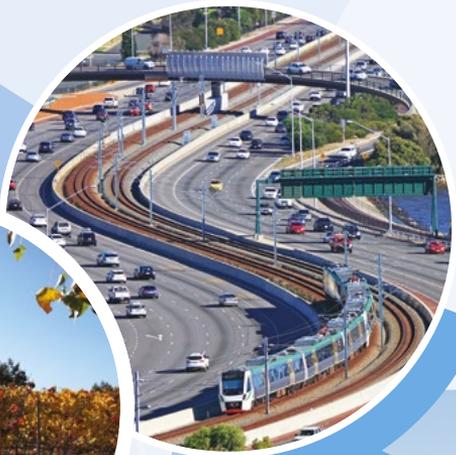


# PART 5

## ANNUAL PERFORMANCE STATEMENTS



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# Part 5:

## Annual performance statements

### Statement

I, Mike Mrdak AO, the Accountable Authority for the Department of Infrastructure and Regional Development during the 2016–17 reporting period, present the 2016–17 performance statements of the Department, as required under section 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

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



Mike Mrdak AO

17 September 2017

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## Annual performance statements for 2016–17

These annual performance statements report on the Department's performance in 2016–17.

Performance is assessed against the measures published in the Department's revised 2016–17 Corporate Plan, which was issued in March 2017.

This revised Corporate Plan replaced the activity-based performance criteria which was published in the 2016–17 Portfolio Budget Statements and the first version of the 2016–17 Corporate Plan, issued in August 2016.

The Department issued the revised Corporate Plan and replaced its performance measures following a review conducted in late 2016 and early 2017 of its performance framework to implement requirements of the *Public Governance Performance and Accountability Act 2013* (PGPA Act). Sections 37–39 of the PGPA Act require the Department to measure, assess and report performance in achieving its 'purposes', and to focus on effectiveness and impact rather than the activities completed.

The review commenced a process of improvement, and it is expected that the measures and the data supporting them will be subject to increasing sophistication and refinement over the coming years. It is also recognised that appropriately focused performance monitoring and reporting can be used to continuously improve organisational performance.

Table 5.1 provides a traffic-light summary of the Department's results for all targets against each performance measure.

Subsequent tables and text provide more detailed performance results for each measure and an analysis of how these results support the assessment of the Department in achieving its purposes. Noting *Resource Management Guide No. 135, Annual reports for non-corporate Commonwealth entities*, by the Department of Finance (paragraph 33), descriptions of processes and activities should be avoided in the annual performance statements. As such, complementary information about the activities the Department has completed to deliver its results are described in Part 3 – Activities.

**Table 5.1 Traffic-light summary of results against targets**

Measure	Target	Result against target	
<b>Purpose: Promote, plan, evaluate and invest in infrastructure and regional development</b>			
1.	Transport networks are more efficient	Demonstrated through travel time savings arising through Australian Government funded projects	In progress
2.	Annual number of deaths on Australian roads	Trends on track to achieve the target in the National Road Safety Strategy 2011–2020, to reduce road deaths by at least 30 per cent on 2008–10 figures by 2020	Target not met
3.	Jobs supported by infrastructure investment	Demonstrated through the delivery of Australian Government funded projects	Target met
4.	Percentage of major road projects (defined as Australian Government contribution of \$100 million or more) funded with a benefit cost ratio above 1.0	100 per cent	Target substantially met
<b>Purpose: Foster an efficient, sustainable, competitive, safe and secure transport system</b>			
5.	Industry understanding of their regulatory obligations and security risks	Demonstrated through survey of regulated industry participants	Target met
6.	International standards improve aviation and maritime security in Australia and the region	Demonstrated by shaping issues in the International Civil Aviation Organization (ICAO) and the International Maritime Organization (IMO) and working with regional partners	Target met
7.	Percentage of activities completed as set out in the National Compliance Plan (NCP)	100 per cent	Target met
8.	Total annual freight volume, measured in billion-tonne-kilometres (btkm), by sector: a. coastal trading b. rail freight c. road freight	Increased compared to previous financial year	Target substantially met
9.	Average load per freight vehicle, measured by road freight tonne kilometre per road freight vehicle kilometre	Increasing trend	Target met
10.	a. Number of fatalities for maritime freight	Decrease compared to the average over the previous 10-year period	Target substantially met
	b. Number of fatalities for rail freight	Decrease compared to the average over the previous 10-year period	In progress
	c. Number of fatalities for road freight	Decrease compared to the average over the previous 10-year period	Target met
11.	Improved transparency of transport infrastructure standards as evidenced by the proportion of Australia's roads included in the Transport and Infrastructure Council Asset Register	Increased proportion compared to previous financial year	Target met

*continued...*

Measure	Target	Result against target
12. Improved community understanding of road funding issues	Increase demonstrated through community surveys	In progress
13. Annual number of deaths on Australian roads	Trends on track to achieve the target in the National Road Safety Strategy 2011–2020, to reduce road deaths by at least 30 per cent on 2008–10 figures by 2020	Target not met
14. Percentage of road vehicle standards harmonised with international standards	Increasing trend	Target met
15. Average new light vehicle carbon dioxide (CO <sub>2</sub> ) intensity	Decreasing trend	Target met
16. Performance against service standards*, including: a. percentage of new type approval applications decided on within 32 days b. percentage of import approval applications decided on within 20 days c. percentage of used import plate approval applications decided on within five days of the submission of a vehicle inspection certificate  * Service standards refers to the specific standards set by the Department for vehicle imports and certification services.	Greater than 95 per cent	Target substantially met
17. Level of available aviation capacity at major city airports	Increase compared to previous financial year	Target met
18. Level of available capacity in international aviation markets	Increase compared to previous financial year	Target met
19. Opportunities available to Australian airlines in international aviation markets	Increase compared to previous financial year	Target met
20. Level of aviation services to remote communities	Maintain service levels compared to previous financial year	Target met
21. Jobs supported by Western Sydney Airport project	Regulatory settings and investment strategy in place for the Western Sydney Airport project Demonstrated through the frameworks and strategies in place to capitalise on employment opportunities and through the delivery of the Western Sydney Airport project	Target met
<b>Purpose: Strengthen the sustainability, capacity and diversity of regional economies and support local communities</b>		
22. Jobs supported by regional program investments	Demonstrated through the delivery of Australian Government funded projects	Target met

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Measure	Target	Result against target
23. Number of employed persons outside capital cities* *Employed persons includes those in all forms of paid employment (full-time, part-time and casual).	Increase compared to previous financial year	Target met
24. Disposable household income for low and middle incomes outside capital cities	Increase compared to previous financial year	Target substantially met
25. Financial assistance is provided to support equitable levels of services by local government bodies	Financial assistance is provided in accordance with the <i>Local Government (Financial Assistance) Act 1995</i>	Target met
<b>Purpose: Provide good governance in Australian territories</b>		
26. Legal frameworks in place in the external territories and the Jervis Bay Territory that provide comparable rights and protections to citizens as the rest of Australia	State level laws are applied and/or updated in each of the external territories and the Jervis Bay Territory as appropriate to reflect comparable arrangement	Target substantially met
27. State-type services are delivered in the external territories and the Jervis Bay Territory similar to comparable mainland communities	Services are delivered in accordance with Service Delivery Agreements and contracts	Target substantially met

## Performance against purpose 1: Promote, plan, evaluate and invest in infrastructure and regional development

### Results against Infrastructure Investment measures

The Infrastructure Investment program ensures improved infrastructure across Australia by increasing the efficiency and safety of Australia's land transport infrastructure while strengthening the Australian economy.

