



PORTFOLIO BUDGET STATEMENTS 2013-14
BUDGET RELATED PAPER NO. 1.13

INFRASTRUCTURE AND TRANSPORT PORTFOLIO

BUDGET INITIATIVES AND EXPLANATIONS OF
APPROPRIATIONS SPECIFIED BY OUTCOMES
AND PROGRAMS BY AGENCY

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ISBN 978-1-922205-17-9

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Printed by CanPrint Communications Pty Ltd, Canberra



The Hon Anthony Albanese MP

Minister for Infrastructure and Transport
Minister for Regional Development and Local Government
Leader of the House

President of the Senate
Australian Senate
Parliament House
CANBERRA ACT 2600

Speaker
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Mr President
Dear Madam Speaker

I hereby submit Portfolio Budget Statements in support of the 2013-14 Budget for the Infrastructure and Transport portfolio.

These statements have been developed, and are submitted to the Parliament, as a statement on the outcomes for the portfolio.

I present these statements to provide accountability to the Parliament and, through it, the public.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Anthony Albanese', written over the printed name.

ANTHONY ALBANESE

Abbreviations and conventions

The following notations may be used:

| | |
|-----|---|
| N/A | not applicable (unless otherwise specified) |
| nfp | not for publication |
| \$m | \$ million |

Figures in tables and in the text may be rounded. Figures in text are generally rounded to one decimal place, whereas figures in tables are generally rounded to the nearest thousand. Discrepancies in tables between totals and sums of components are due to rounding.

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A copy of this document can be located on the Australian Government Budget website <www.budget.gov.au> or on the Department of Infrastructure and Transport website <www.infrastructure.gov.au>.

USER GUIDE TO THE PORTFOLIO BUDGET STATEMENTS

USER GUIDE

The purpose of the 2013-14 Portfolio Budget Statements (PB Statements) is to inform Senators and Members of Parliament of the proposed allocation of resources to Government outcomes by agencies within the portfolio. Agencies receive resources from the annual appropriations acts, special appropriations (including standing appropriations and special accounts), and revenue from other sources.

A key role of the PB Statements is to facilitate the understanding of proposed annual appropriations in Appropriation Bills No. 1 and No. 2 2013-14. In this sense the PB Statements are Budget related papers and are declared by the Appropriation Acts to be 'relevant documents' to the interpretation of the Acts according to section 15AB of the *Acts Interpretation Act 1901*.

The PB Statements provides information, explanation and justification to enable Parliament to understand the purpose of each outcome proposed in the Bills.

As required under section 12 of the *Charter of Budget Honesty Act 1998*, non-general government sector entities are not consolidated into the Commonwealth general government sector fiscal estimates and accordingly, these entities are not reported in the PB Statements.

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PORTFOLIO OVERVIEW

INFRASTRUCTURE AND TRANSPORT PORTFOLIO OVERVIEW

MINISTERS AND PORTFOLIO RESPONSIBILITIES

The Infrastructure and Transport portfolio contributes to the well-being of all Australians through the following outcomes:

Department of Infrastructure and Transport (the Department):

- *Outcome 1: Improved infrastructure across Australia through investment in and coordination of transport and other infrastructure.*
- *Outcome 2: An efficient, sustainable, competitive, safe and secure transport system for all transport users through regulation, financial assistance and safety investigations.*

Australian Maritime Safety Authority (AMSA):

- *Outcome 1: Minimise the risk of shipping incidents and pollution in Australian waters through ship safety and environment protection regulation and services and maximise people saved from maritime and aviation incidents through search and rescue coordination.*

Australian Transport Safety Bureau (ATSB):

- *Outcome 1: Improved transport safety in Australia including through: independent 'no blame' investigation of transport accidents and other safety occurrences; safety data recording, analysis and research; and fostering safety awareness, knowledge and action.*

Civil Aviation Safety Authority (CASA):

- *Outcome 1: Maximise aviation safety through a regulatory regime, detailed technical material on safety standards, comprehensive aviation industry oversight, risk analysis, industry consultation, education and training.*

National Transport Commission (NTC):

- *Outcome 1: Improved transport productivity, efficiency, safety and environmental performance and regulatory efficiency in Australia through developing, monitoring and maintaining nationally consistent regulatory and operational arrangements relating to road, rail and intermodal transport.*

The Portfolio Budget Statements (PB Statements) focus on the activities of the portfolio's General Government Sector agencies. These agencies and their websites are:

- Department of Infrastructure and Transport <www.infrastructure.gov.au>
- Australian Maritime Safety Authority <www.amsa.gov.au>
- Australian Transport Safety Bureau <www.atsb.gov.au>
- Civil Aviation Safety Authority <www.casa.gov.au>
- National Transport Commission <www.ntc.gov.au>

The Department is accountable to the Minister for Infrastructure and Transport, the Hon Anthony Albanese MP, and the Minister for Road Safety, the Hon Catherine King MP.

Portfolio Overview

The Department provides policy advice to the Ministers and undertakes policy and regulatory functions and the delivery of administered items on behalf of the Government.

AMSA is the national regulator for domestic commercial vessels and the national safety agency responsible for maritime safety, protection of the marine environment, and aviation and marine search and rescue.

The ATSB's primary function, to improve aviation, marine and rail safety, is underpinned by the *Transport Safety Investigation Act 2003*.

CASA's primary function is to conduct the safety regulation of civil air operations in Australia and the operation of Australian aircraft overseas.

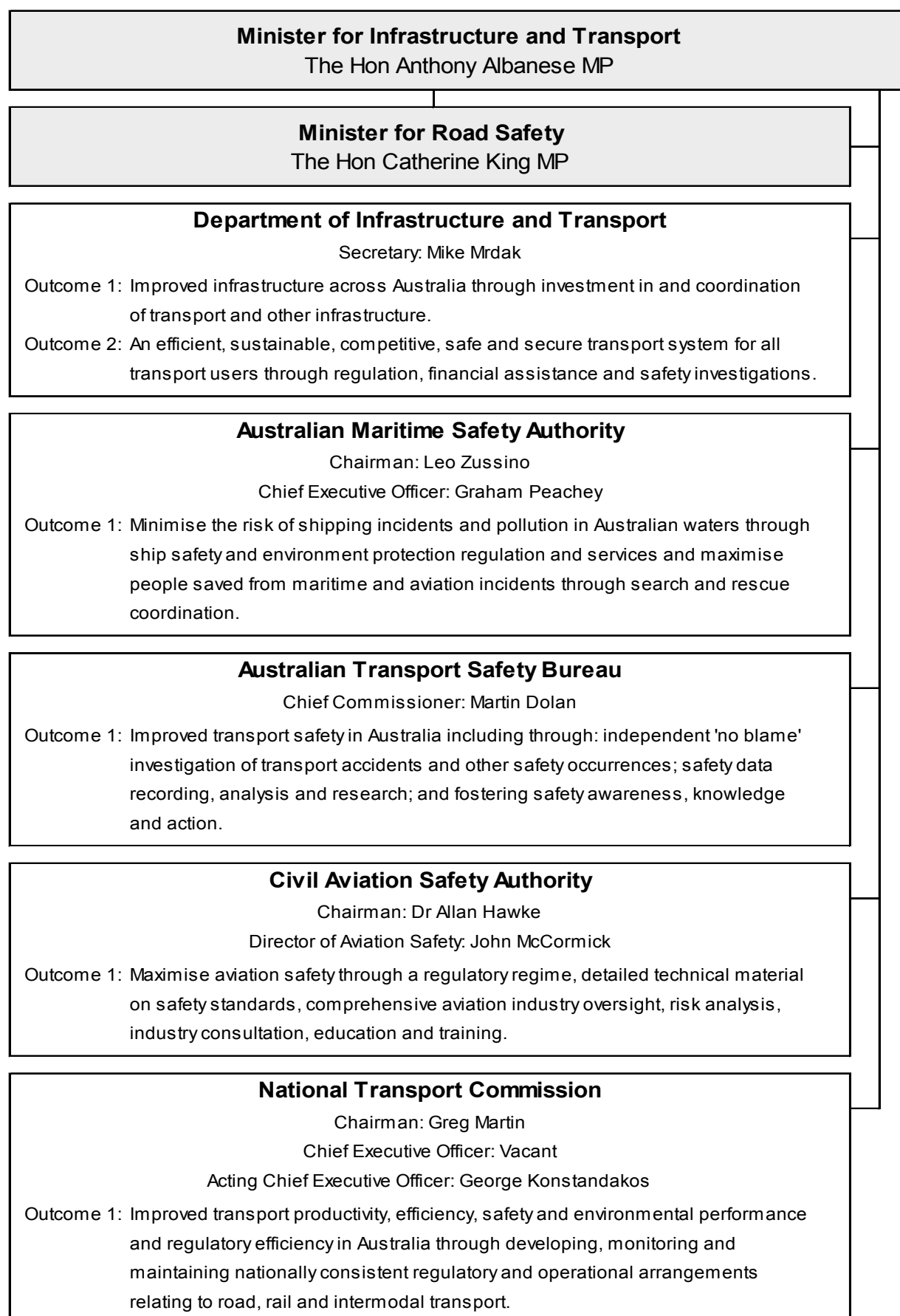
NTC's primary function is to improve the productivity, safety and environmental performance of Australia's road, rail and intermodal transport system.

Further details on the goals, operations and operating environments of the Department, AMSA, ATSB, CASA and NTC can be found in the agency specific sections of the PB Statements and on the respective agency websites.

AMSA, ATSB, CASA and NTC report directly to the Minister within their areas of responsibility, with the Department overseeing the policy context in which these agencies operate on behalf of the Minister. AMSA and CASA both have close linkages with the ATSB.

A list of portfolio agencies, including agencies which are outside the scope of the PB Statements, appears in the Department's 2011-12 Annual Report.

Figure 1: Infrastructure and Transport portfolio structure and outcomes



PORTFOLIO RESOURCES

Table 1 shows the total new resources provided to the portfolio in the 2013-14 budget year by agency.

Table 1: Portfolio resources 2013-14

| | Appropriation | | | Receipts | Total |
|--|-------------------|-------------------|----------------|--------------|----------------|
| | Bill No. 1 \$m | Bill No. 2 \$m | Special \$m | \$m | \$m |
| The Department | | | | | |
| Administered appropriations | 277.6 | 403.0 | 324.6 | 949.0 | 1,954.2 |
| Departmental appropriations | 190.7 | - | - | 16.2 | 206.9 |
| Total | 468.2 | 403.0 | 324.6 | 965.2 | 2,161.2 |
| AMSA | | | | | |
| Administered appropriations | - | - | - | - | - |
| Departmental appropriations | 56.9 | 7.5 | - | 131.6 | 196.0 |
| Total | 56.9 | 7.5 | - | 131.6 | 196.0 |
| ATSB | | | | | |
| Administered appropriations | - | - | - | - | - |
| Departmental appropriations | 20.6 | 1.0 | - | 2.4 | 23.9 |
| Total | 20.6 | 1.0 | - | 2.4 | 23.9 |
| CASA | | | | | |
| Administered appropriations | - | - | - | - | - |
| Departmental appropriations | 42.5 | - | - | 143.2 | 185.7 |
| Total | 42.5 | - | - | 143.2 | 185.7 |
| NTC | | | | | |
| Administered appropriations | - | - | - | - | - |
| Departmental appropriations | 3.2 | - | - | 5.9 | 9.1 |
| Total | 3.2 | - | - | 5.9 | 9.1 |
| Portfolio Total | | | | | 2,575.8 |
| Less amounts transferred within portfolio | | | | | 247.9 |
| Resources available within portfolio: | | | | | 2,327.9 |

AGENCY RESOURCES AND PLANNED PERFORMANCE

| | |
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Department of Infrastructure and Transport

Agency resources and planned performance

Department of Infrastructure and Transport

| | |
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SECTION 1: AGENCY OVERVIEW AND RESOURCES

1.1: STRATEGIC DIRECTION STATEMENT

In accordance with the two outcomes outlined in the Portfolio Overview, the Department of Infrastructure and Transport (the Department) is responsible for providing policy advice and targeted research, delivering administered items and regulation for the following five programs:

- infrastructure investment;
- transport security;
- surface transport;
- road safety; and
- air transport.

These programs are described in detail in Section 2 of this document, 'Outcomes and Planned Performance'.

The Department consists of five business divisions that in aggregate deliver these programs. These business divisions are supported by the Corporate Services division. Employees are made available by the Department to assist the Infrastructure Coordinator who supports Infrastructure Australia in the performance of its functions. The Department also provides employees in support of the International Air Services Commission and the Office of the Inspector of Transport Security.

On behalf of the Minister, the Department oversees the Australian Maritime Safety Authority (AMSA), the Australian Transport Safety Bureau (ATSB), Airservices Australia, the Civil Aviation Safety Authority (CASA) and the operations of the National Transport Commission (NTC) in collaboration with the states and territories through the Standing Council on Transport and Infrastructure.

In 2013-14 and beyond, the Department will continue to be at the forefront of the Australian Government's efforts to build a more productive, sustainable and liveable Australia, particularly through infrastructure planning and strategic investment in transport infrastructure. Central to this is our delivery of the Australian Government's Nation Building agenda, which supports national economic and social development, and ensuring the safety and security of the transport sector.

The Department will play an important role in providing the Australian Government with policy advice to assist it to respond to new, emerging and critical issues affecting our stakeholders and the nation. These issues include: attracting appropriate levels of investment in Australia's infrastructure; dealing with the opportunities and challenges presented by the Asian century, projected population and demographic changes, and significant growth in demand on Australia's transport network; increasing Australia's productivity through transport and infrastructure policies and investments; developing and improving the resilience of Australia's major cities; and transitioning to a low carbon economy.

In addressing such challenges the Department will build on our policy development and delivery, and further strengthen our engagement and partnership with stakeholders and the users of our services.

Other key priorities for 2013-14 include:

- delivering the Australian Government's Nation Building infrastructure investment programs and supporting future infrastructure investment decisions;
- providing advice to the Australian Government on projects and programs for the next phase of the Nation Building Program including continuing work on infrastructure financing, assessment and procurement processes, and integrated transport planning;
- continuing micro-economic reforms in infrastructure through the Council of Australian Governments (COAG) Infrastructure Working Group;
- implementing the National Ports Strategy and the National Land Freight Strategy to harness improvements in Australia's productivity and international competitiveness;
- continuing to implement and refine the Australian Government's shipping industry reform initiative;
- continuing the maritime reform agenda;
- continuing to work with states and territories and the national regulators for maritime safety, rail safety and heavy vehicle safety to embed national transport regulation reforms;
- continuing development of the heavy vehicle charging and investment reforms for COAG consideration;
- continuing to implement the Australian Government's vision for Australia's aviation sector as set out in the 2009 Aviation White Paper;
- providing advice to the Australian Government and implementing the response to the 2012 Joint Study on aviation capacity in the Sydney region;
- ensuring Australian aviation is supported by a modern and competitive regulatory framework across the regional, domestic and international markets;
- considering the findings of the Government's study into high speed rail and potential next steps for high speed rail along Australia's east coast;
- continuing the State of Australian Cities reporting;
- implementing the National Urban Policy to improve the productivity, sustainability and liveability of our cities by working across the Commonwealth, and in partnership with state, territory and local governments, the private sector and communities;
- continuing to work with states and territories to implement the National Road Safety Strategy, and managing arrangement for the scheduled 2014 review of the strategy;
- developing arrangements for the introduction of mandatory carbon dioxide vehicle emissions standards commencing in 2015;
- providing advice in relation to the Australian Government's investments into freight rail through the Australian Rail Track Corporation and the Moorebank Intermodal Company Limited; and

- ensuring Australia is best placed to meet new and emerging threats in transport security through delivery of the Australian Government's enhanced security measures.

At all times the Department's work will recognise the importance of ongoing effective delivery of our vital regulatory and program functions, whilst maintaining and enhancing our policy capability.

1.2: AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all sources. The table summarises how resources will be applied by outcome and by administered and departmental classification.

