabo, were both artists and creatives, her father a sculptor, and mother and maternal grandmother painters. Mahalia is an intuitive artist. Her artwork represents her connection to Country, family and her saltwater heritage. Her paternal grandfather connects her to Mer in the Torres Straits and her paternal grandmother connects her to the Great Barrier Reef and its creation story.