To serve this purpose, the Department works closely with state and territory government agencies to improve planning approaches, strengthen investment decision-making, and make the most of shared investments.

Table 5.2 provides the summary results achieved by the Infrastructure Investment program against the performance measures. More detail is included in the analysis of performance results against the purpose.

**Table 5.2 Summary results against Infrastructure Investment measures**

Measure	Target	Result
1. Transport networks are more efficient	Demonstrated through travel time savings arising through Australian Government funded projects	<p style="text-align: center;"><b>In progress</b></p> <p>Infrastructure Investment program expenditure totalled over \$6.3 billion in 2016–17. The projects targeted and selected for funding include those which have been assessed to deliver a more efficient transport network.</p> <p>Data indicating the total travel time savings for all Australian Government funded infrastructure projects are currently unavailable. However, as the Department has started to collect these data from state and territory governments, being able to demonstrate that the target has been met is in progress.</p> <p>In the interim, Case Study A on page 78 demonstrates travel time savings arising through an Australian Government funded project.</p>
2. Annual number of deaths on Australian roads	Trends on track to achieve the target in the National Road Safety Strategy 2011–2020, to reduce road deaths by at least 30 per cent on 2008–10 figures by 2020	<p style="text-align: center;"><b>Target not met</b></p> <p>There were 1,239 road deaths in 2016–17*, representing a reduction of 13.1 per cent relative to baseline 2008–10 figures (1,426 road deaths).</p> <p>* 2016–17 road death figure sourced from the <i>Australian Road Deaths Database</i>. The figure is preliminary and subject to revision, and is provided here as a provisional indication of progress.</p>
3. Jobs supported by infrastructure investments	Demonstrated through the delivery of Australian Government funded projects	<p style="text-align: center;"><b>Target met</b></p> <p>Infrastructure Investment program expenditure totalled over \$6.3 billion in 2016–17. By implementing infrastructure investment projects, the Australian Government is supporting jobs, most directly in construction and project management.</p> <p>Data indicating the total number of jobs supported across all infrastructure projects are currently unavailable, however the Department has started to collect these data from state and territory governments.</p> <p>Case Study B on page 78 demonstrates the jobs supported through the delivery of a number of Australian Government funded projects, as reported by state and territory governments.</p>
4. Percentage of major road projects (defined as Australian Government contribution of \$100 million or more) funded with a benefit cost ratio (BCR) above 1.0	100 per cent	<p style="text-align: center;"><b>Target substantially met</b></p> <p>88 per cent of major road projects funded had a BCR above 1.0. This represents 28 of the 32 major road projects under construction and funded during 2016–17.</p> <p>BCRs are a measure of the economic benefits for a project relative to the economic cost. Projects with a BCR above 1.0 have greater benefits than costs. These benefits can include improving road reliability and safety, and reducing travel times.</p>

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### *Measure 1–Case Study A: Transport networks are more efficient*

The Bruce Highway: Cooroy to Curra (Section A) project upgraded approximately 13 kilometres of the Bruce Highway between the Cooroy Southern Interchange and Sankeys Road. The new road provides a four lane divided highway, upgrades to the Cooroy Southern Interchange and a new grade separated interchange north of Cooroy. These upgrades to the road and interchanges allow traffic to flow more efficiently through this increasingly crowded section of the Bruce Highway and separation of traffic increases safety for all road users.

The project commenced major construction in June 2013 and was completed in May 2017. The Australian Government committed up to \$245.0 million towards the \$490.0 million project. The project created approximately 430 jobs over the life of the project.

The project has reduced travel time from an average of 9.3 minutes along this section of highway to approximately 7.6 minutes. This has resulted in reduced business costs for local freight operators, higher economic productivity and efficiency for local businesses, and greater access for passenger and freight movement along the Bruce Highway and throughout the region. Up to 16,000 vehicles per day use this section of the Bruce Highway.

### *Measure 3–Case Study B: Jobs supported by infrastructure investments*

The Werrington Arterial Road was the first major project completed under the \$3.6 billion Western Sydney Infrastructure Plan (WSIP). The project involved widening Gipps Street and Kent Road to four lanes between the M4 Motorway and the Great Western Highway, constructing new entry and exit ramps onto the M4, upgrading intersections and building a shared path for cyclists and pedestrians. As at December 2016, more than 80 direct and indirect jobs supported the Werrington Arterial Road project. Overall, the WSIP is expected to support approximately 4,000 direct and indirect jobs over the 10-year lifetime of the plan.

Construction commenced on the Werrington Arterial Road on 9 March 2015 and the upgraded road opened to traffic on 26 May 2017.

The following projects also supported a significant number of jobs:

- Bruce Highway–Townsville Ring Road—Section 4, Queensland—this project, for which the Australian Government provided \$160.0 million, was estimated to generate an average of 299 jobs over its lifetime. The project was completed in December 2016.
- Pacific Highway–Woolgoolga to Ballina–Glenugie to Tyndale, NSW—this section of the project, for which the Australian Government is providing 80 per cent of funding, is creating 800 new jobs. Major work on the project started in September 2016.
- Peninsula Developmental Road, Cape York, Queensland—this project, which is part of the Cape York Region Package for which the Australian Government is providing \$208.0 million, supported an average 180 direct jobs over the life of the four projects delivered in 2016.
- Northern Connector, Adelaide, SA—this project, for which the Australian Government is contributing \$788.0 million, is supporting an average of 480 jobs a year. North Hub is an employment, skills and training centre that helps jobseekers secure work on the project. Northern Connector project works started in October 2016.

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## Analysis of performance against purpose—Infrastructure Investment component

Promoting, planning, evaluating and investing in infrastructure and regional development is crucial for improving the performance of the land transport network and building Australia's productivity and economic growth.

Investing in infrastructure and regional development improves the efficiency of transport networks. Travel time savings are a key indicator of improved transport network efficiency, less congestion and greater safety for road users. In 2016–17, the Department provided funding to upgrade approximately 13 kilometres of the Bruce Highway between Cooroy and Curra, providing a four lane divided highway. The upgrade reduced travel time by almost two minutes for this highway section, reducing business costs for freight operators and improving passenger and freight movement along the highway.