Table 1.1: Agency resource statement - Budget estimates for 2013-14 as at Budget May 2013

| | Estimate of prior year + amount available in 2013-14 \$'000 | Proposed at Budget = 2013-14 \$'000 | Total estimate 2013-14 \$'000 | Actual available appropriation 2012-13 \$'000 |
|--|--|--|--|---|
| Ordinary annual services¹ | | | | |
| Departmental appropriation | | | | |
| Prior year Departmental appropriation ² | 88,934 | | 88,934 | 87,115 |
| Departmental appropriation ³ | | 190,673 | 190,673 | 190,320 |
| s31 relevant agency receipts ⁴ | | 16,242 | 16,242 | 13,219 |
| Total | 88,934 | 206,915 | 295,849 | 290,654 |
| Administered expenses | | | | |
| Outcome 1 | - | 82,965 | 82,965 | 59,253 |
| Outcome 2 | - | 194,608 | 194,608 | 206,962 |
| Payments to CAC Act bodies | - | 102,576 | 102,576 | 108,944 |
| Total | - | 380,149 | 380,149 | 375,159 |
| Total ordinary annual services | A 88,934 | 587,064 | 675,998 | 665,813 |
| Other services⁵ | | | | |
| Administered expenses | | | | |
| Specific payments to States, ACT, NT and local government | | | | |
| Outcome 1 | - | 383,426 | 383,426 | 377,595 |
| Outcome 2 | - | - | - | - |
| Total | - | 383,426 | 383,426 | 377,595 |
| Departmental non-operating | | | | |
| Equity injections | - | - | - | - |
| Previous years' outputs | - | - | - | - |
| Total | - | - | - | - |
| Administered non-operating | | | | |
| Administered assets and liabilities | 3,569 | 19,600 | 23,169 | 215,269 |
| Payments to CAC Act bodies | | 7,485 | 7,485 | 2,380 |
| Total | 3,569 | 27,085 | 30,654 | 217,649 |
| Total other services | B 3,569 | 410,511 | 414,080 | 595,244 |
| Total available annual appropriations | 92,503 | 997,575 | 1,090,078 | 1,261,057 |

Notes:

1. Appropriation Bill (No.1) 2013-14.
2. Estimated adjusted balance carried from previous year for annual appropriations.
3. Includes an amount of \$3.913m in 2013-14 for the Departmental Capital Budget (refer to table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.
4. s31 Relevant Agency receipts - estimate.
5. Appropriation Bill (No.2) 2013-14.

Table 1.1: Agency resource statement – Budget estimates for 2013-14 as at Budget May 2013 (continued)

| | Estimate of prior year amount available in 2013-14 \$'000 | + Proposed at Budget 2013-14 \$'000 | = Total estimate 2013-14 \$'000 | Actual available appropriation 2012-13 \$'000 |
|--|--|---|---|---|
| Special appropriations | | | | |
| Special appropriations limited by criteria/entitlement | | | | |
| <i>Australian Maritime Safety Authority Act 1990 - s48(2)</i> ⁶ | - | 117,363 | 117,363 | 107,846 |
| <i>Aviation Fuel Revenues (Special Appropriation) Act 1988 - s4</i> ⁶ | - | 125,909 | 125,909 | 117,954 |
| <i>Interstate Road Transport Act 1985 - s22</i> | - | 80,839 | 80,839 | 77,730 |
| <i>Protection of the Sea (Oil Pollution Compensation Fund) Act 1993 - s40(4)</i> | - | 535 | 535 | 130 |
| Total special appropriations | C - | 324,646 | 324,646 | 303,660 |
| Total appropriations excluding Special Accounts | 92,503 | 1,322,221 | 1,414,724 | 1,564,717 |
| Special Accounts ⁷ | | | | |
| Opening balance | 8,905 | | 8,905 | 8,905 |
| Non-Appropriation receipts ⁸ | | 949,000 | 949,000 | 890,400 |
| Appropriation receipts ⁹ | | 80,839 | 80,839 | 77,730 |
| Total Special Accounts | D 8,905 | 1,029,839 | 1,038,744 | 977,035 |
| Total resourcing | 101,408 | 2,352,060 | 2,453,468 | 2,541,752 |
| A+B+C+D | | | | |
| Less appropriations drawn from annual or special appropriations above and credited to special accounts and/or CAC Act bodies through annual appropriations | - | (190,900) | (190,900) | (189,054) |
| Total net resourcing | 101,408 | 2,161,160 | 2,262,568 | 2,352,698 |

All figures are GST exclusive.

Notes:

6. Relates to payments to *Commonwealth Authorities and Companies Act 1997* (CAC Act) bodies.
7. Estimated opening balance for special accounts (less 'Special Public Money' held in a Service for Other Entities and Trust Moneys Special Accounts (SOETM)). For further detail on special accounts see Table 3.1.2.
8. Non-Appropriation receipts from the Building Australia Fund Special Account.
9. Appropriation receipts from special appropriations.

Table 1.1: Agency resource statement – Budget estimates for 2013-14 as at Budget May 2013 (continued)

Third party payments from and on behalf of other agencies

| | 2013-14 \$'000 | 2012-13 \$'000 |
|---|-------------------|-------------------|
| Receipts received from other agencies for the provision of services (disclosed above within Departmental s31 relevant agency receipts) | | |
| Australian Transport Safety Bureau | 2,999 | 2,958 |
| Department of Regional Australia, Local Government, Arts and Sport | 800 | 1,702 |
| Total | 3,799 | 4,660 |
| Total receipts received from other agencies for the provision of services | 3,799 | 4,660 |
| Payments made by other agencies on behalf of the Department (disclosed above within Administered expenses) | | |
| Department of Human Services ¹ | 157,350 | 153,300 |
| Total | 157,350 | 153,300 |
| Total payments made by other agencies on behalf of the Department | 157,350 | 153,300 |
| Payments made to CAC Act bodies within the portfolio | | |
| AMSA | | |
| <i>Appropriation Act (No.1) 2013-14</i> | 56,947 | 63,323 |
| <i>Appropriation Act (No.2) 2013-14</i> | 7,485 | 2,380 |
| <i>Australian Maritime Safety Authority Act 1990 - s48(2)</i> | 117,363 | 107,846 |
| Total | 181,795 | 173,549 |
| CASA | | |
| <i>Appropriation Act (No.1) 2013-14</i> | 42,460 | 42,521 |
| <i>Aviation Fuel Revenues (Special Appropriation) Act 1988 - s4</i> | 125,909 | 117,954 |
| Total | 168,369 | 160,475 |
| NTC | | |
| <i>Appropriation Act (No.1) 2013-14</i> | 3,169 | 3,100 |
| Total | 3,169 | 3,100 |
| Total payments made to CAC Act bodies within the portfolio | 353,333 | 337,124 |

Notes:

1. Payments relate to the *Bass Strait Passenger Vehicle Equalisation Scheme*; *Tasmanian Freight Equalisation Scheme*; and *Tasmanian Wheat Freight Scheme* administered items.

1.3: BUDGET MEASURES

Budget measures in Part 1 relating to the Department are detailed in Budget Paper No. 2 and are summarised below.

Table 1.2: Agency 2013-14 Budget measures

Part 1: Measures announced since the 2012-13 MYEFO

| | Program | 2012-13 \$'000 | 2013-14 \$'000 | 2014-15 \$'000 | 2015-16 \$'000 | 2016-17 \$'000 |
|--|---------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Expense measures | | | | | | |
| Adelaide Airport Noise Amelioration Program | 2.4 | | | | | |
| Administered expenses | | - | 2,000 | 3,000 | - | - |
| Departmental expenses | | - | - | - | - | - |
| Total | | - | 2,000 | 3,000 | - | - |
| Infrastructure Australia - additional funding | 1.1 | | | | | |
| Administered expenses | | - | - | - | - | - |
| Departmental expenses | | - | 3,000 | 3,000 | 3,000 | 3,000 |
| Total | | - | 3,000 | 3,000 | 3,000 | 3,000 |
| Jobs Fund - Infrastructure Employment Projects - Cairns Entertainment Precinct - not proceeding | 1.1 | | | | | |
| Administered expenses | | (10,116) | (28,000) | - | - | - |
| Departmental expenses | | - | - | - | - | - |
| Total | | (10,116) | (28,000) | - | - | - |
| Nation Building Program - redirection | 1.1 | | | | | |
| Administered expenses | | - | (3,000) | (3,000) | (3,000) | (3,000) |
| Departmental expenses | | - | - | - | - | - |
| Total | | - | (3,000) | (3,000) | (3,000) | (3,000) |
| Regional Aviation Access Program - airstrip upgrade funding component - extension | 2.4 | | | | | |
| Administered expenses | | - | 3,000 | 6,100 | - | - |
| Departmental expenses | | - | 414 | 340 | - | - |
| Total | | - | 3,414 | 6,440 | - | - |
| Sustaining Australia's maritime Skills | 2.2 | | | | | |
| Administered expenses | | - | 1,625 | 1,650 | 1,725 | - |
| Departmental expenses | | - | - | - | - | - |
| Total | | - | 1,625 | 1,650 | 1,725 | - |
| Total expense measures | | | | | | |
| Administered | | (10,116) | (24,375) | 7,750 | (1,275) | (3,000) |
| Departmental | | - | 3,414 | 3,340 | 3,000 | 3,000 |
| Total | | (10,116) | (20,961) | 11,090 | 1,725 | - |

Prepared on a Government Financial Statistics (fiscal) basis.

Table 1.2: Agency 2013-14 Budget measures (continued)

Part 1: Measures announced since the 2012-13 MYEFO (continued)

| | Program | 2012-13 \$'000 | 2013-14 \$'000 | 2014-15 \$'000 | 2015-16 \$'000 | 2016-17 \$'000 |
|---|---------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Revenue measures | | | | | | |
| Adelaide Airport Noise Amelioration Program | 2.4 | | | | | |
| Administered revenues | | - | 2,000 | 3,000 | - | - |
| Departmental revenues | | - | - | - | - | - |
| Total | | - | 2,000 | 3,000 | - | - |
| Total revenue measures | | | | | | |
| Administered | | - | 2,000 | 3,000 | - | - |
| Departmental | | - | - | - | - | - |
| Total | | - | 2,000 | 3,000 | - | - |

Prepared on a Government Financial Statistics (fiscal) basis.

Part 2: MYEFO measures not previously reported in a portfolio statement

| | Program | 2012-13 \$'000 | 2013-14 \$'000 | 2014-15 \$'000 | 2015-16 \$'000 | 2016-17 \$'000 |
|---|---------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Expense measures | | | | | | |
| Targeted savings - public service efficiencies ¹ | All | | | | | |
| Administered expenses | | - | - | - | - | - |
| Departmental expenses | | - | (390) | (477) | (528) | (457) |
| Total | | - | (390) | (477) | (528) | (457) |
| Total expense measures | | | | | | |
| Administered | | - | - | - | - | - |
| Departmental | | - | (390) | (477) | (528) | (457) |
| Total | | - | (390) | (477) | (528) | (457) |

Prepared on a Government Financial Statistics (fiscal) basis.

Notes:

1. The fiscal impact reported for the measure 'Targeted savings – public service efficiencies' is in addition to the impact previously reported for this measure in the 2012-13 Infrastructure and Transport Portfolio Additional Estimates Statements.

SECTION 2: OUTCOMES AND PLANNED PERFORMANCE

2.1: OUTCOMES AND PERFORMANCE INFORMATION

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Programs are the primary vehicle by which Australian government agencies achieve the intended results of their outcome statements. Agencies are required to identify the programs which contribute to Government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs, specifying the performance indicators and targets used to assess and monitor the performance of the Department in achieving Government outcomes.

Figure 2.1: Outcome and program structure

| Outcome | Program |
|---|-------------------------------|
| Outcome 1 <i>Improved infrastructure across Australia through investment in and coordination of transport and other infrastructure.</i> | 1.1 Infrastructure investment |
| Outcome 2 <i>An efficient, sustainable, competitive, safe and secure transport system for all transport users through regulation, financial assistance and safety investigations.</i> | 2.1 Transport security |
| | 2.2 Surface transport |
| | 2.3 Road safety |
| | 2.4 Air transport |

Administered items

The Department administers a range of items on behalf of the Government. The relationship between the Department's outcomes and its administered items are detailed in Figures 2.2 to 2.3.

Figure 2.2: Outcome 1 – Programs and administered items for 2013-14

| Outcome 1 |
|--|
| <p>Program 1.1: Infrastructure investment</p> <ul style="list-style-type: none">• Nation Building Program<ul style="list-style-type: none">- Nation Building Program Investment¹- Nation Building Black Spot Projects¹- Nation Building Heavy Vehicle Safety and Productivity¹- Nation Building Roads to Recovery- Nation Building Off-Network Projects¹- Nation Building improving the National Network¹• Nation Building Plan for the Future¹• Regional Infrastructure Fund¹• Sustainable Australia - Liveable Cities¹• Sustainable Australia - National Smart Managed Motorways¹ |

Notes:

1. The Department of the Treasury is appropriated for payments to and through states and territories for National Partnership payments. Further information on these programs can be found in Budget Paper 3 or the Treasury's Portfolio Budget Statements (Program 1.10).

Figure 2.3: Outcome 2 – Programs and administered items for 2013-14

| Outcome 2 |
|---|
| <p>Program 2.1: Transport security</p> <ul style="list-style-type: none"> • Aviation security enhancements <ul style="list-style-type: none"> - improving international aviation security - regional passenger screening • Strengthening aviation security <ul style="list-style-type: none"> - optimal technologies at international gateway airports - regional and domestic aviation security |
| <p>Program 2.2: Surface transport</p> <ul style="list-style-type: none"> • Bass Strait Passenger Vehicle Equalisation Scheme • International Maritime Organization - contribution • Interstate Road Transport Fees • OECD Road Transport - contribution • Oil Pollution Compensation Fund • Sustaining Australia's maritime skills • Tasmanian Freight Equalisation Scheme • Tasmanian Wheat Freight Scheme • Payments to CAC Act bodies - AMSA • Payments to CAC Act bodies - NTC |
| <p>Program 2.3: Road safety</p> <ul style="list-style-type: none"> • keys2drive • Seatbelts on regional school buses |
| <p>Program 2.4: Air transport</p> <ul style="list-style-type: none"> • Airport Lessee Companies - reimbursement of parking fines • Implementation of noise amelioration for Adelaide Airport • International Civil Aviation Organization – contribution • Payment scheme for Airservices Australia's en route charges • Regional Aviation Access • Sydney West Airport - rental properties • Payments to CAC Act bodies - CASA |

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

Outcome 1 Strategy

Outcome 1 is delivered through the following program:

1.1 Infrastructure investment

Infrastructure investment will support economic productivity across Australia through investment in and coordination of transport and other infrastructure. The Department will work with states and territories on transport planning to inform future investment priorities.

During 2013-14 and the forward years, the Department will:

- contribute to improved transport infrastructure decision-making and delivery through sound management and partnered decision-making with other jurisdictions, involving a range of administered items, including *Nation Building Program Investment*;
- advise on potential projects to be funded from the Regional Infrastructure Fund;
- advise on potential projects to be funded under the *Nation Building Plan for the Future* administered item; and
- advise on transport planning and potential projects to inform future Nation Building investment.

Major initiatives during 2013-14, which will continue into the forward years, include:

- implementing agreed actions under the Nation Urban Policy;
- implementing a range of land transport investment administered items as part of the *Nation Building Program*;
- delivering the Australian Government commitments for land transport infrastructure under the *Nation Building* and *Nation Building Plan for the Future* programs, and through the Australian Government equity investment in the Australian Rail Track Corporation and the Moorebank Intermodal Company Limited;
- developing a program of works for land transport infrastructure priorities for funding under the Nation Building programs from 2014-15;
- implementing the *Regional Infrastructure Fund*;
- implementing the National Land Freight Strategy (including the National Ports Strategy);
- continuing work on national transport planning, including high speed rail; and
- working collaboratively with states and territories to implement the Cities Work Plan for the Standing Council on Transport and Infrastructure (SCOTI) in accordance with COAG's decision of April 2012.

During 2013-14 Infrastructure Australia's work program will include:

- expanding the national infrastructure pipeline;
- identifying projects for the *Regional Infrastructure Fund*;
- developing infrastructure financing reforms;
- pursuing water reform;

- implementing the National Ports Strategy and the National Land Freight Strategy reforms;
- implementing the tax loss incentive for designated infrastructure projects;
- gaining agreement to a new framework for prioritising remote Indigenous infrastructure; and
- developing a national urban transport strategy.

In delivering the Outcome 1 programs, the Department and Infrastructure Australia will consult extensively with relevant stakeholders including state, territory and local governments and industry.

Following the COAG federal financial framework reforms, the Treasury is responsible for National Partnership payments to and through the states and territories. The Treasury holds the appropriation for these items and reports the financial details accordingly. The non-financial performance of the corresponding programs remains the responsibility of the Department. As a result, financial information for each affected program will not be complete for each financial year within a single Portfolio Budget Statement.

Outcome 1 expense statement

Table 2.1 provides an overview of the total expenses for Outcome 1, by program.