Investing in safer road infrastructure can help reduce road crashes and deaths. Following stronger progress in the early years of the National Road Safety Strategy 2011–2020, the number of deaths in road crashes in 2016–17 represents only modest progress towards the 30 per cent reduction target. The Australian Government is committed to improving road safety and will continue to invest in road safety programs including the Black Spot Program. The Australian Government will also ask an independent reference group to lead an inquiry into the strategy during 2017, looking closely at the evidence and advising what can be done better to prevent road trauma.

Investing in infrastructure and regional development also supports jobs. In 2016–17, the Werrington Arterial Road was completed. This project is the first major road completed under the \$3.6 billion WSIP. More than 80 direct and indirect jobs were supported during this project and it is expected that approximately 4,000 direct and indirect jobs will be supported over its life time.

Benefit cost ratios (BCRs) are an indicator for planning, evaluation and investment as they summarise the overall value for money of a project. A result over 1.0 indicates that the economic benefits for the project are greater than the economic costs. In 2016–17, 88 per cent of major road projects funded through the Infrastructure Investment Program, with an Australian Government contribution of over \$100.0 million, had a BCR above 1.0.

## Performance against purpose 2: Foster an efficient, sustainable, competitive, safe and secure transport system

### Results against Transport Security measures

The Transport Security program ensures a viable and sustainable transport security system in Australia through regulation designed collaboratively with industry and government agencies.

To serve this purpose, the Department worked closely with industry, government entities, regional partners and as part of International Civil Aviation Organization (ICAO) and International Maritime Organization (IMO).

Table 5.3 provides the summary results achieved by the Transport Security program against the performance measures. More detail is included in the analysis of performance against the purpose.

**Table 5.3 Summary results against Transport Security measures**

Measure	Target	Result
5. Industry understanding of its regulatory obligations and security risks	Demonstrated through survey of regulated industry participants	<b>Target met</b> Survey results of regulated industry participants were received in July 2016 and found that industry understands its regulatory obligations and the security risks in the transport system.
6. International standards improve aviation and maritime security in Australia and the region	Demonstrated by shaping issues in the ICAO and the IMO and working with regional partners	<b>Target met</b> The Department hosted and actively participated in the ICAO's Aviation Security Panel's Working Group on Guidance Material, which developed international aviation security guidance. In particular, it worked closely with ICAO member states to develop a draft Global Aviation Security Plan, and joined the taskforce advocating for the plan during key ICAO meetings. The Department facilitated capacity building activities in collaboration with Indonesia, Thailand, the Philippines and Papua New Guinea. Details are reported in Case Study C on page 81. There were no significant issues identified in the IMO, which required particular attention.

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Measure	Target	Result
7. Percentage of activities completed as set out in the National Compliance Plan (NCP) <i>The NCP comprises the Department's plan of regulatory compliance activities, prioritising those parts of the transport system which are most at risk. The NCP is launched with industry annually.</i>	100 per cent	<b>Target met</b>  100 per cent of activities identified in the NCP were completed. The activities targeted areas that have the greatest impact on security outcomes.  The NCP Information for Industry document was released to all industry participants in July 2016.  The purpose of the document is to provide regulated industry participants with an overview of the NCP, the identified compliance priorities and what industry participants can expect from the Department through its compliance activities. Through the identification of compliance priorities for 2016–17, the Department aims to encourage industry to proactively review their operations and to promote improved voluntary compliance.

### Measure 6–Case Study C: International standards improve aviation and maritime security in Australia and the region

The Department worked collaboratively with international transport security counterparts and industry partners to enhance the quality and consistency of aviation security screening in Indonesia. This included a benchmarking visit to a leading international airport followed by a practical workshop to refine local policies. In collaboration with industry partners, the Department also provided training and on-the-job mentoring for approximately 100 airport supervisory staff in Indonesia to promote improvements in aviation security screening.

The Department also worked closely with other ICAO member states to develop a draft Global Aviation Security Plan. This provides a global roadmap for countries and the aviation industry to enhance aviation security by outlining internationally agreed actions and targets. The Department developed a series of Australian priorities for the plan through detailed research and analysis, including consultation with international partners and government agencies. Support for these priorities was built by engaging international partners in the development of the plan. Notably, the Department joined the task force developing the plan and advocated for the plan during key ICAO meetings, such as the ICAO Assembly and Aviation Security Panel. Together, these actions ensured the draft plan acknowledges issues relevant to Australia and the broader Asia-Pacific region and provides a roadmap for all countries to enhance their aviation security standards.

### Analysis of performance against purpose—Transport Security component

International security incidents highlight that the security environment continues to evolve and risks increase. Enhancements to the 2016–17 NCP, made by the Department's Transport Security Operations Branch, provided the Department with the flexibility to undertake additional compliance activities in response to emerging risks. The Department carried out 787 compliance activities across all industry segments, targeting areas that would have the greatest impact on security outcomes. For the first time, the Department advised industry of its key compliance priorities for the year ahead to encourage participants to focus resources in key areas and improve voluntary compliance. The introduction of

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short term, targeted activities or ‘campaigns’ improved the Department’s understanding of current threats and risk and helped to educate industry about its obligations.

To foster a secure transport system it is vital that industry understands its regulatory obligations and security risks. The Department undertook significant consultation with industry in 2016–17, including hosting industry forums, attending teleconferences and providing comprehensive information through newsletters, factsheets, posters, online content, mail-outs and published communications materials. It also convened working groups on particular elements of policy (air cargo, airside regulation, aviation and maritime security identification card (ASIC and MSIC) requirements) and operational change (systems testing).

To assist ASIC and MSIC issuing bodies to comply with the new identity verification obligations (starting 1 August 2017), the Department published a comprehensive guidance document on how to assess the accuracy of identification documents commonly used by applicants. The Department hosted 18 identity-verification training sessions for over 250 issuing body staff. An online version of the training session was also released to provide ongoing support.

To foster transport security the Department also worked as part of international forums to develop improved aviation and maritime security in Australia and the region. The Department hosted and actively participated in ICAO’s Aviation Security Panel’s Working Group on Guidance Material, which developed international aviation security guidance for ICAO members to implement aviation security standards and recommended practices. It also contributed to shaping the development of ICAO’s Global Aviation Security Plan to provide a global roadmap for countries and industry to enhance aviation security by outlining internationally agreed actions and targets. The Department continued to engage bilaterally and multilaterally with international partners, including Canada, New Zealand, the United States and the United Kingdom to raise the global standard of aviation security. The Department also continued to work with partners in the region to strengthen aviation security by facilitating capacity building activities. Activities were undertaken in collaboration with counterparts in Indonesia, Thailand, the Philippines and Papua New Guinea. The Department, through the Office of Transport Security, contributed to whole-of-government representation at the IMO Maritime Safety Committee.

## Results against Surface Transport measures

The Surface Transport program undertakes activities to improve the performance of the surface transport sector (maritime, road and rail) for the benefit of all Australians.

To serve this purpose, domestically, the Department worked closely with each tier of government including the national regulators, transport engineers and manufacturers, freight industry participants and unions. Internationally, the Department worked as part of forums including the ICAO and the IMO.

Table 5.4 provides the summary results achieved by the Surface Transport program against the performance measures. More detail is included in the analysis of performance against the purpose.

**Table 5.4 Summary results against Surface Transport measures**

Measure	Target	Result
8. Total annual freight volume, measured in billion-tonne-kilometres (btkm), by sector: a. coastal trading b. rail freight c. road freight	Increased compared to previous financial year	<p style="text-align: center;"><b>Target substantially met</b></p> <p>The most recent data available are for 2014–15. From 2013–14 to 2014–15, total annual domestic freight volume increased from 679.1 btkm to 719.1 btkm:</p> <ul style="list-style-type: none"> <li>a. coastal trading volume decreased from 105.4 btkm to 105.2 btkm;</li> <li>b. rail freight volume increased from 367.7 btkm to 401.6 btkm; and</li> <li>c. road freight volume increased from 205.7 btkm to 212.0 btkm.</li> </ul> <p>These trends indicate the 2016–17 target is likely to have been met.</p>
9. Average load per freight vehicle, measured by road freight tonne kilometre per road freight vehicle kilometre	Increasing trend	<p style="text-align: center;"><b>Target met</b></p> <p>The most recent data available are for 2014–15. From 2013–14 to 2014–15:</p> <ul style="list-style-type: none"> <li>• average loads for articulate trucks increased from 20.54 tonnes per vehicle to 20.60 tonnes per vehicle; and</li> <li>• average loads for rigid trucks increased from 3.73 tonnes per vehicle to 3.78 tonnes per vehicle</li> </ul>
10. a. Number of fatalities for maritime freight	Decrease compared to the average over the previous 10-year period	<p style="text-align: center;"><b>Target substantially met</b></p> <p>Data on a 10-year period are not currently available. In terms of enabling a comparison, data are available for the 2016 calendar year, as well as for the previous six years (that is, from 2010).</p> <p>In 2016, three maritime freight fatalities were recorded.</p> <p>This is a decrease compared to the average of the previous six-year period, 2010 to 2015, which was four.</p>

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Measure	Target	Result
b. Number of fatalities for rail freight	Decrease compared to the average over the previous 10-year period	<p><b>In progress</b></p> <p>Data for rail freight fatalities are not currently available.</p> <p>Total rail fatalities data (including freight and non-freight) can give an indication of progress against this measure, and safety in the transport system.</p> <p>The Rail Safety National Law (2012) requires that fatalities be notified to the Office of the National Rail Safety Regulator.</p> <p>The most recent available data from the Regulator are for 2015–16.</p> <p>However, in 2015–16, Queensland was not signed up to this national law.</p> <p>In 2015–16, there were 83 notified rail fatalities on railways that the Rail Safety National Law regulates:</p> <ul style="list-style-type: none"> <li>• 71 acts of suspected suicide;</li> <li>• 11 struck by train; and</li> <li>• a single slip, trip or fall.</li> </ul> <p>Queensland joined the national law on 1 July 2017. As such, a baseline for a nationwide trend can be established for rail fatalities from 2017–18.</p>
c. Number of fatalities for road freight	Decrease compared to the average over the previous 10-year period	<p><b>Target met</b></p> <p>The most recent data available are for the 2016 calendar year.</p> <p>In 2016, 187 road freight fatalities were recorded due to crashes involving heavy trucks.</p> <p>This is a decrease compared to the previous 10-year average, 2005 to 2015, of 221 fatalities.</p>
11. Improved transparency of transport infrastructure standards, as evidenced by the proportion of Australia's roads included in the Transport and Infrastructure Council Asset Register	Increased proportion compared to previous financial year	<p><b>Target met</b></p> <p>The Transport and Infrastructure Council Asset Register Maps released in February 2017 cover approximately eight per cent of Australia's total road network, up from approximately four per cent in the February 2016 release.</p>

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Measure	Target	Result
12. Improved community understanding of road funding issues	Increase demonstrated through community surveys	<p data-bbox="884 198 991 224" style="text-align: center;"><b>In progress</b></p> <p data-bbox="688 236 1188 476">In 2016–17, the Department worked to establish baseline information regarding the level of community awareness and understanding of current road funding arrangements. This baseline will be used to inform the Department’s community engagement activities on road funding reform as well as to measure, compare and analyse the Department’s community engagement activities in the coming years against future survey results.</p> <p data-bbox="688 483 1188 830">The baseline research indicated that 80 per cent of respondents had very little awareness of how roads are funded . This information has informed the Department’s approaches to communication with road users in 2016–17 on potential road funding reform options, to improve their understanding of road funding issues. Activities included Ministers and Senior Executives publicly explaining current arrangements for road related revenue and investment, inherent issues with those charges across different user groups in society, and the need to explore fairer, more sustainable arrangements for the future.</p> <p data-bbox="688 837 1188 940">In addition to these activities, in 2016–17 the Department published the following documents to inform road users and the broader community about road funding related matters:</p> <ul data-bbox="688 948 1188 1129" style="list-style-type: none"> <li data-bbox="688 948 1188 974">• <i>Introduction to Road Economics;</i></li> <li data-bbox="688 982 1188 1035">• <i>Spending by Australian households on owning and operating vehicles;</i></li> <li data-bbox="688 1043 1188 1096">• <i>Fuel economy of Australian passenger vehicles – a regional perspective;</i> and</li> <li data-bbox="688 1104 1188 1129">• <i>Growth in the Australian Road System.</i></li> </ul>

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## Analysis of performance against purpose—Surface Transport component

Productivity growth is a key source of long-term economic growth, business competitiveness and real per capita income growth. It is also an important determinant of a country's living standards and wellbeing. Surface transport is a critical driver of national productivity. Every day, surface transport moves large volumes of freight from farm gates and factories to markets across Australia and the world. It also moves people and freight within our growing cities, where even small efficiency changes can have a significant impact on safety, environmental and urban amenity outcomes.

Growth in freight volumes is evidence that the Australian Government's policies to support an efficient, competitive transport system are succeeding. Average freight volumes over the five years to 2016–17 totalled over 630.0 billion-tonne-kilometres (btkm) annually, up almost 20 per cent over average freight volumes in the five years to 2011–12. Iron ore and coal exports were the major contributors to rail freight growth in Australia. Road freight also continued to grow. The Department contributed to this result through investment in major infrastructure projects and the continued efficient and effective regulation of transport. The past decade of data show a declining trend for coastal trading volume. The most recent available data show a continuation of this trend with coastal freight decreasing from 105.4 btkm in 2013–14 to 105.2 btkm in 2014–15.