Table 2.1: Budgeted expenses for Outcome 1

| | 2012-13 Estimated actual expenses \$'000 | 2013-14 Estimated expenses \$'000 |
|--|--|--|
| Program 1.1: Infrastructure investment | | |
| Administered expenses | | |
| Ordinary Annual Services (Appropriation Bill No. 1) | 56,353 | 82,965 |
| Other Services (Appropriation Bill No. 2) | 367,479 | 383,426 |
| Special Accounts | 890,400 | 949,000 |
| Expenses not requiring appropriation in the Budget year ¹ | 9,491 | - |
| Departmental expenses | | |
| Departmental appropriation ² | 42,196 | 43,406 |
| Expenses not requiring appropriation in the Budget year ³ | 3,442 | 2,711 |
| Total for Program 1.1 | 1,369,361 | 1,461,508 |
| Outcome 1 Total | 1,369,361 | 1,461,508 |
| Outcome 1 totals by appropriation type | | |
| Administered expenses | | |
| Ordinary Annual Services (Appropriation Bill No. 1) | 56,353 | 82,965 |
| Other Services (Appropriation Bill No. 2) | 367,479 | 383,426 |
| Special Accounts | 890,400 | 949,000 |
| Expenses not requiring appropriation in the Budget year ¹ | 9,491 | - |
| Departmental expenses | | |
| Departmental appropriation ² | 42,196 | 43,406 |
| Expenses not requiring appropriation in the Budget year ³ | 3,442 | 2,711 |
| Total expenses for Outcome 1 | 1,369,361 | 1,461,508 |
| | 2012-13 | 2013-14 |
| Average staffing level (number) | 193 | 194 |

Notes:

1. Administered expenses not requiring appropriation in the Budget year is made up of expenses relating to prepayments associated with prior year payments.
2. Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s31)'.
3. Departmental expenses not requiring appropriation in the Budget year is made up of Depreciation and Amortisation expenses and other non-cash expense items.

Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

Contributions to Outcome 1

Program 1.1: Infrastructure investment

Program 1.1 Objective

The Infrastructure investment program contributes to Outcome 1 by increasing the efficiency and safety of Australia's land transport infrastructure whilst strengthening the Australian economy. This is accomplished through the provision of policy advice to the Australian Government, the delivery of a suite of administered items, and the work undertaken by Infrastructure Australia, supported by the Office of the Infrastructure Coordinator.

Components of Program 1.1:

(a) Raising the standard of land transport infrastructure

The economic and social outcomes for all Australians depend upon the land transport networks available to them. The Department manages the programs of the Australian Government's significant investment in improving infrastructure for land transport operations. The Australian Government's future infrastructure investment is planned around meeting Australia's changing transport needs.

(b) Infrastructure policy initiatives

Infrastructure-related policy advice covers a range of infrastructure matters including infrastructure priorities and regulatory barriers, along with support and input to COAG working groups and taskforces.

In administering the Infrastructure investment program, the Department's role is to ensure delivery of the Australian Government's Nation Building infrastructure priorities in the land transport area.

(c) Infrastructure funding

The Department provides advice to the Australian Government on financing and implementation of infrastructure investment. This includes advice on Public Private Partnerships (PPPs), patronage risk and procurement options. To foster development of Australia's construction market, the Department established the National Infrastructure Construction Schedule in 2012.

(d) Remedial road projects to improve safety and productivity

The Department manages the *Nation Building Black Spot Projects* administered item which focuses on treating high-risk sites to reduce the number and severity of road crashes. Funding is provided to jurisdictions for road maintenance and the Department is implementing the *Nation Building Heavy Vehicle Safety and Productivity* administered item that will improve the safety and productivity of heavy vehicle operations across Australia.

(e) Increasing the ability of local councils to improve land transport infrastructure

The Department manages the *Nation Building Roads to Recovery* administered item which provides funding to local councils to improve transport infrastructure.

(f) Major Projects Facilitation

The Department provides a Major Project Facilitation service that assists strategically significant private sector projects to obtain coordinated decisions on necessary Australian Government approvals and identifies any impediments to the investment proceeding. The service is tailored to suit each project, drawing on the Department's knowledge and experience of government processes.

(g) Setting a national strategy to guide policy and investments in urban Australia

The National Urban Policy sets a framework of goals and objectives to guide the Australian Government's policy development and investments in major cities to deliver greater productivity, sustainability and liveability outcomes. It contains a set of actions for implementation of the policy and commits to annual State of Australian Cities reporting.

(h) Supporting state, territory and local governments to increase the productivity, sustainability and liveability of our cities

The Department manages the *Liveable Cities* Program, which aims to support improved alignment of urban planning and design with the National Urban Policy, to encourage more productive, sustainable and liveable cities.

(i) Regional Infrastructure Fund

The Department manages the *Regional Infrastructure Fund* Program, which will invest the proceeds of a resurgent resource boom to address urgent infrastructure needs, while supporting the mining industry, boosting export capacity and developing and growing regional economies.

(j) Infrastructure Working Group

The Department provides secretariat services and contributes to the work of the Infrastructure Working Group. The COAG agreed objectives for the Infrastructure Working Group are:

- better coordination of infrastructure planning and investment across the nation, across governments and the private sector; and
- identification and removal of blockages to productive investment in infrastructure.

(k) Infrastructure Australia

Infrastructure Australia provides advice on nationally significant infrastructure and urban systems which promote Australia's productivity, with particular focus on the quality and efficiency of transport, water, energy and communication infrastructure, and the development and liveability of major cities across Australia.

This advice will be prepared in collaboration with the Department, other federal agencies, state and local governments, industry and the community.

Administered items

- Nation Building Program
 - Nation Building Program Investment¹
 - Nation Building Black Spot Projects¹
 - Nation Building Heavy Vehicle Safety and Productivity¹
 - Nation Building Roads to Recovery
 - Nation Building Off-Network Projects¹
 - Nation Building Off-Network – supplementary
 - Nation Building improving local roads
 - Nation Building improving the National Network¹
- Nation Building Plan for the Future¹
- Abt Railway¹
- Jobs Fund – Infrastructure Employment Projects¹
- Regional Infrastructure Fund¹
- Sustainable Australia - Liveable Cities¹
- Sustainable Australia - National Smart Managed Motorways¹

Notes:

1. The Department of the Treasury is appropriated for payments to and through states and territories for National Partnership payments. Further information on these programs can be found in Budget Paper 3 or the Treasury's Portfolio Budget Statements (Program 1.10).

Program 1.1 Expenses

The changes in expenses from one year to the next are due mainly to the current funding profile of the *Nation Building Plan for the Future* administered item.

| | 2012-13 Revised Budget \$'000 | 2013-14 Budget \$'000 | 2014-15 Forward year 1 \$'000 | 2015-16 Forward year 2 \$'000 | 2016-17 Forward year 3 \$'000 |
|--|--|-----------------------------|--|--|--|
| Annual administered expenses ¹ | | | | | |
| Nation Building Program | 421,139 | 462,571 | 421,000 | 421,000 | 506,000 |
| - <i>Nation Building Program Investment</i> ² | 55,668 | 82,595 | 41,000 | 41,000 | 36,000 |
| - <i>Nation Building Roads to Recovery</i> | 350,000 | 373,526 | 350,000 | 350,000 | 350,000 |
| - <i>Nation Building Off-Network Projects</i> ² | 5,980 | 6,450 | 30,000 | 30,000 | 120,000 |
| - <i>Nation Building Off-Network - supplementary</i> | 8,463 | - | - | - | - |
| - <i>Nation Building improving local roads</i> | 1,028 | - | - | - | - |
| Jobs Fund - Infrastructure Employment Projects ² | 3,084 | - | - | - | - |
| Sustainable Australia - Liveable Cities ² | 9,100 | 3,820 | nfp | nfp | nfp |
| Special Account expenses | | | | | |
| Nation Building Plan for the Future ³ (<i>Building Australia Fund Infrastructure Portfolio Special Account</i>) | 890,400 | 949,000 | 564,500 | 752,100 | - |
| Program support | 45,638 | 46,117 | 46,991 | 47,340 | 44,748 |
| Total program expenses | 1,369,361 | 1,461,508 | 1,042,491 | 1,230,440 | 560,748 |

Notes:

1. Excludes expenses relating to payments made to and through the states and territories by the Department of the Treasury for the *Nation Building Black Spot Projects*, *Nation Building Heavy Vehicle Safety and Productivity*, *Nation Building Plan for the Future – Major Cities*, *Sustainable Australia - National Smart Managed Motorways*, *Regional Infrastructure Fund* and *Abt Railway* administered items. Also excludes expenses relating to prepayments reported by the Treasury associated with prior year payments made to and through the states and territories for the *Nation Building improving the National Network* administered item.
2. Excludes expenses relating to payments made to and through the states and territories by the Department of the Treasury.
3. Expenses relate to funds transferred from the Special Account to the Department of the Treasury for payments to and through the states and territories for *Building Australia Fund* infrastructure projects.

| Program 1.1 Deliverables The following deliverables represent the goods and services produced and delivered by the program in meeting its objective. | | |
|--|------------------------|---|
| Deliverables | Year | Target |
| Collaboration with state, territory and local governments to plan and evaluate land transport investments consistent with Australian Government priorities. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | States report monthly on progress of investments and quarterly on program implementation. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |
| Deliver the Nation Building administered items in cooperation with state, territory and local governments. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | Payout of 100% funding for project progress. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |
| Number of funding recipients receiving Roads to Recovery funding. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | 570 recipients receive funding. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |

| Program 1.1 Deliverables (continued) | | |
|---|------------------------|--|
| Deliverables | Year | Target |
| Efficient and effective oversight of the Australian Government's interest in the Australian Rail Track Corporation (ARTC) and the Moorebank Intermodal Company Limited. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | Timely advice to the Australian Government on performance. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |
| National Urban Policy. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | Implement agreed actions. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |
| Regional Infrastructure Fund. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | Implement agreed projects. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |

| Program 1.1 Deliverables (continued) | | |
|--|------------------------|---|
| Deliverables | Year | Target |
| Analysis and prioritisation of infrastructure projects and reform initiatives. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | Recommendations considered by Australian governments. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |
| Infrastructure Australia’s remote Indigenous infrastructure framework. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | Recommendations considered by Australian governments. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |
| Infrastructure Australia’s public transport strategy. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | Recommendations considered by Australian governments. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |

| Program 1.1 Deliverables (continued) | | |
|--|------------------------|---|
| Deliverables | Year | Target |
| National Land Freight Strategy. | 2012-13 Revised budget | Recommendations considered by Australian governments. |
| | 2013-14 Budget | Strategy implementation. |
| | 2014-15 Forward year 1 | N/A. |
| | 2015-16 Forward year 2 | N/A. |
| | 2016-17 Forward year 3 | N/A. |
| Tax loss incentive for designated infrastructure projects. | 2012-13 Revised budget | N/A. |
| | 2013-14 Budget | Incentive implementation. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |
| Efficient and effective management of administered items. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | Items are administered in accordance with relevant legislation, published guidelines and ANAO guidance. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |

| Program 1.1 Key performance indicators The following key performance indicators, addressing key features of the program, measure the effectiveness of the program in meeting its objective. | | |
|---|------------------------|---|
| Key performance indicators | Year | Target |
| Australian land transport networks are safer. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | Projects that improve road and rail safety are delivered. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |
| Australian land transport networks are more efficient. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | Projects that improve road and rail productivity are delivered. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |
| States, territories and local governments are appropriately funded for network and off-network projects. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | Payments are within 5% of forecast. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |

| Program 1.1 Key performance indicators (continued) | | |
|--|------------------------|---|
| Key performance indicators | Year | Target |
| Infrastructure and urban system initiatives are promoted in order to maximise economic development and productivity. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | Initiatives endorsed by Australian governments. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |
| Integrated infrastructure and urban system priorities are identified to address the local, regional and national needs of Australians. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | Initiatives endorsed by Australian governments. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |
| Demonstration projects and initiatives promote infrastructure efficiency and urban sustainability. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | Initiatives endorsed by Australian governments. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |

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

Outcome 2 Strategy

Outcome 2 is delivered through the following programs:

- 2.1 Transport security
- 2.2 Surface transport
- 2.3 Road safety
- 2.4 Air transport

Safe and efficient transport systems and transport infrastructure connect Australians with domestic markets and the nation to the global economy, and are key determinants of our economic growth. Given the current global and local economic situation, Australia's prosperity depends on having a transport system that is efficient, sustainable, competitive, safe, secure and productive. Achieving long-term productivity growth will require reforms to support the operation of a seamless national economy.

During 2013-14 and forward years, the Department will continue to advise on and lead national efforts to address key transport issues that support an efficient, sustainable, competitive, safe and secure transport system, including:

- promoting integrated surface transport (road, rail) reforms supporting the operation of single national markets and building on effective relationships with key stakeholders, including other governments, unions, industry and regulators;
- finalising the implementation of COAG initiatives contributing towards a seamless national economy including national approaches to heavy vehicle regulation, maritime safety and rail safety regulation and investigation;
- implementation and refinement of the Australian Government's shipping industry reform initiative;
- implementing the Sustaining Australia's maritime skills measure;
- collaborating with relevant agencies (including Infrastructure Australia) on the implementation of the National Ports Strategy and the National Freight Strategy;
- commencement of the *Navigation Act 2012*;
- finalising the development of a Global Technical Regulation on Pole Side Impact, improving vehicle occupant protection in side impact crashes;
- ensuring vehicle standards deliver both safety and environmental outcomes and are consistent with international approaches;
- contribute to effective progress on the COAG Heavy Vehicle Charging and Investment Initiative (formerly the COAG Road Reform Plan);
- coordinating a review of the National Road Safety Strategy 2011-20 and ongoing road safety data collection and progress reporting;
- pursuing ongoing enhancements to Australia's transport security framework;
- continuing implementation of the National Aviation Policy 'White Paper';

- implementing the strengthened aviation security measures announced by the Prime Minister on 9 February 2010;
- continuing to engage with Indonesia, Papua New Guinea and Pacific Island countries to enhance transport safety;
- introducing measures to strengthen transport security systems, including transport security coordination and passenger ship security;
- continuing to promote best practice regulation through progressive improvements in guidance materials, regulatory tools and processes; and
- delivering a range of associated administered items.

A major new activity during 2013-14 that will continue into the forward years is implementing the Australian Government response to the report of the Joint Study on aviation capacity in the Sydney region.

In delivering the Outcome 2 programs, the Department will consult extensively with state, territory and local governments and industry and, where appropriate, with foreign governments and international organisations.

Following COAG's federal financial framework reforms the Treasury is responsible for National Partnership payments to and through the states and territories. The Treasury holds the appropriation for these items and reports the financial details accordingly. The non-financial performance of the corresponding programs remains the responsibility of the Department. As a result, financial information for each affected program will not be complete for each financial year within a single Portfolio Budget Statement.

Outcome 2 expense statement

Table 2.2 provides an overview of the total expenses for Outcome 2, by program.