Increasing average freight vehicle loads fosters a more efficient transport system by increasing the productivity levels of transport movements. The introduction of combination trucks, including B-Doubles, in the 1980s revolutionised the freight task in Australia and higher productivity vehicles like road trains and innovatively designed Performance Based Standards scheme vehicles continue this trend. Austroads research indicates that higher productivity vehicles could deliver \$12.6 billion in real benefits to Australia by 2030. Larger vehicle configurations carrying heavier loads decreases the number of vehicles required for the freight task, improving safety and emissions outcomes and traffic congestion. Over the five years to 2016–17, average freight vehicle loads of articulated trucks were around 20.5 tonnes per vehicle. The Department contributed to this result through its collaboration with the National Heavy Vehicle Regulator on improving road access for restricted access heavy vehicles, and providing support to its work on approving Performance Based Standards scheme vehicles. Investment in infrastructure through the Heavy Vehicle Safety and Productivity and the Bridges Renewal programs has also contributed to improved freight transport, especially in regional areas.

Road fatalities involving a heavy truck account for more than 90 per cent of fatalities where freight is being moved on surface transport (public roads, rail lines and commercial shipping). In 2016, 190 people were killed in crashes involving a heavy truck—down 13.2 per cent on the average annual number of road fatalities involving a heavy truck in the 10 years to 2015.

The Department works with state and territory governments to provide transparency about the services being delivered to the heavy vehicle industry, thereby ensuring greater scrutiny of costs (and ultimately prices charged) and ensuring heavy vehicle infrastructure is targeted where it is needed.

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The Transport and Infrastructure Council Asset Register shows for the first time, to 100 metre segments, the quality of heavy vehicle infrastructure in the Australian economy. The Asset Register grades roads, bridges, rest stops and the like, according to rideability (pavement roughness), reliability (travel time), accessibility (regulatory or infrastructure barriers), and safety outcomes (road safety infrastructure). Alongside Expenditure Plans, this allows public scrutiny of whether heavy vehicle road user charges are going towards the infrastructure that the industry needs to operate efficiently.

The Asset Register released in February 2017 covered approximately eight per cent of Australia's total road network, up from approximately four per cent in the February 2016 release. The register is developed by the Australian Road Research Board, using information provided by state and territory governments, with the Department playing a coordination role.

In 2016–17, the Department continued efforts to accelerate heavy vehicle road reform as well as ongoing investigations into the potential high-level benefits and costs of creating a broader land transport market, with road pricing for all vehicles. This work will provide options should governments wish to undertake more comprehensive reform, supported by evidence to demonstrate that reform would benefit the community (via a fairer system, with reduced congestion and better roads) and that benefits outweigh the costs.

Investigation of land transport market reform will involve extensive engagement with the community to explore reform options, costs and benefits. To support this engagement, the Department commissioned research in 2016–17 to understand the current levels of community awareness and understanding of road funding arrangements. This baseline information will provide a starting point for future discussions with the community on potential reform options.

From 2017–18, a major study will closely examine the way Australia funds and pays for its roads, and will investigate reform options including road pricing for light vehicles. Periodic research on community views of reform will be commissioned during the course of the study. The periodic surveys will, at a later stage, enable community understanding of road funding approaches to be compared with 2016–17 levels.

The Department's ongoing focus is to build on rigorous, objective evidence to inform transport reform options that deliver Australians fairer, more sustainable transport systems.

The Department also contributes to improving maritime safety outcomes through implementation of the *Navigation Act 2012*, which gives effect to the International Convention for the Safety of Life at Sea (SOLAS). The objectives of the Navigation Act include promoting the safety of life at sea and safe navigation, and ensuring that the Australian Maritime Safety Authority (AMSA) has the necessary powers to carry out inspections of vessels and enforce national and international standards. The Department also contributes to maritime safety through its governance of AMSA, and working closely with AMSA in implementing maritime policy matters.

## Results against Road Safety measures

The Road Safety program develops a safer road transport system by working to make vehicles and occupants safer, and drivers more informed.

To serve this purpose the Department worked closely with the state and territory governments, the National Heavy Vehicle Regulator and National Transport Commission, vehicle engineers and manufacturers, freight industry participants and unions.

Table 5.5 provides the summary results achieved by the Road Safety program against the performance measures. More detail is included in the analysis of performance against the purpose.

**Table 5.5 Summary results against Road Safety measures**

Measure	Target	Result
13. Annual number of deaths on Australian roads	Trends on track to achieve the target in the National Road Safety Strategy 2011–2020, to reduce road deaths by at least 30 per cent on 2008–10 figures by 2020	<p><b>Target not met</b></p> <p>There were 1,239 road deaths in 2016–17*, representing a reduction of 13.1 per cent relative to baseline 2008–10 figures (1,426 road deaths).</p> <p>* 2016–17 road death figure sourced from the <i>Australian Road Deaths Database</i>. The figure is preliminary and subject to revision, provided here as a provisional indication of progress.</p>
14. Percentage of road vehicle standards harmonised with international standards	Increasing trend	<p><b>Target met</b></p> <p>93 per cent of Australian road vehicle standards were considered as being harmonised with international standards in 2016–17, contributing to an increasing trend in harmonisation since the mid-1980s.</p>
15. Average new light vehicle carbon dioxide (CO <sub>2</sub> ) intensity	Decreasing trend	<p><b>Target met</b></p> <p>182 grams of CO<sub>2</sub> per kilometre (gCO<sub>2</sub>/km) in 2016 calendar year, representing a 1.1 per cent reduction compared to 2015 (184 gCO<sub>2</sub>/km).</p>
16. Performance against service standards*, including: <ul style="list-style-type: none"> <li>a. percentage of new type approval applications decided on within 32 days</li> <li>b. percentage of import approval applications decided on within 20 days</li> <li>c. percentage of used import plate approval applications decided on within five days of the submission of a vehicle inspection certificate</li> </ul> <p>* Service standards refers to the specific standards set by the Department for vehicle imports and certification services.</p>	Greater than 95 per cent	<p><b>Target substantially met</b></p> <ul style="list-style-type: none"> <li>a. The Department decided on 92 per cent of new type approval applications within 32 days.</li> <li>b. The Department decided on 93 per cent of import approval applications within 20 days.</li> <li>c. The Department decided on 72 per cent* of used import plate approval applications within five days of the submission of a vehicle inspection certificate.</li> </ul> <p>* This figure includes the time applicants take to respond to questions on applications and the time taken to undertake audits. If these factors are excluded from the calculation, the performance measure is close to 95 per cent.</p>

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## Analysis of performance against purpose—Road Safety component

The Department's approach to road safety is based on the Safe System approach. This involves a holistic view of the road transport system and the interactions among roads and roadsides, travel speeds, vehicles and road users. It is an inclusive approach for all groups using the road system, including drivers, motorcyclists, passengers, pedestrians, cyclists, and commercial and heavy vehicle drivers. It recognises that people will always make mistakes and may have road crashes, but the system should be forgiving and those crashes should not result in death or serious injury.