Table 2.2: Budgeted expenses Outcome 2

| | 2012-13 Estimated actual expenses \$'000 | 2013-14 Estimated expenses \$'000 |
|--|--|--|
| Program 2.1: Transport security | | |
| Administered expenses | | |
| Ordinary Annual Services (Appropriation Bill No. 1) | 12,175 | 5,295 |
| Expenses not requiring appropriation in the Budget year ¹ | - | - |
| Departmental expenses | | |
| Departmental appropriation ² | 77,645 | 85,461 |
| Expenses not requiring appropriation in the Budget year ³ | 7,453 | 5,630 |
| Total for Program 2.1 | 97,273 | 96,386 |
| Program 2.2: Surface transport | | |
| Administered expenses | | |
| Ordinary Annual Services (Appropriation Bill No. 1) | 219,942 | 219,319 |
| Special Appropriations | 107,976 | 117,898 |
| Special Accounts | 77,730 | 80,839 |
| Expenses not requiring appropriation in the Budget year ¹ | (733) | 1,671 |
| Departmental expenses | | |
| Departmental appropriation ² | 15,916 | 16,840 |
| Expenses not requiring appropriation in the Budget year ³ | (738) | (1,490) |
| Total for Program 2.2 | 420,093 | 435,077 |
| Program 2.3: Road safety | | |
| Administered expenses | | |
| Ordinary Annual Services (Appropriation Bill No. 1) | 4,500 | 2,500 |
| Departmental expenses | | |
| Departmental appropriation ² | 17,880 | 18,481 |
| Expenses not requiring appropriation in the Budget year ³ | 1,833 | 1,360 |
| Total for Program 2.3 | 24,213 | 22,341 |
| Program 2.4: Air transport | | |
| Administered expenses | | |
| Ordinary Annual Services (Appropriation Bill No. 1) | 73,851 | 70,070 |
| Special Appropriations | 117,954 | 125,909 |
| Expenses not requiring appropriation in the Budget year ¹ | 1,412 | (787) |
| Departmental expenses | | |
| Departmental appropriation ² | 37,414 | 36,836 |
| Expenses not requiring appropriation in the Budget year ³ | 889 | 1,236 |
| Total for Program 2.4 | 231,520 | 233,264 |

Table 2.2: Budgeted expenses and resources for Outcome 2 (continued)

| | 2012-13 Estimated actual expenses \$'000 | 2013-14 Estimated expenses \$'000 |
|--|--|--|
| Unallocated expenses⁴ | | |
| Departmental expenses | | |
| Departmental appropriation ² | 2,857 | 1,978 |
| Total for Unallocated expenses | 2,857 | 1,978 |
| Outcome 2 Total | 775,956 | 789,046 |
| Outcome 2 totals by appropriation type | | |
| Administered expenses | | |
| Ordinary Annual Services (Appropriation Bill No. 1) | 310,468 | 297,184 |
| Special Appropriations | 225,930 | 243,807 |
| Special Accounts | 77,730 | 80,839 |
| Expenses not requiring appropriation in the Budget year ¹ | 679 | 884 |
| Departmental expenses | | |
| Departmental appropriation ² | 151,712 | 159,596 |
| Expenses not requiring appropriation in the Budget year ³ | 9,437 | 6,736 |
| Total expenses for Outcome 2 | 775,956 | 789,046 |
| | 2012-13 | 2013-14 |
| Average staffing level (number) | 807 | 800 |

Notes:

1. Administered expenses not requiring appropriation in the Budget year is made up of Depreciation and Amortisation expenses and budgeted accruals.
2. Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s31)'.
3. Departmental expenses not requiring appropriation in the Budget year is made up of Depreciation and Amortisation expenses and other non-cash expense items.
4. These departmental expenses relate to shared services arrangements with the Department of Regional Australia, Local Government, Arts and Sport and the Australian Transport Safety Bureau. They have been notionally allocated to this outcome for presentation in this table and in Budget Paper No.4. The expenses however, cannot be allocated to a program as they do not meet the definition of program support. Revenue is received from the relevant agencies that offset these additional expenses.

Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

Contributions to Outcome 2

Program 2.1: Transport security

Program 2.1 Objective

Program 2.1 is designed to ensure a more secure Australian transport system through clarity of roles and responsibilities between transport industry participants and the Australian Government. Operators are responsible for facility-level preventive security with compliance assured by the Australian Government.

Against this context, the program objective is to ensure a secure Australian transport system against the threat of terrorist attack.

Components of Program 2.1:

(a) Domestic engagement

Domestic legislation mandates risk-based preventive security outcomes in the aviation, air cargo, maritime, and offshore oil and gas sectors. In consultation with industry, the Department develops appropriate and targeted transport security policies, routinely advises industry of the security risk context within which their transport preventive security planning should be focused, and ensures industry compliance with requirements of the Acts and Regulations. Regulated industry preventive security initiatives must be risk-based in addressing the nature and level of threat, as determined by the Australian Security Intelligence Organisation's National Threat Assessment Centre, and security vulnerabilities, including those identified by the Australian Crime Commission's serious and organised crime assessments.

The Department is the lead Commonwealth agency for the national provision of best practice transport security risk and mitigation advice under the Australian Government's Critical Infrastructure Protection program. Under the COAG Intergovernmental Agreement on Surface Transport Security, the Department also works with state and territory governments to ensure national consistency of preventive security outcomes in the surface and mass urban transit sectors.

(b) International engagement

Australia's aviation and maritime sectors are internationally networked. As a consequence, the security of these sectors in Australia is influenced and impacted by the policy frameworks and adequacy of security arrangements overseas. Australia's domestic transport security arrangements address Australia's obligations to the International Civil Aviation Organization and the International Maritime Organization. In addition, the Department works bilaterally and through a range of multilateral forums to shape and influence the international security debate and to advance Australia's interests. Where possible, the Department works to build regional country capacity for them to deliver more robust transport security outcomes, thus minimising the threat to Australia from incoming aircraft and ships.

(c) Transport security inquiries

The Office of the Inspector of Transport Security undertakes inquiries, when directed by the Minister for Infrastructure and Transport, into major transport or offshore security incidents or a pattern or series that point to a systemic failure or possible weakness of aviation or maritime security regulatory systems, in order to strengthen transport security.

Administered items

- Aviation security enhancements
 - improving international aviation security
 - regional passenger screening
- Strengthening aviation security
 - optimal technologies at international gateway airports
 - regional and domestic aviation security

Program 2.1 Expenses

The decrease in expenses from 2013-14 is due mainly to measures announced in the 2010-11 Budget.

| | 2012-13 Revised Budget \$'000 | 2013-14 Budget \$'000 | 2014-15 Forward year 1 \$'000 | 2015-16 Forward year 2 \$'000 | 2016-17 Forward year 3 \$'000 |
|---|--|-----------------------------|--|--|--|
| Annual administered expenses | | | | | |
| Aviation security enhancements | 999 | 997 | 1,018 | 1,039 | 1,062 |
| - <i>improving international aviation security</i> | 43 | 23 | 23 | 23 | 23 |
| - <i>regional passenger screening</i> | 956 | 974 | 995 | 1,016 | 1,039 |
| Strengthening aviation security | 11,176 | 4,298 | - | - | - |
| - <i>optimal technologies at international gateway airports</i> | 9,376 | 100 | - | - | - |
| - <i>regional and domestic aviation security</i> | 1,800 | 4,198 | - | - | - |
| Program support | 85,098 | 91,091 | 87,311 | 95,549 | 86,789 |
| Total program expenses | 97,273 | 96,386 | 88,329 | 96,588 | 87,851 |

| Program 2.1 Deliverables The following deliverables represent the goods and services produced and delivered by the program in meeting its objective. | | |
|--|------------------------|--|
| Deliverables | Year | Target |
| Implement National Aviation Policy Statement. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | Implement National Aviation Policy Statement initiatives. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |
| Any legislative or policy component of a transport security risk mitigation strategy is delivered efficiently and with the minimum adverse impact on industry and the travelling public. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | Policy, legislation and regulation development complies with Office of Best Practice Regulation standards. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |
| Work with international regulators in targeted last ports of call locations to develop effective preventive security measures. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | Annual engagement with key regional regulators, international bodies and industry participants and targeted capacity building efforts directed at addressing transport security vulnerabilities. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |

| Program 2.1 Deliverables (continued) | | |
|---|------------------------|--|
| Deliverables | Year | Target |
| Percentage of 'high risk' cases subject to compliance activity within 12 months. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | 95% |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |
| Effective administration of regulatory approval processes. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | Regulatory responsibilities are met. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |
| Industry forums are consulted as required to inform policy and legislation development. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | All regulated industry sectors are consulted at intervals not exceeding 12 months. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |

| Program 2.1 Deliverables (continued) | | |
|--|------------------------|---|
| Deliverables | Year | Target |
| Sector specific risk context statements and transport security advisories reviewed and issued in a timely fashion to inform industry and Australian Government preventive security measures. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | Sectoral Risk Context Statements are produced and disseminated to industry within four months of receipt of a sectoral threat assessment. Transport Security Advisories are issued within seven days of receipt of significant intelligence or following a security incident with relevance to transport preventive security outcomes. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |
| Inspector of Transport Security undertakes inquiries as directed by the Minister. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | Reporting outcomes of inquiries to the Minister and Secretary in a timeframe specified by the Minister. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |

| Program 2.1 Deliverables (continued) | | |
|---|------------------------|---|
| Deliverables | Year | Target |
| Efficient and effective management of administered items. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | Items are administered in accordance with relevant legislation, published guidelines and ANAO guidance. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |

| Program 2.1 Key performance indicators The following key performance indicators, addressing key features of the program, measure the effectiveness of the program in meeting its objective. | | |
|---|------------------------|---|
| Key performance indicators | Year | Target |
| Activity is underpinned by a sound understanding of the threat and security risk environment as it affects transport security. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | Appropriate action taken by the Department and industry to mitigate new or emerging threats. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |
| Policy and regulatory activity ensures that industry achieves effective and sustainable transport preventive security outcomes. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | Australian Government endorsed transport security policy settings are shaped by Australian national interests, threat assessments, international agreements, and industry sector developments and capacity. Departmental regulatory activity is designed to ensure transport security regimes are robust and meet Australian Government legislative requirements. Departmental compliance activity will be targeted and focus on high risk industry participants where appropriate. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |

| Program 2.1 Key performance indicators (continued) | | |
|--|------------------------|---|
| Key performance indicators | Year | Target |
| The transport security context domestically and internationally is influenced to advance Australian interests. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | The Department engages with relevant international organizations and overseas Governments to ensure international and Australian preventive security settings address and mitigate the most likely transport security events. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |

Program 2.2: Surface transport

Program 2.2 Objective

The Surface transport program contributes to Outcome 2 through activities which seek to improve the performance of the surface transport industry for the benefit of all Australians.

Components of Program 2.2

(a) National heavy vehicle regulation

The Department will continue to work with the National Heavy Vehicle Regulator and the states and territories to implement the national heavy vehicle regulatory system from 1 July 2013, following passage of the national law in all jurisdictions.

(b) National rail safety regulation

The Department will continue to work with the National Rail Safety Regulator and the states and territories to finalise the implementation of the rail safety national law in all jurisdictions.

(c) National maritime safety regulation

The Department will work with AMSA (the designated National Maritime Safety Regulator) and the states and territories to implement the national system of maritime safety regulation from 1 July 2013.

(d) Shipping policy and regulation

In consultation with key stakeholders, the Department will continue to implement and refine the Australian Government's shipping policy reforms which aim to reinvigorate the Australian shipping industry and develop and sustain Australia's maritime skills base.

(e) Maritime safety and environment

The Department will contribute to the protection of life at sea and the marine environment through engagement in the International Maritime Organization and other relevant international forums, domestic stakeholder engagement, development and maintenance of domestic legislation and regulations and oversight of AMSA.

(f) Road transport policy

To improve heavy vehicle productivity and safety, the Department will contribute to the effective progress of the COAG and SCOTI reform agenda for road transport, including in relation to compliance and enforcement, high productivity heavy vehicles, and network access for performance-based standards vehicles and fatigue management.

(g) Heavy vehicle charging and investment reform (HVCI)

Together with state and territory jurisdictions, the Department is providing ongoing policy guidance on the development of a Regulation Impact Statement on options for the implementation of heavy vehicle charging, funding and investment reform. This analysis will be delivered to COAG in the first half of 2014.

(h) Tasmanian transport schemes

The Department will continue to administer schemes to alleviate the cost disadvantage associated with transportation of eligible freight and passenger vehicles to and from Tasmania by sea.

(i) Transport disability standards

In consultation with key stakeholders, the Department will implement the agreed actions responding to the first five year review of the Disability Standards for Accessible Public Transport and work on the already commenced 2012 review required by the transport standards.

(j) Environmental standards

The Department will contribute to the Australian Government's environmental policy objectives, including implementation of mandatory CO₂ emission standards for light vehicles from 2015.

(k) National ports and freight strategies

The Department, in collaboration with the states and territories and other key stakeholders, will implement the national ports and freight strategies.

Administered items

- Bass Strait Passenger Vehicle Equalisation Scheme
- International Maritime Organization – contribution
- Interstate Road Transport Fees
- National Transport Reform¹
- OECD Road Transport – contribution
- Oil Pollution Compensation Fund
- Sustaining Australia's maritime skills
- Tasmanian Freight Equalisation Scheme
- Tasmanian Wheat Freight Scheme
- Payments to CAC Act bodies – AMSA
- Payments to CAC Act bodies – NTC

Notes:

1. The Department of the Treasury is appropriated for payments to and through states and territories for National Partnership payments. Further information on these programs can be found in Budget Paper 3 or the Treasury's Portfolio Budget Statements (Program 1.10).

Program 2.2 Expenses

The increase in expenses from one year to the next is mainly due to the demand driven nature of the *Tasmanian Freight Equalisation Scheme* and *Bass Strait Passenger Equalisation Scheme* administered items and the changing profile of expenses for the *Payments to CAC Act bodies* – AMSA administered item and special appropriation expenses.

| | 2012-13 Revised Budget \$'000 | 2013-14 Budget \$'000 | 2014-15 Forward year 1 \$'000 | 2015-16 Forward year 2 \$'000 | 2016-17 Forward year 3 \$'000 |
|---|--|-----------------------------|--|--|--|
| Annual administered expenses ¹ | | | | | |
| Bass Strait Passenger Vehicle Equalisation Scheme | 41,100 | 42,000 | 43,000 | 44,100 | 45,200 |
| International Maritime Organization - contribution | 184 | 192 | 203 | 216 | 218 |
| OECD Road Transport - contribution | 35 | 36 | 36 | 38 | 38 |
| Sustaining Australia's maritime skills | - | 1,625 | 1,650 | 1,725 | - |
| Tasmanian Freight Equalisation Scheme | 112,200 | 114,300 | 116,500 | 118,700 | 121,000 |
| Tasmanian Wheat Freight Scheme | - | 1,050 | 1,050 | 1,050 | 1,050 |
| Payments to CAC Act bodies - AMSA | 63,323 | 56,947 | 56,740 | 58,261 | 67,039 |
| Payments to CAC Act bodies - NTC | 3,100 | 3,169 | 3,245 | 3,326 | 3,409 |
| Special Appropriation expenses | | | | | |
| <i>Australian Maritime Safety Authority Act 1990</i> ² | 107,113 | 119,034 | 133,344 | 149,167 | 154,796 |
| <i>Protection of the Sea (Oil Pollution Compensation Fund) Act 1993</i> | 130 | 535 | 1,000 | 1,000 | 1,000 |
| Special Account expenses | | | | | |
| Interstate Road Transport fees - (<i>Interstate Road Transport Special Account</i>) | 77,730 | 80,839 | 84,072 | 87,435 | 90,934 |
| Program support | 15,178 | 15,350 | 15,092 | 15,198 | 13,950 |
| Total program expenses | 420,093 | 435,077 | 455,932 | 480,216 | 498,634 |

Notes

1. Excludes expenses relating to payments made to and through the states and territories by the Department of the Treasury for the *National Transport Reform* administered item.
2. Relates to appropriation for CAC Act bodies which is provided through the Department.

Program 2.2 Deliverables

The following deliverables represent the goods and services produced and delivered by the program in meeting its objective.

| Deliverables | Year | Target |
|--|------------------------|--|
| COAG and SCOTI decisions on developing and implementing national approaches to heavy vehicle regulation, maritime safety, and rail safety regulation and investigation are progressed. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | COAG and SCOTI decisions are implemented within agreed timeframes and decision making by SCOTI Ministers is facilitated. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |
| Contribute to the development of a Regulation Impact Statement on implementation options for heavy vehicle charging, funding and investment reform. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | A Regulation Impact Statement prepared for consideration by SCOTI and subsequent delivery to COAG in the first half of 2014. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |
| Maintain the Green Vehicle Guide (GVG) website as the principal place for information on the environmental performance of new light vehicles in the Australian marketplace. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | GVG continues to provide up-to-date, relevant information to vehicle purchasers. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |

| Program 2.2 Deliverables (continued) | | |
|---|------------------------|---|
| Deliverables | Year | Target |
| Implement the Commonwealth's commitment to CO ₂ emission standards for light vehicles from 2015. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | Develop and implement agreed mandatory CO ₂ standards and COAG actions within agreed timeframes. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |
| Government endorsed actions in response to the Review of Disability Standards for Accessible Public Transport are implemented. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | Implement agreed Australian Government actions in consultation with key stakeholders. Meet Australian Government timeframes and guidelines. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |
| Contribute to the development and implementation of international shipping conventions to protect the environment and ensure maritime safety. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | Ongoing international and domestic stakeholder engagement. Development and implementation of legislation and regulations in line with agreed government policy and international conventions. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |

| Program 2.2 Deliverables (continued) | | |
|--|------------------------|---|
| Deliverables | Year | Target |
| Implement the Australian Government's commitment to revitalise the Australian shipping industry. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | Coastal trading licence and shipping reform tax incentive applications are processed in accordance with legislative timeframes. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |
| Efficient and effective management of administered items. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | Items are administered in accordance with relevant legislation, published guidelines and ANAO guidance. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |

| Program 2.2 Key performance indicators The following key performance indicators, addressing key features of the program, measure the effectiveness of the program in meeting its objective. | | |
|--|------------------------|---|
| Key performance indicators | Year | Target |
| Targeted transport regulatory reform initiatives are developed and progressed through COAG to enable single national systems of regulation, maritime safety legislation, and rail safety regulation and investigation. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | The COAG national reform agenda is actively progressed in conjunction with all state and territory governments. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |
| Ensure the competitiveness and sustainability of Australian coastal shipping. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | Ongoing provision of an effective coastal trading regulatory framework. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |
| Policy advice is influential in COAG’s consideration to improve the environmental performance of the Australian new vehicle fleet. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | Implement the Australian Government’s commitment to introduce mandatory CO ₂ emission standards from 2015. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |

Program 2.3: Road safety

Program 2.3 Objective

The Road safety program contributes to the development of a safer road transport system by working to make vehicles and occupants safer, and drivers more informed.

Components of Program 2.3:

(a) National road safety leadership

The Department will contribute to the development of informed road safety policies. It will manage the 2014 review of the National Road Safety Strategy 2011-20, a commitment by all governments across Australia and will coordinate ongoing data collection, progress monitoring, and national reporting to support the delivery of the strategy. The Department will work to influence road safety stakeholders, by collecting and disseminating up-to-date national road crash statistics, and providing evidence-based advice on a range of road safety issues. The Department will assist with arrangements for the 2013 National Road Safety Forum to be held in Hobart on 29-30 July 2013. The Department will also act as the international contact point for Australia's contribution to the Decade of Action for Road Safety 2011-20 and will lead a proposed Asia Pacific Economic Cooperation initiative to improve motorcycle safety in the Asia-Pacific region.

(b) Driver training programs

The Department will continue to assist the Australian Automobile Association with the delivery of *keys2drive*, a learner driver education initiative. The program provides learners and their mentors with a range of educational materials and assistance, including free professional guidance from accredited instructors.

(c) Seatbelts on regional school buses

The *Seatbelts on regional school buses* administered item seeks to improve the safety of school children by offering subsidies to eligible school bus operators in regional areas to equip their buses with seat belts. A subsidy of up to \$25,000 per bus is available for bus operators having a school bus service contract with a state or territory government on a recognised rural and regional route.

(d) Vehicle safety

The Department will continue to regulate standards for road vehicles first entering the Australian market, delivering improved levels of vehicle safety, environmental performance and anti-theft protection. The Department will lead implementation of the Safe Vehicle section of the National Road Safety Strategy.

The Department will participate in international forums and research programs leading to harmonisation and development of vehicle standards. In particular, it will finalise the work it has been leading on the development of a Global Technical Regulation (GTR) on Pole Side Impact, to significantly improve vehicle occupant protection in side impacts with narrow objects and other side impacts, and seek agreement of the GTR by the UN World Forum for Harmonization of Vehicle Regulations.

The Department will administer funding of \$1.1 million under the Nation Building Program to the Australasian New Car Assessment Program (ANCAP) to enable ANCAP to provide safety ratings for more vehicle models. The Department will also participate actively as a member of ANCAP, both on the Board and in technical committees.

Administered items

- keys2drive
- Seatbelts on regional school buses

Program 2.3 Expenses

The decrease in expenses from one year to the next is due the current funding profile of administered items.

| | 2012-13 Revised Budget \$'000 | 2013-14 Budget \$'000 | 2014-15 Forward year 1 \$'000 | 2015-16 Forward year 2 \$'000 | 2016-17 Forward year 3 \$'000 |
|------------------------------------|--|-----------------------------|--|--|--|
| Annual administered expenses | | | | | |
| keys2drive | 3,500 | 1,500 | - | - | - |
| Seatbelts on regional school buses | 1,000 | 1,000 | 1,000 | 1,000 | - |
| Program support | 19,713 | 19,841 | 19,859 | 20,017 | 19,117 |
| Total program expenses | 24,213 | 22,341 | 20,859 | 21,017 | 19,117 |

| Program 2.3 Deliverables The following deliverables represent the goods and services produced and delivered by the program in meeting its objective. | | |
|--|------------------------|---|
| Deliverables | Year | Target |
| Coordinate progress monitoring, reporting and review arrangements for the National Road Safety Strategy 2011-20. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | Publish 2013 implementation status report by December 2013. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |
| Publish regular statistical bulletins on national road deaths. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | Updated statistics published within two weeks of the end of each month. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |
| Contribute to the development of international vehicle standards and implement new and updated international standards in Australia, through Australian Design Rules, where warranted. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | The Department actively participates in the development of international vehicle standards, robustly assesses standards for implementation in Australia (including through Regulation Impact Statements) and implements standards consistent with international timetables. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |

| Program 2.3 Deliverables (continued) | | |
|---|------------------------|---|
| Deliverables | Year | Target |
| Maintain a system to ensure new vehicle models entering the Australian market are assessed as meeting, and continue to meet, regulatory requirements. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | Applications for approval to place identification plates are considered in a timely manner and a risk-based audit and enforcement program is conducted. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |
| Maintain a system to ensure that Registered Automotive Workshops (RAW) and the used vehicles they supply to the Australian market meet regulatory standards. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | Applications for RAW approval and to import and plate used imported vehicles are considered in a timely manner, including conduct of mandatory inspections, and a risk-based audit and enforcement program. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |
| Maintain a system to allow for the importation of standard vehicles and to ensure the importation of non-standard vehicles is in accordance with legislation. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | Applications for vehicle import approval are assessed in a timely manner. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |

| Program 2.3 Deliverables (continued) | | |
|---|------------------------|---|
| The following specific administered item deliverables represent the goods and services produced and delivered by the program in meeting its objective. | | |
| Deliverables | Year | Target |
| Facilitate the ongoing development and delivery of the <i>keys2drive</i> education program for learner drivers. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | Monitor the Australian Automobile Association to deliver the program to agreed performance milestones. |
| | 2014-15 Forward year 1 | N/A. |
| | 2015-16 Forward year 2 | N/A. |
| | 2016-17 Forward year 3 | N/A. |
| The number of school buses equipped with seatbelts for students in rural and regional areas is increased as a consequence of the <i>Seatbelts on regional school buses</i> administered item. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | Applications are processed and buses are fitted or retrofitted within specified guidelines. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |
| Efficient and effective management of administered items. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | Items are administered in accordance with relevant legislation, published guidelines and ANAO guidance. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |

Program 2.3 Key performance indicators

The following key performance indicators, addressing the key features of the program, measure the effectiveness of the program in meeting its objective.

| Key performance indicators | Year | Target |
|---|------------------------|---|
| Contribute to the development of a safe road transport system. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | Statistical analysis and information published is accurate and robust. Stakeholders are assisted to evaluate and improve transport safety outcomes. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |
| Australia's motor vehicle safety standards are aligned with international standards. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | Australian Design Rules are aligned with international standards, where warranted, on a timely basis. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |
| Road vehicles supplied to the Australian market meet appropriate safety, emissions, anti-theft and environmental standards. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | Ongoing provision of an effective technical and administrative framework, providing high levels of assurance and timely decision making. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |

Program 2.4: Air transport

Program 2.4 Objective

The Air transport program contributes to Outcome 2 by ensuring the aviation industry operates within a clear and robust safety regulatory environment and by facilitating access to competitive international and domestic air services for Australian businesses and consumers.

Through Program 2.4 the Department undertakes a range of functions including supporting the aviation safety framework, expanding aviation markets and managing the Australian Government's interests in airport infrastructure.

Components of Program 2.4:

(a) Implementation of a National Aviation Policy White Paper

The Department will continue to coordinate the implementation of the Australian Government's long term policy objectives as outlined in the National Aviation Policy White Paper. The Aviation Policy White Paper provides clear direction for the users of aviation services and commitments for communities affected by aviation activities. The Department will continue to consult with industry and key stakeholders to ensure the development of a safe, secure, environmentally sustainable and efficient aviation industry that will contribute to Australia's future economic prosperity.

(b) Implementation of recommendation in the Joint Study on aviation capacity in the Sydney region

The Department will provide advice to the Australian Government as it continues to address the need for additional aviation capacity in the Sydney region.

(c) Maintaining aviation safety

The Department will work with government aviation agencies and industry in maintaining Australia's civil aviation safety record by supporting an effective regulatory framework and ensuring Australia's aviation safety-related agencies are well-placed to meet the challenges of an evolving aviation environment. The Department will also support the continued alignment of Australia's aviation framework with international practice through active membership of the International Civil Aviation Organization and bilateral cooperation. The Department will support Australian Government initiatives to assist other countries, including Indonesia, Papua New Guinea and Pacific Island countries, to continue to improve the safety and efficiency in the region.

In conjunction with other aviation agencies, the Department will continue to provide and coordinate advice on air safety and traffic management policy issues.

(d) Expanding aviation markets

The Department will continue to support the expansion of Australia's international and domestic aviation markets in accordance with Australian Government policies.

(e) Managing airport infrastructure

The Department ensures the Australian Government's interests in the 21 leased federal airports are managed effectively and regulates these airports in accordance with all relevant legislation. The Department delivers administered items that ameliorate the impact of aviation operations on adjacent communities. The Department ensures the Australian Government meets its obligations as a landlord for commercial and residential rental properties at Badgerys Creek.

(f) Supporting sustainable development

The Department administers the following items in order to target opportunities for economic and social participation by, variously, improving access to services, assisting local councils to deliver infrastructure projects, helping communities to plan for sustainable futures and supporting structural adjustment. The following initiatives are undertaken under the *Regional Aviation Access Program* (RAAP).

- RAAP Funding Component 1 – *Remote Air Services Subsidy* (RASS) Scheme: This Scheme supports 255 remote communities by subsidising an air service, typically weekly, for the carriage of passengers and essential freight to remote areas which would otherwise not receive such a service.
- RAAP Funding Component 2 – *Remote Aerodrome Inspection* (RAI) program: This program provides identified remote Indigenous communities with annual aerodrome inspections and related services to assist those communities to meet their aviation safety obligations.
- RAAP Funding Component 3 – *Remote Aviation Infrastructure Fund* (RAIF): This component provides funding for aviation safety upgrade works at aerodromes that service remote Indigenous communities receiving a RASS service.
- RAAP Funding Component 4 – *Remote Aerodrome Safety Program* (RASP): This program assists local councils to deliver aviation safety upgrades at remote aerodromes. 151 projects were approved for funding over the four rounds of the Program. The Program has now closed.
- RAAP Funding Component 5 – *Remote Airstrip Upgrade* (RAU) program: This program provides funding to improve the safety of airstrips in remote and isolated communities in Australia. The new funding builds on the investment made through the recent RAU funding round as well as the four previous funding rounds under RASP and is vital for the provision of access to essential air services such as the Royal Flying Doctor Service.

Administered items

- Airport Lessee Companies – reimbursement of parking fines
- Implementation of noise amelioration for Adelaide Airport
- International Civil Aviation Organization – contribution
- Payment scheme for Airservices Australia's en route charges
- Regional Aviation Access
- Sydney West Airport – rental properties
- Payments to CAC Act bodies – CASA

Program 2.4 Expenses

The fluctuation in expenses from one year to the next is due mainly to the changing profile of expenses for some administered items.

| | 2012-13 Revised Budget \$'000 | 2013-14 Budget \$'000 | 2014-15 Forward year 1 \$'000 | 2015-16 Forward year 2 \$'000 | 2016-17 Forward year 3 \$'000 |
|--|--|-----------------------------|--|--|--|
| Annual administered expenses | | | | | |
| Airport Lessee Companies - reimbursement of parking fines | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 |
| Implementation of noise amelioration for Adelaide Airport | - | 2,000 | 3,000 | - | - |
| International Civil Aviation Organization - contribution | 1,446 | 1,519 | 1,598 | 1,618 | 1,637 |
| Payment scheme for Airservices Australia's en route charges | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Regional Aviation Access | 24,627 | 18,834 | 18,184 | 12,339 | 12,610 |
| Sydney West Airport - rental properties | 2,757 | 2,757 | 2,600 | 2,600 | 2,600 |
| Payments to CAC Act bodies - CASA | 42,521 | 42,460 | 42,527 | 42,576 | 42,618 |
| Depreciation and amortisation | 1,166 | 1,166 | 1,166 | 1,166 | 1,166 |
| Special Appropriation expenses | | | | | |
| <i>Aviation Fuel Revenues (Special Appropriation) Act 1988¹</i> | 118,200 | 123,956 | 125,281 | 128,994 | 132,826 |
| Program support | 38,303 | 38,072 | 35,264 | 35,219 | 34,249 |
| Total program expenses | 231,520 | 233,264 | 232,120 | 227,012 | 230,206 |

Notes:

1. Relates to appropriation for CAC Act bodies which is provided through the Department.

Program 2.4 Deliverables

The following deliverables represent the goods and services produced and delivered by the program in meeting its objective.

| Deliverables | Year | Target |
|---|------------------------|--|
| Aviation industry operates within a clear and robust regulatory framework. Aviation safety agency governance arrangements operate effectively. | 2012-13 Revised budget | Substantial progression of White paper initiatives. |
| | 2013-14 Budget | Substantial completion of White Paper initiatives. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |
| Businesses and consumers have access to competitive international and domestic air services. Agreements which provide increased flexibility and capacity are established, consistent with Australian Government policy. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | Air services talks with key countries. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |
| Leased airports are regulated in accordance with the <i>Airports Act 1996</i> . Master Plans and Major Development Plans assessed in accordance with legislative requirements and advice provided to the Minister. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | Master and Major Development Plans assessed in accordance with legislative requirements. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |

| Program 2.4 Deliverables (continued) | | |
|--|------------------------|--|
| Deliverables | Year | Target |
| Aviation environmental impact on communities including aircraft noise is monitored to ensure operator compliance with airport curfews and aircraft noise certification requirements, and appropriate noise disclosure in Airport Master Plans. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | Dispensation reports tabled; compliance with airport curfews; monitoring of marginally compliant chapter 3 aircraft movements; and continued improvements in aircraft noise information tools. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |
| Air access to regional and remote communities is supported (<i>Payment scheme for Airservices Australia's en route charges and Regional Aviation Access administered items</i>). | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | Financial assistance provided to air operators so that regional communities can have access to medical services. Safety and access at remote airstrips improved. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |
| Implementation of the Australian Government's response to the Joint Study on aviation capacity in the Sydney region. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | Progress all elements of the Australian Government's aviation strategy for aviation capacity in the Sydney region. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |

| Program 2.4 Deliverables (continued) | | |
|---|------------------------|---|
| Deliverables | Year | Target |
| Efficient and effective management of administered items. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | Items are administered in accordance with relevant legislation, published guidelines and ANAO guidance. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |

| Program 2.4 Key performance indicators The following key performance indicators, addressing key features of the program, measure the effectiveness of the program in meeting its objective. | | |
|---|------------------------|--|
| Key performance indicators | Year | Target |
| Policy advice is influential in the Government's response to current and emerging international and domestic aviation industry issues. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | Substantial completion of any remaining National Aviation Policy White Paper initiatives. |
| | 2014-15 Forward year 1 | N/A. |
| | 2015-16 Forward year 2 | N/A. |
| | 2016-17 Forward year 3 | N/A. |
| Aviation regulation, policies and administered items effectively support future investment in safe, efficient and environmentally responsible aviation infrastructure. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | Ongoing investment in infrastructure by government agencies and industry. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |
| Access to air services for remote communities is maintained or improved. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | Funding is provided and projects are progressed in accordance with contractual requirements. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |

SECTION 3: EXPLANATORY TABLES AND BUDGETED FINANCIAL STATEMENTS

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2013-14 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and program expenses, movements in administered funds, special accounts and government Indigenous expenditure.

3.1: EXPLANATORY TABLES

3.1.1: Movement of administered funds between years

Administered funds can be provided for a specified period, for example under annual Appropriation Acts. Funds not used in the specified period, with the agreement of the Finance minister, may be moved to a future year. Table 3.1.1 shows the movement of administered funds approved between years.

Table 3.1.1: Movement of administered funds between years¹

| | 2012-13 \$'000 | 2013-14 \$'000 | 2014-15 \$'000 | 2015-16 \$'000 | 2016-17 \$'000 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| <u>Outcome 2</u> | | | | | |
| Program 2.3: Road safety | | | | | |
| keys2drive | (1,500) | 1,500 | - | - | - |
| Total movement of administered funds | (1,500) | 1,500 | - | - | - |

Notes:

1. Figures displayed as a negative (-) represent a decrease in funds and a positive an increase in funds.

3.1.2: Special Accounts

Special accounts provide a means to set aside and record amounts used for specified purposes. Special Accounts can be created by a Finance Minister's Determination under the *Financial Management and Accountability Act 1997* or under separate enabling legislation. Table 3.1.2 shows the expected additions (receipts) and reductions (payments) for each account used by the Department.