Following stronger progress in the early years of the National Road Safety Strategy 2011–2020, the number of deaths in road crashes in 2016–17 represents only modest progress towards the 30 per cent reduction target. The Australian Government is committed to improving road safety and will ask an independent reference group to lead an inquiry into the strategy during 2017, looking closely at the evidence and advising what can be done better in future to prevent road trauma.

The Australian Design Rules (ADRs) require road vehicles to meet national design and performance standards before they can be supplied to the Australian market. The ADRs set requirements for vehicle safety, environmental performance and anti-theft protection in line with community expectations and international standards. Since the mid-1980s, the Department has worked to progressively harmonise the ADRs with internationally-based United Nations (UN) vehicle regulations. Harmonisation ensures that vehicles built to the most recent safety, environmental and anti-theft standards are supplied to the Australian market at the least cost and that Australia has access to the latest vehicle technologies. The Department contributed to furthering harmonisation in 2016–17 through the removal of unique Australian requirements no longer considered relevant and by further aligning ADRs with UN vehicle regulations where possible.

A reduction in the CO<sub>2</sub> intensity of new light vehicles supports the sustainability of the transport system. In 2016 the average new light vehicle CO<sub>2</sub> intensity was 182 gCO<sub>2</sub>/km, representing a reduction of 1.1 per cent relative to the previous year. The Department contributed to this result primarily through administering the mandatory fuel consumption labelling scheme under the ADRs for new light vehicles, and maintaining the online Green Vehicle Guide. The label and the Green Vehicle Guide website enable car buyers to compare the environmental performance (such as fuel consumption and CO<sub>2</sub> emissions) of vehicles sold in Australia to help inform their purchasing decisions.

While the average light vehicle CO<sub>2</sub> intensity is improving in Australia, it remains behind many other comparable countries. The Australian Government established a Ministerial Forum on Vehicle Emissions in 2015 to look at options to reduce emissions from the road transport sector. The Department lead an inter-departmental working group to support the Ministerial Forum on Vehicle Emissions, and released a Regulation Impact Statement in December 2016 to explore the case for introducing fuel efficiency standards for new light vehicles. The Australian Government will take a decision on this issue in the second half of 2017.

Performance against service standards for vehicle related applications was adversely impacted during 2016–17 by a number of factors, including: difficulty recruiting suitably qualified staff to fill vacancies in the section that processes type approval applications;

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processing issues arising from the introduction of a new IT system and workforce adjustment for vehicle import approvals; and additional questions being raised in response to used import plate approval applications to address risks related to the Takata airbag recall.

Continuing to focus on improving sustainability and safety outcomes for road users is important to reduce the social and economic impacts of crashes and to improve the long-term sustainability of the road system. The Department's ongoing focus is on evidence-based improvements for the future benefit of all Australians.

## Results against Air Transport measures

The Air Transport program ensures the aviation industry operates within a clear and robust safety regulatory environment and Australian businesses and consumers have access to competitive international and domestic air services, along with maintaining aviation safety.

To serve this purpose the Department worked closely with state and territory governments, Airservices Australia and the Civil Aviation Safety Authority, industry, international partners and forums including ICAO.

Table 5.6 provides the summary results achieved by the Air Transport program against the performance measures. More detail is included in the analysis of performance against the purpose.

**Table 5.6 Summary results against Air Transport measures**

Measure	Target	Result
17. Level of available aviation capacity at major city airports	Increase compared to previous financial year	<p style="text-align: center;"><b>Target met</b></p> <p>New and updated air services arrangements increase available capacity at major city airports by expanding commercial opportunities for airlines in new and existing markets.</p> <p>In 2016–17, there were 103 air services arrangements in place. This is an increase compared to 2015–16, when there were 98 air service arrangements in place.</p> <p>During 2016–17, eight existing air services arrangements were updated (two arrangements include unlimited capacity for airlines) and five new arrangements were made, increasing the level of capacity available for both Australian and foreign airlines. Four air services agreements were signed.</p>
18. Level of available capacity in international aviation markets	Increase compared to previous financial year	<p style="text-align: center;"><b>Target met</b></p> <p>New and updated air services arrangements increase available capacity in international aviation markets by expanding commercial opportunities for airlines in new and existing markets.</p> <p>In 2016–17, there were 103 air services arrangements in place. This is an increase compared to 2015–16, when there were 98 air service arrangements in place.</p> <p>During 2016–17, eight existing air services arrangements were updated (two arrangements include unlimited capacity for airlines), and five new arrangements were made, increasing the level of capacity available for both Australian and foreign airlines. Four air services agreements were signed.</p>
19. Opportunities available to Australian airlines in international aviation markets	Increase compared to previous financial year	<p style="text-align: center;"><b>Target met</b></p> <p>New and updated arrangements increase opportunities for Australian airlines to serve the respective market, either using their own aircraft or through cooperative commercial arrangements with foreign airlines (for example, code share).</p> <p>In 2016–17, there were 103 air services arrangements in place. This is an increase compared to 2015–16, when there were 98 air service arrangements in place.</p> <p>During 2016–17, eight existing air services arrangements were updated (two arrangements include unlimited capacity for airlines), and five new arrangements were made, increasing the level of capacity available for Australian airlines. Four air services agreements were signed.</p>
20. Level of aviation services to remote communities	Maintain service levels compared to previous financial year	<p style="text-align: center;"><b>Target met</b></p> <p>In 2016–17, aviation services were provided to 266 remote communities.</p> <p>This maintains the service level provided in 2015–16, which was 266 communities.</p> <p>Assistance was provided to improve access and safety at remote airstrips.</p>