Table 3.1.2: Estimates of Special Account flows and balances

| | Opening Balance 2013-14 <i>2012-13</i> \$'000 | Receipts 2013-14 <i>2012-13</i> \$'000 | Payments 2013-14 <i>2012-13</i> \$'000 | Adjustments 2013-14 <i>2012-13</i> \$'000 | Closing Balance 2013-14 <i>2012-13</i> \$'000 |
|--|--|--|--|---|--|
| Administered | | | | | |
| Building Australia Fund Infrastructure | | | | | |
| Portfolio Special Account | - | 949,000 | (949,000) | - | - |
| - <i>NBF Act 2008, s61</i> | - | 890,400 | (890,400) | - | - |
| Interstate Road Transport Account | 8,905 | 80,839 | (80,839) | - | 8,905 |
| - <i>IRT Act 1985, s21</i> | 8,905 | 77,730 | (77,730) | - | 8,905 |
| Departmental | | | | | |
| Infrastructure Australia Special Account | 1,273 | 12,072 | (12,072) | - | 1,273 |
| - <i>FMA Act 1997, s20</i> | 1,273 | 9,042 | (9,042) | - | 1,273 |
| Services for Other Entities and Trust | | | | | |
| Moneys - Department of Infrastructure | | | | | |
| and Transport Special Account | 876 | - | (786) | - | 90 |
| - <i>FMA Act 1997, s20</i> | 2,646 | - | (1,770) | - | 876 |
| Total Special Accounts | 11,054 | 1,041,911 | (1,042,697) | - | 10,268 |
| | 12,824 | 977,172 | (978,942) | - | 11,054 |

Act glossary:

FMA Act 1997 = *Financial Management and Accountability Act 1997*

IRT Act 1985 = *Interstate Road Transport Act 1985*

NBF Act 2008 = *Nation-building Funds Act 2008*

3.1.3: Australian Government Indigenous Expenditure**Table 3.1.3: Australian Government Indigenous Expenditure (AGIE)**

| Outcome | Appropriations | | | | Other | Total | Program |
|---|----------------|--------|---------|--------|--------|--------|---------|
| | Bill | Bill | Special | Total | | | |
| | No. 1 | No. 2 | approp | approp | | | |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | |
| Outcome 2 - An efficient, sustainable, competitive, safe and secure transport system for all transport users through regulation, financial assistance and safety investigations | | | | | | | |
| Administered 2013-14 | - | - | - | - | - | - | 2.4 |
| Administered 2012-13 | 2,039 | - | - | 2,039 | - | 2,039 | |
| Departmental 2013-14 | 320 | - | - | 320 | - | 320 | 2.4 |
| Departmental 2012-13 | 332 | - | - | 332 | - | 332 | |
| Total Outcome 2013-14 | 320 | - | - | 320 | - | 320 | |
| Total Outcome 2012-13 | 2,371 | - | - | 2,371 | - | 2,371 | |
| | | | | | | | |
| Total Administered 2013-14 | - | - | - | - | - | - | |
| Total Administered 2012-13 | 2,039 | - | - | 2,039 | - | 2,039 | |
| | | | | | | | |
| Total Departmental 2013-14 | 320 | - | - | 320 | - | 320 | |
| Total Departmental 2012-13 | 332 | - | - | 332 | - | 332 | |
| | | | | | | | |
| Total AGIE 2013-14 | 320 | - | - | 320 | - | 320 | |
| Total AGIE 2012-13 | 2,371 | - | - | 2,371 | - | 2,371 | |

3.2: BUDGETED FINANCIAL STATEMENTS

3.2.1: Differences in agency resourcing and financial statements

The Department does not have any significant differences between the resource information presented in the Budget Papers and Portfolio Budget Statements as a result of differences between Australian Accounting Standards (AAS) and Government Finance Statistics (GFS).

The difference between the resource statement in Section 1 and the financial statements contained within Section 3 mainly relates to the timing of accruals for items such as depreciation, employee entitlements and other creditors and debtors, as well as the expensing of prepayments made in prior periods.

3.2.2: Analysis of budgeted financial statements

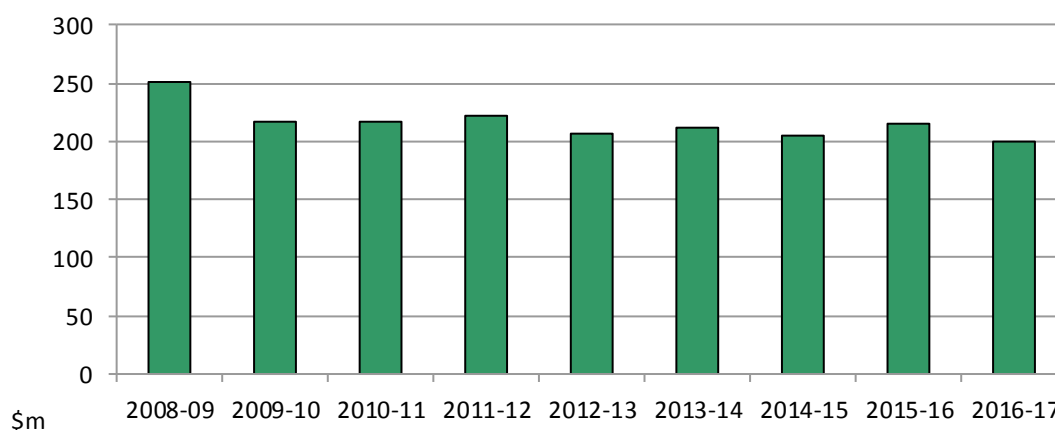
An analysis of the Department's budgeted financial statements, as reflected in the budgeted departmental financial statements and administered schedules for 2013-14, is provided below.

Departmental

Budgeted departmental income statement

Total expenses are estimated to be \$212.4m in 2013-14, an increase of \$5.7m from the 2012-13 estimated actual. The increase is primarily due to the impact of measures announced in the 2013-14 Budget (\$3.4m) and the indexation applied to appropriation funding. This increase is partially offset by the impact of measures announced in the 2012-13 Mid-Year Economic and Fiscal Outlook (\$1.8m) and the funding profile of previous measures.

Chart 3.1: Total departmental expenses



Budgeted departmental balance sheet

The Department's major assets are in Buildings (\$14.0m), Intangibles (\$13.4m) and Property Plant and Equipment (\$5.4m). The Department's primary liability continues to be accrued employee leave entitlements estimated to be \$37.2m.

Administered

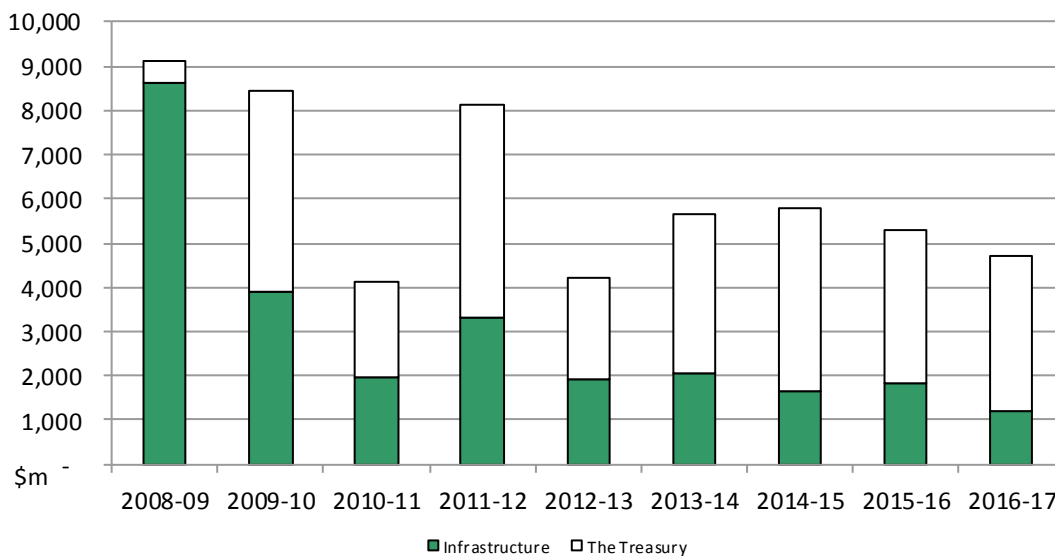
Schedule of budgeted income and expenses administered on behalf of government

The Department administers the collection of taxes, fees and fines, other non-taxation revenue and interest and dividends estimated at \$1 264.0m in 2013-14, representing an increase of \$77.0m from the 2012-13 estimated actual. The increase is primarily due to the profile of receipts from the Building Australia Fund special account for grants under the *Nation Building Plan for the Future* administered item (\$58.6m), increased dividend revenue (\$43.7m) and increased levies collected by the Australian Maritime Safety Authority (\$11.9m). These increases are partially offset by a reduction in the return of previous year payments (\$41.6m).

Administered expenses are budgeted at \$2 038.1m in 2013-14, representing an increase of \$99.6m from the 2012-13 estimated actual and will be incurred for the administered items set out at Section 2. The increase is due to:

- increased expenses from changes in the funding profile of the *Nation Building Plan for the Future* administered item (\$58.6m); and
- changes in the funding profile of several administered items (\$41.0m).

Chart 3.2: Total administered expenses



Schedule of budgeted assets and liabilities administered on behalf of government

Total assets are expected to increase in 2013-14 by \$27.2m to \$4 650.6m from the 2012-13 estimated actual result. The increase relates mainly to an increase in administered investments (\$27.1m).

3.2.3: Budgeted financial statements tables

**Table 3.2.1: Comprehensive income statement (showing net cost of services)
(for the period ended 30 June)**

| | Notes | Estimated actual 2012-13 \$'000 | Budget estimate 2013-14 \$'000 | Forward estimate 2014-15 \$'000 | Forward estimate 2015-16 \$'000 | Forward estimate 2016-17 \$'000 |
|---|-------|--|---|--|--|--|
| EXPENSES | | | | | | |
| Employee benefits | 3 | 118,171 | 120,967 | 123,515 | 126,833 | 130,372 |
| Suppliers | 4 | 76,591 | 80,254 | 71,404 | 77,293 | 61,369 |
| Grants | | 500 | 500 | 500 | 500 | 500 |
| Depreciation and amortisation | 5 | 11,525 | 10,728 | 10,300 | 9,923 | 7,863 |
| Total expenses | | 206,787 | 212,449 | 205,719 | 214,549 | 200,104 |
| LESS: | | | | | | |
| OWN-SOURCE INCOME | | | | | | |
| Own-source revenue | | | | | | |
| Sale of goods and rendering of services | | 6,852 | 9,928 | 7,485 | 10,843 | 7,534 |
| Rental income | | 2,610 | 3,247 | 3,305 | 3,364 | 3,426 |
| Total own-source revenue | 6 | 9,462 | 13,175 | 10,790 | 14,207 | 10,960 |
| Gains | | | | | | |
| Other | | 5,111 | 1,786 | 1,798 | 2,159 | 2,673 |
| Total gains | | 5,111 | 1,786 | 1,798 | 2,159 | 2,673 |
| Total own-source income | | 14,573 | 14,961 | 12,588 | 16,366 | 13,633 |
| Net cost of (contribution by) services | | 192,214 | 197,488 | 193,131 | 198,183 | 186,471 |
| Revenue from Government | | 180,689 | 186,760 | 182,831 | 188,260 | 178,608 |
| Surplus (Deficit) attributable to the Australian Government | | (11,525) | (10,728) | (10,300) | (9,923) | (7,863) |
| Total comprehensive income (loss) attributable to the Australian Government | | (11,525) | (10,728) | (10,300) | (9,923) | (7,863) |
| Note: Impact of Net Cash Appropriation Arrangements | | 2012-13 \$'000 | 2013-14 \$'000 | 2014-15 \$'000 | 2015-16 \$'000 | 2016-17 \$'000 |
| Total comprehensive income (loss) less depreciation/amortisation expenses previously funded through revenue appropriations | | - | - | - | - | - |
| plus depreciation/amortisation expenses previously funded through revenue appropriations ¹ | | 11,525 | 10,728 | 10,300 | 9,923 | 7,863 |
| Total comprehensive income (loss) - as per Statement of Comprehensive Income | | (11,525) | (10,728) | (10,300) | (9,923) | (7,863) |

Prepared on Australian Accounting Standards basis.

Notes:

- From 2010-11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of FMA Act agencies were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCB's, please refer to Table 3.2.5 Departmental Capital Budget Statement.

Table 3.2.2: Budgeted departmental balance sheet (as at 30 June)

| | Notes | Estimated actual 2012-13 \$'000 | Budget estimate 2013-14 \$'000 | Forward estimate 2014-15 \$'000 | Forward estimate 2015-16 \$'000 | Forward estimate 2016-17 \$'000 |
|--|-------|--|---|--|--|--|
| ASSETS | | | | | | |
| Financial assets | | | | | | |
| Cash and cash equivalents | | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| Trade and other receivables | | 89,515 | 86,046 | 86,524 | 82,818 | 82,588 |
| Other financial assets | | 1,115 | 1,115 | 1,115 | 1,115 | 1,115 |
| Total financial assets | 7 | 92,630 | 89,161 | 89,639 | 85,933 | 85,703 |
| Non-financial assets | | | | | | |
| Land and buildings | | 18,982 | 13,970 | 9,158 | 4,875 | 4,554 |
| Property, plant and equipment | | 7,314 | 5,354 | 3,481 | 1,619 | 1,894 |
| Intangibles | | 9,788 | 13,383 | 15,566 | 16,977 | 19,270 |
| Other non-financial assets | | 5,229 | 5,229 | 5,229 | 5,229 | 5,229 |
| Total non-financial assets | 8 | 41,313 | 37,936 | 33,434 | 28,700 | 30,947 |
| Total assets | | 133,943 | 127,097 | 123,073 | 114,633 | 116,650 |
| LIABILITIES | | | | | | |
| Payables | | | | | | |
| Suppliers | | 19,251 | 19,390 | 19,533 | 19,533 | 19,533 |
| Other payables | | 7,660 | 7,746 | 8,162 | 4,697 | 5,168 |
| Total payables | | 26,911 | 27,136 | 27,695 | 24,230 | 24,701 |
| Provisions | | | | | | |
| Employee provisions | | 36,331 | 37,155 | 38,392 | 39,830 | 41,322 |
| Other provisions | | 15,610 | 14,530 | 13,212 | 11,533 | 9,340 |
| Total provisions | 9 | 51,941 | 51,685 | 51,604 | 51,363 | 50,662 |
| Total liabilities | | 78,852 | 78,821 | 79,299 | 75,593 | 75,363 |
| Net assets | | 55,091 | 48,276 | 43,774 | 39,040 | 41,287 |
| EQUITY | | | | | | |
| Contributed equity | | (125,726) | (121,813) | (116,015) | (110,826) | (100,716) |
| Reserves | | 17,541 | 17,541 | 17,541 | 17,541 | 17,541 |
| Retained surplus (accumulated deficit) | | 163,276 | 152,548 | 142,248 | 132,325 | 124,462 |
| Total equity | | 55,091 | 48,276 | 43,774 | 39,040 | 41,287 |

'Equity' is the residual interest in assets after deduction of liabilities.

Prepared on Australian Accounting Standards basis.

**Table 3.2.3: Departmental statement of changes in equity – summary of movement
(Budget year 2013-14)**

| | Retained earnings \$'000 | Asset revaluation reserve \$'000 | Contributed equity/ capital \$'000 | Total equity \$'000 |
|--|--------------------------------|---|---|---------------------------|
| Opening balance as at 1 July 2013 | | | | |
| Balance carried forward from previous period | 163,276 | 17,541 | (125,726) | 55,091 |
| Adjusted opening balance | 163,276 | 17,541 | (125,726) | 55,091 |
| Comprehensive income | | | | |
| Surplus (deficit) for the period | (10,728) | - | - | (10,728) |
| Total comprehensive income | (10,728) | - | - | (10,728) |
| of which: | | | | |
| Attributable to the Australian Government | (10,728) | - | - | (10,728) |
| Transactions with owners | | | | |
| <i>Contribution by owners</i> | | | | |
| Departmental Capital Budget (DCBs) | - | - | 3,913 | 3,913 |
| Sub-total transactions with owners | - | - | 3,913 | 3,913 |
| Estimated closing balance as at 30 June 2014 | 152,548 | 17,541 | (121,813) | 48,276 |
| Closing balance attributable to the Australian Government | 152,548 | 17,541 | (121,813) | 48,276 |

Prepared on Australian Accounting Standards basis.

Table 3.2.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

| | Estimated actual 2012-13 \$'000 | Budget estimate 2013-14 \$'000 | Forward estimate 2014-15 \$'000 | Forward estimate 2015-16 \$'000 | Forward estimate 2016-17 \$'000 |
|--|--|---|--|--|--|
| OPERATING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Appropriations | 178,731 | 190,892 | 182,902 | 191,977 | 176,645 |
| Sale of goods and rendering of services | 14,838 | 16,242 | 11,440 | 14,857 | 11,610 |
| Other | 4,590 | 4,526 | 4,526 | 4,526 | 4,526 |
| Total cash received | 198,159 | 211,660 | 198,868 | 211,360 | 192,781 |
| Cash used | | | | | |
| Employees | 115,205 | 119,680 | 121,762 | 128,860 | 128,409 |
| Suppliers | 77,288 | 83,516 | 72,080 | 77,474 | 59,346 |
| Grants | 500 | 500 | 500 | 500 | 500 |
| Other | 4,526 | 4,526 | 4,526 | 4,526 | 4,526 |
| Total cash used | 197,519 | 208,222 | 198,868 | 211,360 | 192,781 |
| Net cash from (used by) operating activities | 640 | 3,438 | - | - | - |
| INVESTING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Proceeds from sales of property, plant and equipment and intangibles | 107 | - | - | - | - |
| Total cash received | 107 | - | - | - | - |
| Cash used | | | | | |
| Purchase of property plant and equipment and intangibles | 9,343 | 7,351 | 5,798 | 5,189 | 10,110 |
| Total cash used | 9,343 | 7,351 | 5,798 | 5,189 | 10,110 |
| Net cash from (used by) investing activities | (9,236) | (7,351) | (5,798) | (5,189) | (10,110) |
| FINANCING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Contributed equity | 9,631 | 3,913 | 5,798 | 5,189 | 10,110 |
| Other | 1 | - | - | - | - |
| Total cash received | 9,632 | 3,913 | 5,798 | 5,189 | 10,110 |
| Net cash from (used by) financing activities | 9,632 | 3,913 | 5,798 | 5,189 | 10,110 |
| Net increase (decrease) in cash held | 1,036 | - | - | - | - |
| Cash and cash equivalents at the beginning of the reporting period | 964 | 2,000 | 2,000 | 2,000 | 2,000 |
| Cash and cash equivalents at the end of the reporting period | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget statement

| | Estimated actual 2012-13 \$'000 | Budget estimate 2013-14 \$'000 | Forward estimate 2014-15 \$'000 | Forward estimate 2015-16 \$'000 | Forward estimate 2016-17 \$'000 |
|--|--|---|--|--|--|
| NEW CAPITAL APPROPRIATIONS | | | | | |
| Capital budget - Bill 1 (DCB) | 9,631 | 3,913 | 5,798 | 5,189 | 10,110 |
| Equity injections - Bill 2 | - | - | - | - | - |
| Total new capital appropriations | 9,631 | 3,913 | 5,798 | 5,189 | 10,110 |
| Provided for: | | | | | |
| Purchase of non-financial assets | 9,631 | 3,913 | 5,798 | 5,189 | 10,110 |
| Total items | 9,631 | 3,913 | 5,798 | 5,189 | 10,110 |
| PURCHASE OF NON-FINANCIAL ASSETS | | | | | |
| Funded by capital appropriations ¹ | 1,350 | 1,800 | - | - | - |
| Funded by capital appropriations - DCB ² | 7,993 | 5,551 | 5,798 | 5,189 | 10,110 |
| Total | 9,343 | 7,351 | 5,798 | 5,189 | 10,110 |
| RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE | | | | | |
| Total purchases | 9,343 | 7,351 | 5,798 | 5,189 | 10,110 |
| Total cash used to acquire assets | 9,343 | 7,351 | 5,798 | 5,189 | 10,110 |

Prepared on Australian Accounting Standards basis.

Notes:

1. Includes both current and prior Bill 2 appropriations.
2. Includes both current and previous year's Departmental Capital Budgets (DCBs).

Table 3.2.6: Statement of asset movements (2013-14)

| | Buildings \$'000 | Property, plant and equipment \$'000 | Intangibles \$'000 | Total \$'000 |
|---|---------------------|---|-----------------------|-----------------|
| As at 1 July 2013 | | | | |
| Gross book value | 27,506 | 10,379 | 44,453 | 82,338 |
| Accumulated depreciation/amortisation and impairment | (8,524) | (3,065) | (34,665) | (46,254) |
| Opening net book balance | 18,982 | 7,314 | 9,788 | 36,084 |
| CAPITAL ASSET ADDITIONS | | | | |
| Estimated expenditure on new or replacement assets | | | | |
| By purchase - appropriation equity ¹ | - | - | 1,800 | 1,800 |
| By purchase - appropriation ordinary annual services ² | - | 200 | 5,351 | 5,551 |
| Sub-total | - | 200 | 7,151 | 7,351 |
| Other movements | | | | |
| Depreciation/amortisation expense | (5,012) | (2,160) | (3,556) | (10,728) |
| Sub-total | (5,012) | (2,160) | (3,556) | (10,728) |
| As at 30 June 2014 | | | | |
| Gross book value | 27,506 | 10,579 | 51,604 | 89,689 |
| Accumulated depreciation/amortisation and impairment | (13,536) | (5,225) | (38,221) | (56,982) |
| Closing net book balance | 13,970 | 5,354 | 13,383 | 32,707 |

Prepared on Australian Accounting Standards basis.

Notes:

1. 'Appropriation equity' refers to equity injections provided through Appropriation Act (No. 2) 2010-11.
2. 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2013-14 and prior year appropriations for Departmental Capital Budgets (DCBs).

Table 3.2.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

| | Notes | Estimated actual 2012-13 \$'000 | Budget estimate 2013-14 \$'000 | Forward estimate 2014-15 \$'000 | Forward estimate 2015-16 \$'000 | Forward estimate 2016-17 \$'000 |
|---|-------|--|---|--|--|--|
| EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT | | | | | | |
| Supplier expenses | | 26,475 | 27,208 | 19,768 | 16,864 | 16,162 |
| Subsidies | | 167,927 | 170,984 | 174,634 | 178,189 | 180,860 |
| Grants | | 1,633,888 | 1,735,636 | 1,336,134 | 1,540,568 | 885,449 |
| Depreciation and amortisation | | 1,166 | 1,166 | 1,166 | 1,166 | 1,166 |
| Payments to CAC Act bodies | | 108,944 | 102,576 | 102,512 | 104,163 | 113,066 |
| Other expenses | | 130 | 535 | 1,000 | 1,000 | 1,000 |
| Total expenses administered on behalf of Government | 10 | 1,938,530 | 2,038,105 | 1,635,214 | 1,841,950 | 1,197,703 |
| LESS: | | | | | | |
| OWN-SOURCE INCOME | | | | | | |
| Own-source income | | | | | | |
| Taxation revenue | | | | | | |
| Other taxes | | 24,747 | 28,135 | 30,750 | 28,950 | 30,200 |
| Total taxation revenue | | 24,747 | 28,135 | 30,750 | 28,950 | 30,200 |
| Non-taxation revenue | | | | | | |
| Fees and fines | | 205,139 | 218,042 | 235,238 | 254,424 | 263,552 |
| Interest | | 116 | 96 | 76 | 55 | 42 |
| Dividends | | 21,000 | 64,700 | 86,000 | 149,800 | 159,700 |
| Rental income | | 3,065 | 3,065 | 3,100 | 3,100 | 3,100 |
| Other revenue | | 933,000 | 949,990 | 565,510 | 753,110 | 1,010 |
| Total non-taxation revenue | | 1,162,320 | 1,235,893 | 889,924 | 1,160,489 | 427,404 |
| Total own-source revenues administered on behalf of Government | 11 | 1,187,067 | 1,264,028 | 920,674 | 1,189,439 | 457,604 |
| Total own-source income administered on behalf of Government | | 1,187,067 | 1,264,028 | 920,674 | 1,189,439 | 457,604 |
| Net cost of (contribution by) services | | (751,463) | (774,077) | (714,540) | (652,511) | (740,099) |
| Surplus (Deficit) | | (751,463) | (774,077) | (714,540) | (652,511) | (740,099) |

Prepared on Australian Accounting Standards basis.

Table 3.2.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

| | Notes | Estimated actual 2012-13 \$'000 | Budget estimate 2013-14 \$'000 | Forward estimate 2014-15 \$'000 | Forward estimate 2015-16 \$'000 | Forward estimate 2016-17 \$'000 |
|---|-------|--|---|--|--|--|
| ASSETS | | | | | | |
| Financial assets | | | | | | |
| Receivables | | 5,349 | 6,670 | 6,408 | 6,596 | 6,412 |
| Investments accounted for using the equity method | | 4,551,332 | 4,578,417 | 4,578,417 | 4,578,417 | 4,917,417 |
| Other investments | | 778 | 778 | 778 | 778 | 778 |
| Other financial assets | | 8,270 | 8,270 | 8,270 | 8,270 | 8,270 |
| Total financial assets | 12 | 4,565,729 | 4,594,135 | 4,593,873 | 4,594,061 | 4,932,877 |
| Non-financial assets | | | | | | |
| Land & buildings | | 49,608 | 48,442 | 47,276 | 46,110 | 44,944 |
| Infrastructure, plant and equipment | | 8,050 | 8,050 | 8,050 | 8,050 | 8,050 |
| Total non-financial assets | | 57,658 | 56,492 | 55,326 | 54,160 | 52,994 |
| Total assets administered on behalf of Government | | 4,623,387 | 4,650,627 | 4,649,199 | 4,648,221 | 4,985,871 |
| LIABILITIES | | | | | | |
| Payables | | | | | | |
| Suppliers | | 157 | 157 | 157 | 157 | 157 |
| Subsidies | | 3,531 | 3,531 | 3,531 | 3,531 | 3,531 |
| Grants | | 21,870 | 21,588 | 19,372 | 20,498 | 20,212 |
| Total payables | | 25,558 | 25,276 | 23,060 | 24,186 | 23,900 |
| Total liabilities administered on behalf of Government | | 25,558 | 25,276 | 23,060 | 24,186 | 23,900 |
| Net assets/(liabilities) | | 4,597,829 | 4,625,351 | 4,626,139 | 4,624,035 | 4,961,971 |

Prepared on Australian Accounting Standards basis.

Table 3.2.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

| | Estimated actual 2012-13 \$'000 | Budget estimate 2013-14 \$'000 | Forward estimate 2014-15 \$'000 | Forward estimate 2015-16 \$'000 | Forward estimate 2016-17 \$'000 |
|---|--|---|--|--|--|
| OPERATING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Interest | 116 | 96 | 76 | 55 | 42 |
| Dividends | 21,000 | 64,700 | 86,000 | 149,800 | 159,700 |
| Taxes | 24,629 | 27,600 | 29,750 | 27,950 | 29,200 |
| Fees | 95,801 | 97,006 | 99,892 | 103,255 | 106,754 |
| Fines | 2,223 | 2,000 | 2,000 | 2,000 | 2,000 |
| Other | 951,663 | 968,055 | 583,610 | 771,210 | 19,110 |
| Total cash received | 1,095,432 | 1,159,457 | 801,328 | 1,054,270 | 316,806 |
| Cash used | | | | | |
| Grant payments | 1,625,202 | 1,735,916 | 1,338,348 | 1,539,440 | 885,733 |
| Subsidies paid | 168,856 | 170,984 | 174,634 | 178,189 | 180,860 |
| Suppliers | 26,624 | 27,208 | 19,768 | 16,864 | 16,162 |
| Payments to CAC Act bodies | 108,944 | 102,576 | 102,512 | 104,163 | 113,066 |
| Other | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 |
| Total cash used | 1,944,626 | 2,051,684 | 1,650,262 | 1,853,656 | 1,210,821 |
| Net cash from (used by) operating activities | (849,194) | (892,227) | (848,934) | (799,386) | (894,015) |
| INVESTING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Repayment of advances and loans | 383 | 350 | 324 | 287 | 224 |
| Total cash received | 383 | 350 | 324 | 287 | 224 |
| Cash used | | | | | |
| Investments | 214,080 | 27,085 | - | - | 339,000 |
| Total cash used | 214,080 | 27,085 | - | - | 339,000 |
| Net cash from (used by) investing activities | (213,697) | (26,735) | 324 | 287 | (338,776) |
| Net increase / (decrease) in cash held | (1,062,891) | (918,962) | (848,610) | (799,099) | (1,232,791) |
| Cash and cash equivalents at beginning of reporting period | - | - | - | - | - |
| Cash from Official Public Account for: | | | | | |
| - Appropriations | 1,190,576 | 1,048,930 | 1,001,690 | 1,014,121 | 1,119,887 |
| - Special Accounts | 968,130 | 1,029,839 | 648,572 | 839,535 | 429,934 |
| | 2,158,706 | 2,078,769 | 1,650,262 | 1,853,656 | 1,549,821 |
| Cash to Official Public Account for: | | | | | |
| - Appropriations | (127,685) | (129,968) | (153,080) | (215,022) | (226,096) |
| - Special Accounts | (968,130) | (1,029,839) | (648,572) | (839,535) | (90,934) |
| | (1,095,815) | (1,159,807) | (801,652) | (1,054,557) | (317,030) |
| Cash and cash equivalents at end of reporting period | - | - | - | - | - |

Prepared on Australian Accounting Standards basis.

Table 3.2.10: Schedule of administered capital budget statement

| | Estimated actual 2012-13 \$'000 | Budget estimate 2013-14 \$'000 | Forward estimate 2014-15 \$'000 | Forward estimate 2015-16 \$'000 | Forward estimate 2016-17 \$'000 |
|--|--|---|--|--|--|
| NEW CAPITAL APPROPRIATIONS | | | | | |
| Administered assets and liabilities - Bill 2 | - | 19,600 | - | - | - |
| Total new capital appropriations | - | 19,600 | - | - | - |
| Provided for: | | | | | |
| Other items | - | 19,600 | - | - | - |
| Total items | - | 19,600 | - | - | - |

Prepared on Australian Accounting Standards basis.

Table 3.2.11: Schedule of asset movements (2013-14)

| | Land \$'000 | Buildings \$'000 | Heritage and cultural \$'000 | Total \$'000 |
|---------------------------------------|----------------|---------------------|---------------------------------------|-----------------|
| As at 1 July 2013 | | | | |
| Gross book value | 39,200 | 11,762 | 8,050 | 59,012 |
| Accumulated depreciation/amortisation | - | (1,354) | - | (1,354) |
| Opening net book balance | 39,200 | 10,408 | 8,050 | 57,658 |
| Other movements | | | | |
| Depreciation/amortisation expense | - | (1,166) | - | (1,166) |
| Total other movements | - | (1,166) | - | (1,166) |
| As at 30 June 2014 | | | | |
| Gross book value | 39,200 | 11,762 | 8,050 | 59,012 |
| Accumulated depreciation/amortisation | - | (2,520) | - | (2,520) |
| Closing net book balance | 39,200 | 9,242 | 8,050 | 56,492 |

Prepared on Australian Accounting Standards basis.

3.2.4: Notes to the financial statements

1. Accounting policy

The budgeted financial statements have been prepared on an accrual accounting basis, having regard to Statements of Accounting Concepts, and in accordance with:

- the Finance Minister's Orders;
- Australian Accounting Standards;
- Other authoritative pronouncements of the Australian Accounting Standards Board; and
- The Consensus Views of the Urgent Issues Group.

2. Departmental and administered items

Agency assets, liabilities, revenues and expenses are those items that are controlled by the Department and are used by the Department in producing its outputs and include:

- computers, plant and equipment used in providing goods and services;
- liabilities for employee entitlements;
- revenue from appropriations or independent sources in payment for outputs; and
- employee, supplier and depreciation expenses incurred in providing agency outputs.

Administered items are those items incurred in providing programs that are controlled by government and managed, or oversighted, by the Department on behalf of government. Administered expenses included grant payments and subsidies, and administered revenues include levies, fees and fines.

3. Departmental expenses – employee benefits

Payments and net increases in entitlements to employees for services rendered in the financial year.

4. Departmental expenses – suppliers

Payments to suppliers for goods and services used in providing agency outputs.

5. Departmental expenses – depreciation and amortisation

Depreciable infrastructure, plant and equipment, buildings and intangible assets are written-off to their estimated residual values over their estimated useful life to the Department, using the straight-line calculation method.

6. Departmental own-source revenue

Revenue from government represents the purchase of outputs from the Department by government and is recognised to the extent that it has been received into the Department's bank account.

Revenue from other sources, representing sales from goods and services, is recognised when:

- the risks and rewards of ownership have been transferred to the buyer;
- the seller retains no managerial involvement nor effective control over the goods;
- the revenue and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the Department.