*continued...*

Measure	Target	Result
21. Jobs supported by Western Sydney Airport project	Regulatory settings and investment strategy in place for the Western Sydney Airport project. Demonstrated through the frameworks and strategies in place to capitalise on employment opportunities and through the delivery of the Western Sydney Airport project.	<p style="text-align: center;"><b>Target met</b></p> <p>Regulatory approvals for the construction and operation of the Western Sydney Airport were granted in December 2016 that authorise the Stage 1 airport development. These approvals operate with an investment strategy announced in the 2017–18 federal budget, to ensure that construction works will commence in 2018 and the airport is operational in 2026.</p> <p>A priority for the airport development is to make the most of employment opportunities for residents of Western Sydney. Under the conditions of the Airport Plan, WSA Co Limited – the Government-owned company established to deliver the airport, will prepare an Australian Industry Participation Plan. The plan will address ways in which local employment and business opportunities can be maximised and must consider local industry participation in the development of the airport. An equal opportunity policy that includes raining and suitable employment opportunities for young workers, Indigenous people and people with disadvantages will also be implemented by WSA Co Limited.</p> <p>The Western Sydney Airport project is expected to add \$1.9 billion to Western Sydney’s economy during the construction phase alone.</p> <p>Based on the most recent analysis, the airport will support almost 28,000 direct and indirect jobs in Western Sydney by 2031 and nearly 120,000 in the long term. With the additional investment the airport will bring to the surrounding region, the project will be a major catalyst to create jobs and reduce Western Sydney’s employment shortage.</p>

## Analysis of performance against purpose—Air Transport component

The Australian aviation sector is an integral part of an efficient, sustainable transport system, providing critical connectivity that facilitates the swift movement of people and cargo.

Increasing major city airport capacity will foster an efficient, sustainable transport system by ensuring airlines can meet aviation demand in a vibrant and competitive market. Capacity effectively increased across Australia’s major city airports during the year. The Department contributed to this result through negotiating new and expanded air services arrangements with 17 economies in 2016–17. Other contributing factors included the strong growth of the Chinese aviation market, ongoing growth to leisure-orientated destinations on Australia’s east coast, which offset declines on routes that primarily serve the resources sector.

Increasing the level of capacity in international aviation markets will foster an efficient and sustainable transport system by facilitating greater levels of competition and ensuring there is sufficient capacity to meet demand in key markets. In 2016–17, 13 of the 17 new and updated air services arrangements the Department negotiated increased the level of capacity available for both Australian and foreign airlines into the respective bilateral market to varying degrees. Two of these arrangements include unlimited capacity for Australian

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and foreign airlines into the respective market. It will be up to airlines (both Australian and foreign) to determine how they use the commercial entitlements negotiated in these air services arrangements.

Increasing opportunities available to Australian airlines in international aviation markets will foster a more efficient and sustainable transport system by ensuring Australian airlines have a fair and equal opportunity to compete. In 2016–17, the Department negotiated 17 new and updated air services arrangements which increase opportunities for Australian airlines to serve the respective bilateral market, either with their own aircraft, or through cooperative commercial arrangements with foreign airlines (for example, code share). It will be up to Australian airlines to determine how they use the commercial entitlements negotiated in these air services arrangements.

Maintaining the level of aviation services to remote communities ensures that Australian businesses and consumers have access to remote communities and community residents can access goods and services as well as regional service centres. Services were maintained in 2016–17 to 266 designated remote communities by the Australian Government providing weekly subsidised flights under the Remote Air Services Subsidy (RASS) Scheme.

Having regulatory settings and an investment strategy in place for the Western Sydney Airport project will foster an efficient, sustainable transport system. The 2012 *Joint Study into Aviation Capacity in the Sydney Region* reviewed the future of aviation capacity in the Sydney basin, finding that by the late 2020s, Sydney Airport would no longer have slot capacity and by the mid-2030s, would be totally growth-constrained unless further capacity was added to the basin. Western Sydney Airport will provide the capacity to enable Sydney's high-value aviation sector to continue to grow and service Sydney's needs.

In particular, Western Sydney Airport will service the aviation demands of Western Sydney, including more than two million Western Sydney residents for who Western Sydney Airport will be closer than Kingsford Smith Airport. Western Sydney residents will also benefit from the employment generated by the airport: over 11,000 direct and indirect jobs over the whole construction phase, and over 20,000 direct and indirect jobs within five years of the airport commencing operations. These job numbers will continue to grow as the airport passenger throughput grows. By the 2060s, the airport is projected to support nearly 120,000 direct and indirect jobs.

Western Sydney residents, airport employees and passengers will also benefit from the ground transport linkages to and around the airport. The \$3.6 billion WSIP extends, widens or establishes modern road infrastructure around Western Sydney. A rail study with the NSW Government is also underway.

In 2016–17, the Department completed the Environmental Impact Statement and finalised the Airport Plan for the Western Sydney Airport project, and completed the Right of First Refusal process with Sydney Airport Group. These activities resulted, respectively, in an authorisation to develop the project, which takes into account environmental protection conditions and supports the Government's decision to develop the airport project itself.

## Performance against purpose 3: Strengthen the sustainability, capacity and diversity of regional economies and support local communities

### Results against Regional Development measures

The Regional Development program undertakes a range of regionally focused stakeholder consultation and engagement, research, policy development and program delivery activities.

To serve this purpose, the Department worked closely with all tiers of government and local stakeholders to maximise the natural and comparative strengths of Australia's regions.

Table 5.7 provides the summary results achieved by the Regional Development program against the performance measures. More detail is included in the analysis of performance against the purpose.

**Table 5.7 Summary results against Regional Development measures**

Measure	Target	Result
22. Jobs supported by regional program investments	Demonstrated through the delivery of Australian Government funded projects	<p><b>Target met</b></p> <p>Regional Development program expenditure totalled \$2.5 billion in 2016–17. By implementing these projects, the Australian Government is supporting jobs in the regions in which they are delivered.</p> <p>Data indicating the total number of jobs supported across all regional development projects are currently unavailable, however the Department has started to collect these data from proponents.</p> <p>Case Study D on page 95 demonstrates jobs supported through the delivery of a number of Australian Government funded projects, with job numbers provided by proponents.</p>
23. Number of employed persons outside capital cities* *Employed persons includes those in all forms of paid employment (full-time, part-time and casual)	Increase compared to previous financial year	<p><b>Target met</b></p> <p>The number of employed persons outside capital cities was 3.86 million in 2016–17.</p> <p>This is an increase compared to 2015–16, which was 3.83 million employed persons.</p>
24. Disposable household income for low and middle incomes outside capital cities	Increase compared to previous financial year	<p><b>Target substantially met</b></p> <p>The most recent data available are for 2013–14. The Australian Bureau of Statistics releases new data every two years. Data for 2015–16 are expected to be released in October 2017.</p> <p>From 2011–12 to 2013–14, disposable household income for low and middle incomes outside capital cities increased from \$498 per week to \$507 per week.</p> <p>This positive trend indicates the 2016–17 target is likely to have been met.</p>

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## Measure 22—Case Study D: Jobs supported by regional program investments

The Sense-T project is creating the world's first economy-wide intelligent sensor network to provide up-to-date, real-time information to businesses, governments and communities. The Sense-T Stage 2 project established an Advanced Sensor Manufacturing Facility in Launceston, Tasmania and 21 related research projects. The research has delivered commercial solutions to apply sensor technology to help priority Tasmanian industries (agriculture, tourism, health, new financial services and infrastructure, freight and logistics). The facility was opened on 17 March 2017 and now employs four full-time and six casual staff and has already demonstrated the ability to manufacture 500 medium complexity sensor boards a day, equating to 10,000 sensor boards a month. The research projects have already delivered and secured 114 Tasmanian jobs. The Sense-T Stage 2 project commenced in September 2014 and was completed in March 2017. The Australian Government committed \$13.0 million to this \$14.9 million project.

The following projects also supported a significant number of jobs:

- Aquatic Recreation Centre in Gympie, Queensland—this project, for which the Australian Government provided \$5.0 million, created more than 130 jobs during construction and a further 30 ongoing jobs at the centre. The facility opened in April 2017.
- Kidzwish Place in Flinders, NSW—this project, for which the Australian Government is providing \$915,456, will create approximately 225 jobs during construction. Following the completion of this upgrade, this facility is also expected to employ 29 people by 2021. Construction started in April 2017.
- West Gippsland Arts Centre upgrade in Gippsland, Victoria—this project, for which the Australian Government is providing \$4.0 million, will create 160 direct jobs during construction, along with another 21 ongoing jobs. Construction started in April 2017.

## Analysis of performance against purpose—Regional Development component

Investments in infrastructure, regional programs and improved community capability have an impact on the efficiency of regional economies and the amenity of regions, which influences employment.

Employment is strongly linked to the economic and social wellbeing of individuals and to the wellbeing of communities more broadly. Increases in the number of employed persons and disposable household income is an indicator of improved living standards within a community and is also linked to the sustainability and capacity of regional economies.

## Result against Local Government measure

The Local Government program aims to strengthen local government capacity and better support local communities by providing policy advice to the Australian Government and financial assistance to local governments. To serve this purpose, the Department worked closely with local governments and other local stakeholders.

Table 5.8 provides the summary results achieved by the Local Government program against the performance measures. More detail is included in the analysis of performance against the purpose.

**Table 5.8 Summary result against Local Government measure**

Measure	Target	Result
25. Financial assistance is provided to support equitable levels of services by local government bodies	Financial assistance is provided in accordance with the <i>Local Government (Financial Assistance) Act 1995</i>	<p style="text-align: center;"><b>Target met</b></p> <p>\$3.5 billion in financial assistance was provided to local government bodies in 2016–17 in accordance with the <i>Local Government (Financial Assistance) Act 1995</i></p>

### Analysis of performance against purpose—Local Government component

Through the Financial Assistance Grants program, the Australian Government supports equitable levels of local government services. The program aims to strengthen the sustainability, capacity and diversity of regional economies. In 2016–17, \$3.5 billion was provided to 546 local governing bodies to support community priorities in accordance with the *Local Government (Financial Assistance) Act 1995*. The Department delivered the 2016–17 grant payments on time and in accordance with legislative requirements. In addition, the Department made an early payment of 50 per cent of the 2017–18 funding allocation. This cash injection of almost \$1.2 billion gives councils the opportunity to start work immediately on new projects and to benefit from additional interest on having cash in the bank.

## Performance against purpose 4: Provide good governance in Australian territories

### Results against Services to Territories measures

The Services to Territories program aims to improve the quality of services provided to residents of the external territories and the Jervis Bay Territory, and provides targeted support to the NT and ACT through economic and social sustainability initiatives, delivery of services and managing the Australian Government's interests in the territories.

To serve this purpose, the Department worked closely with service delivery providers, including commercial contractors, as well as with all tiers of government.

Table 5.9 below provides the summary results achieved by the Service to Territories program against the performance measures. More detail is included in the analysis of performance against the purpose.

**Table 5.9 Summary results against Services to Territories measures**

Measure	Target	Result
26. Legal frameworks in place in the external territories and the Jervis Bay Territory that provide comparable rights and protections to citizens as the rest of Australia	State level laws are applied and/or updated in each of the external territories and the Jervis Bay Territory as appropriate to reflect comparable arrangements	<p style="text-align: center;"><b>Target substantially met</b></p> <p>State level laws were applied and/or updated in the Territories of Christmas Island, Cocos (Keeling) Islands and the Jervis Bay Territory to reflect arrangements in other comparable communities.</p> <p>The Department is only 12 months into the Norfolk Island reform program, and this is a significant and complex task. In May 2017, a framework to guide the Australian Government's consultation on legislative changes was approved. Amendments to some existing Norfolk Island laws have been undertaken and the application of state-level laws, as Commonwealth law, has commenced.</p>
27. State-type services are delivered in the external territories and the Jervis Bay Territory similar to comparable mainland communities	Services are delivered in accordance with Service Delivery Agreements and contracts	<p style="text-align: center;"><b>Target substantially met</b></p> <p>State level services were delivered in accordance with service delivery arrangements and contracts in the Territories of Christmas Island, Cocos (Keeling) Islands and the Jervis Bay Territory. Essential infrastructure continued to support delivery of services.</p> <p>The Department is only 12 months into the Norfolk Island reform program, and this is a significant and complex task. The Department is working closely with the NSW Government, the Norfolk Island Regional Council and the Norfolk Island Health and Residential Aged Care Service on service delivery arrangements for state-level services on Norfolk Island, including health, residential aged care, education and child wellbeing.</p>

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## Analysis of performance against purpose—Services to Territories component

The Department plays an important role in administering Norfolk Island, Christmas Island, the Cocos (Keeling) Islands, the Ashmore and Cartier Islands, the Coral Sea Islands and the Jervis Bay Territory. It also manages the Australian Government's interests in the NT and ACT.

To provide good governance and ensure comparable rights and protections to citizens of the external territories and the Jervis Bay Territory, the Department maintains appropriate legal frameworks, including preparing Ordinances and Determinations as required.

In 2016–17, state-level laws that reflected comparable legislative standards and management arrangements to those in Australian states were applied.

Further contributing to good governance in the Australian territories, services in the external territories and Jervis Bay Territory were delivered in accordance with Service Delivery Arrangements and private sector contracts. The Department also supported ongoing service delivery by maintaining essential infrastructure. For example, the Department supported the provision of essential internet services to Christmas Island from March to June 2017 and provided financial support to the community during an outage of the Christmas Island port crane. On Norfolk Island, significant investments were made in the redevelopment of Cascade Pier and improvements to the Norfolk Island Central School and the Norfolk Island Health and Residential Aged Care Service.

The Department met the performance targets for the Indian Ocean Territories and the Jervis Bay Territory, which reflects the maturity of these programs. It is noted the Department is only 12 months into the reform program for transitioning Norfolk Island from 35 years of self-government with its own Legislative Assembly and laws to contemporary governance arrangements representative of mainland arrangements. The Norfolk Island Reform program is a significant and complex task that continues to make positive progress.