7. Departmental assets – financial assets

The primary financial asset relates to receivables. Financial assets are used to fund the Department's capital program, employee entitlements, creditors and to provide working capital.

8. Departmental assets – non-financial assets

These items represent future economic benefits that the Department will consume in producing outputs. The reported value represents the purchase price paid less depreciation incurred to date in using the asset.

9. Departmental liabilities – provisions

Provision has been made for the Department's liability for employee entitlements arising from services rendered by employees. This liability includes unpaid annual leave and long service leave.

10. Expenses administered on behalf of Government

The majority of the Department's administered programs are classified as grants, the most significant being the *Nations Building Program* and *Nation Building Plan for the Future* administered items.

11. Own-source revenues administered on behalf of Government

Details of the range of taxation and non-taxation revenue collected by the Department are provided at Appendix 3.2.1.

12. Administered assets – financial assets

Comprise primarily the Australian Government's investments in portfolio agencies.

Appendix 3.2.1: Administered income

| | Estimated actual 2012-13 \$'000 | Budget estimate 2013-14 \$'000 |
|---|--|---|
| TAXATION REVENUE | | |
| Other | | |
| Airport land tax equivalents | 24,617 | 25,600 |
| Aircraft noise levy - Adelaide Airport | - | 2,000 |
| International Oil Pollution Compensation Funds | 130 | 535 |
| | 24,747 | 28,135 |
| NON-TAXATION REVENUE | | |
| Fees and fines | | |
| <i>Coastal Trading (Revitalising Australian Shipping) Act 2012</i> | 231 | 200 |
| Cost recovery for Airport Building Controllers at leased airports | 5,698 | 5,321 |
| <i>Interstate Road Transport Act 1985</i> - fines | 2 | 2 |
| <i>Interstate Road Transport Act 1985</i> - registration charges | 77,728 | 80,837 |
| Marine Navigation Levy | 29,034 | 32,071 |
| Marine Navigation (Regulatory Functions) Levy | 42,367 | 46,779 |
| Motor Vehicle Standards Regulations Fees | 10,263 | 10,263 |
| <i>Navigation Act 1912</i> | 11 | - |
| Part X of the <i>Competition and Consumer Act 2010</i> | 10 | 15 |
| Parking fines at leased Federal airports | 2,000 | 2,000 |
| Protection of the Sea Levy | 35,712 | 40,184 |
| Sale of Jandakot sand | 1,860 | 370 |
| Other fines | 223 | - |
| | 205,139 | 218,042 |
| Interest | | |
| Railway Agreement (Western Australia) | 116 | 96 |
| | 116 | 96 |
| Dividends | | |
| Provision for dividends from government business enterprises | 21,000 | 64,700 |
| | 21,000 | 64,700 |
| Rental income | | |
| Sydney West Airport - rental properties | 3,065 | 3,065 |
| | 3,065 | 3,065 |
| Other revenue | | |
| Building Australia Fund | 890,400 | 949,000 |
| Cost recovery for Airport Environmental Officers at leased airports | 970 | 990 |
| Return of previous years payments | 41,630 | - |
| | 933,000 | 949,990 |
| TOTAL INCOME | 1,187,067 | 1,264,028 |

Appendix 3.2.2: Administered loan repayments

| | Estimated actual 2012-13 \$'000 | Budget estimate 2013-14 \$'000 |
|--|--|---|
| Loan Repayments | | |
| Railway Agreement (Western Australia) | 365 | 350 |
| Railway Standardisation (New South Wales and Victoria) Agreement | 18 | - |
| Total loan repayments | 383 | 350 |

Australian Maritime Safety Authority

Agency resources and planned performance

Australian Maritime Safety Authority

| | |
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SECTION 1: AGENCY OVERVIEW AND RESOURCES

1.1: STRATEGIC DIRECTION STATEMENT

The Australian Maritime Safety Authority (AMSA) is a statutory authority established under the *Australian Maritime Safety Authority Act 1990* (AMSA Act), with the primary role to:

- promote maritime safety and protection of the marine environment;
- prevent and combat ship-sourced pollution in the marine environment;
- provide infrastructure to support safety of navigation in Australian waters;
- provide a national search and rescue service to the maritime and aviation sectors;
- provide, on request, services to the maritime industry on a commercial basis; and
- provide, on request, services of a maritime nature on a commercial basis to the Commonwealth and/or States and Territories.

AMSA's vision is to support an efficient, safe and environmentally friendly Australian maritime sector and provide world leading maritime and aviation search and rescue services to the community.

AMSA's Outcome Statement is to minimise the risk of shipping incidents and pollution in Australian waters through ship safety and environment protection regulation and services and maximise people saved from maritime and aviation incidents through search and rescue coordination.

FUNDING ARRANGEMENTS

AMSA's ship safety and environment protection services are fully cost recovered from the shipping industry mainly through three statutory levies and fee for service sources.

AMSA's search and rescue coordination services are met by the Australian Government through Community Service Obligation funding. Australia is obliged under relevant international conventions to provide search and rescue services for persons in aviation or maritime distress in Australia's internationally designated search and rescue region.

From July 2013, AMSA will become the national regulator for the domestic commercial vessel fleet and seafarers operating in all states and territories in Australia. The funding for AMSA's role as the national regulator will be received from agreed State and Territory contributions upon commencement of the new system.

The transfer of the commercial vessel standards setting function from the National Marine Safety Committee to AMSA will coincide with the commencement of the national system.

The Protection of the Sea Levy will be maintained at its current rate of 14.25 cents per net registered tonne to establish a \$10 million pollution response reserve to enable AMSA to fund a response to pollution incidents while claims are being settled and as a contingency in the event that future pollution claims exceed the limited liability of any ship owner.

The continuation of the levy will also assist AMSA to recoup the anticipated increased costs associated with the implementation of a number of pollution response and prevention initiatives, including improving and maintaining pollution response stockpiles, supporting the National Plan for Maritime Environmental Emergencies, the National Maritime

Emergency Response Arrangements and supporting vessel traffic service arrangements in the Torres Strait and the inner route of the Great Barrier Reef.

The 'Targeted savings - public service efficiencies' measure is in addition to the impact previously reported for this measure in the 2012-13 Infrastructure and Transport Portfolio Additional Estimates Statements.

KEY PRIORITIES

AMSA's key priorities over the next five years include:

- developing and implementing further arrangements for AMSA's expanded role as the national regulator for domestic commercial vessels in Australian waters from 2013;
- contributing to maritime safety by implementing reforms contained in the *Navigation Act 2012* to take effect from July 2013 as well as giving effect to the *Maritime Labour Convention* to come into force in August 2013;
- responding to growth in the maritime sector, driven largely by resource and offshore energy development in the northwest and northeast of Australia, by developing measures intended to mitigate any increased risks to safety or the environment from marine pollution;
- further strengthening measures to protect the marine environment, particularly pristine ecological areas such as the Great Barrier Reef, Torres Strait, the Coral Sea and Ningaloo Reef;
- responding to the increasing demand for search and rescue services as outdoor lifestyle activities continue to grow amongst the Australian community; and
- influencing technological developments relevant to ship navigational safety, emergency and pollution response techniques and search and rescue activities.

1.2: AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all sources.

Table 1.1: Agency resource statement - Budget estimates for 2013-14 as at Budget May 2013

| | Estimate of prior year + amount available in 2013-14 \$'000 | Proposed at Budget = 2013-14 \$'000 | Total estimate 2013-14 \$'000 | Actual available appropriation 2012-13 \$'000 |
|---|--|--|--|---|
| Opening balance/Reserves at bank | 61,590 | | 61,590 | 61,590 |
| REVENUE FROM GOVERNMENT | | | | |
| Ordinary annual services¹ | | | | |
| Outcome 1 | | 56,947 | 56,947 | 63,323 |
| Total ordinary annual services | | 56,947 | 56,947 | 63,323 |
| Other services² | | | | |
| Non-Operating | | 7,485 | 7,485 | 2,380 |
| Total other services | | 7,485 | 7,485 | 2,380 |
| Total annual services | | 64,432 | 64,432 | 65,703 |
| Special appropriations (Department of Infrastructure and Transport) | | | | |
| <i>Australian Maritime Safety Authority Act 1990 s48(2) - payment of levies to AMSA³</i> | | 117,363 | 117,363 | 107,846 |
| Total special appropriations | | 117,363 | 117,363 | 107,846 |
| Payments from related entities⁴ | | | | |
| Department of Infrastructure and Transport | | 3,157 | 3,157 | 2,740 |
| Total | | 3,157 | 3,157 | 2,740 |
| Total funds from Government | 61,590 | 184,952 | 246,542 | 237,879 |
| FUNDS FROM OTHER SOURCES | | | | |
| Interest | | 1,300 | 1,300 | 2,493 |
| Sale of goods and services | | 9,740 | 9,740 | 5,640 |
| Total | | 11,040 | 11,040 | 8,133 |
| Total net resourcing | 61,590 | 195,992 | 257,582 | 246,012 |

All figures are GST exclusive.

AMSA is not directly appropriated as it is a CAC Act body. Appropriations are made to the Department of Infrastructure and Transport, which are then paid to AMSA and are considered 'departmental' for all purposes.

Notes:

1. Appropriation Bill (No.1) 2013-14.
2. Appropriation Bill (No.2) 2013-14.
3. Levies under *Marine Navigation Levy Collection Act 1989*, *Marine Navigation (Regulatory Function) Levy Collection Act 1991* and *Protection of the Sea (Shipping Levy) Collection Act 1981* are paid to CRF and appropriated under section 48 of AMSA Act.
4. Funding provided by a Government body that is not specified within the annual appropriation bills as a payment to the CAC Act body

1.3: BUDGET MEASURES

Budget measures in Part 1 relating to AMSA are detailed in Budget Paper No. 2 and are summarised below.

Table 1.2: Agency 2013-14 Budget measures

Part 1: Measures announced since the 2012-13 MYEFO

| | Program | 2013-14 \$'000 | 2014-15 \$'000 | 2015-16 \$'000 | 2016-17 \$'000 |
|---|--------------|-------------------|-------------------|-------------------|-------------------|
| Revenue measures | | | | | |
| Protection of the Sea Levy - retention at current level | 1.1 | | | | |
| Departmental revenues | | - | - | - | - |
| Total resourcing | | - | - | - | - |
| Total revenue measures | | | | | |
| | Departmental | - | - | - | - |
| | Total | - | - | - | - |

Prepared on a Government Financial Statistics (fiscal) basis.

Part 2: MYEFO measures not previously reported in a portfolio statement

| | Program | 2013-14 \$'000 | 2014-15 \$'000 | 2015-16 \$'000 | 2016-17 \$'000 |
|---|--------------|-------------------|-------------------|-------------------|-------------------|
| Expense measures | | | | | |
| Targeted savings - public service efficiencies ¹ | All | | | | |
| Departmental expenses | | (106) | (48) | (19) | - |
| Total resourcing | | (106) | (48) | (19) | - |
| Total expense measures | | | | | |
| | Departmental | (106) | (48) | (19) | - |
| | Total | (106) | (48) | (19) | - |

Prepared on a Government Financial Statistics (fiscal) basis.

Notes:

1. The fiscal impact reported for the measure 'Targeted savings – public service efficiencies' is in addition to the impact previously reported for this measure in the 2012-13 Infrastructure and Transport Portfolio Additional Estimates Statements.

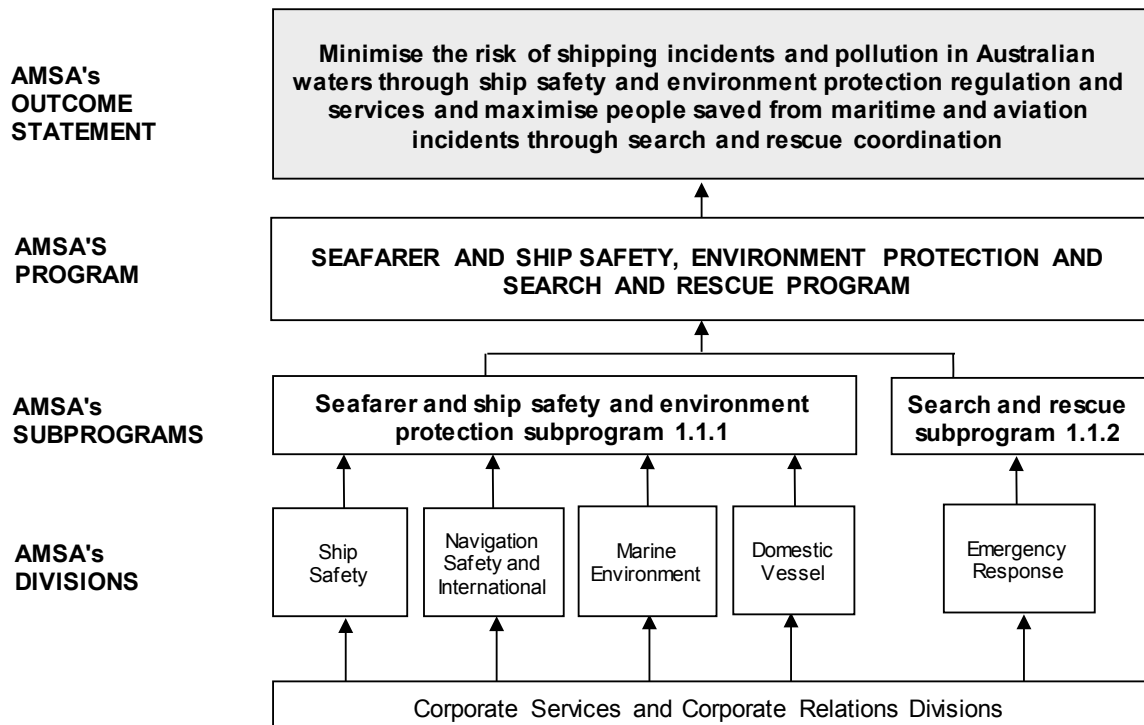
SECTION 2: OUTCOMES AND PLANNED PERFORMANCE

2.1: OUTCOMES AND PERFORMANCE INFORMATION

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government agencies achieve the intended results of their outcome statements. Agencies are required to identify the programs which contribute to Government outcomes over the Budget and forward years.

Figure 2.1 summarises the relationship between AMSA's outcome statement, its program and subprograms and the involvement of its divisions in delivering each subprogram.

Figure 2.1: AMSA's Outcome, Programs and Divisions



Outcome 1: Minimise the risk of shipping incidents and pollution in Australian waters through ship safety and environment protection regulation and services and maximise people saved from maritime and aviation incidents through search and rescue coordination.

Outcome 1 Strategy

AMSA contributes to one Outcome and one Program, which is divided into two subprograms:

Subprogram 1.1.1: Seafarer and ship safety and environment protection aims to achieve the first part of AMSA's Outcome: *Minimising the risk of shipping incidents and pollution in Australian waters through ship safety and environment protection regulation and services.*

Subprogram 1.1.2: Search and rescue aims to achieve the second part of AMSA's Outcome: *Maximising the number of people saved from maritime and aviation incidents through search and rescue coordination.*

AMSA will contribute to improved ship safety, protection of the marine environment and provision of search and rescue coordination services by implementing the major elements outlined in its Strategic Outlook 2012-20 and Corporate Plan 2012-17.

Outcome 1 expense statement

Table 2.1 provides an overview of the total expenses for Outcome 1, by program.

Table 2.1: Budgeted expenses for Outcome 1

| | 2012-13 Estimated actual expenses \$'000 | 2013-14 Estimated expenses \$'000 |
|--|--|--|
| Subprogram 1.1.1: Seafarer and ship safety and environment protection program | | |
| Revenue from Government | | |
| Ordinary Annual Services (Appropriation Bill No.1) | 5,547 | 806 |
| Payment from related entities | 2,740 | 3,157 |
| Special Appropriations | 100,898 | 109,691 |
| Revenue from independent sources | 7,262 | 10,651 |
| Expenses not requiring appropriation in the Budget year ¹ | (8,343) | 1,671 |
| Total for Subprogram 1.1.1 | 108,104 | 125,976 |
| Subprogram 1.1.2: Search and rescue program | | |
| Revenue from Government | | |
| Ordinary Annual Services (Appropriation Bill No.1) | 57,776 | 56,141 |
| Special Appropriations | 6,948 | 7,672 |
| Revenue from independent sources | 871 | 389 |
| Total for Subprogram 1.1.2 | 65,595 | 64,202 |
| Total Outcome 1 | 173,699 | 190,178 |
| AMSA's Outcome totals by appropriation type | | |
| Revenue from Government | | |
| Ordinary Annual Services (Appropriation Bill No.1) | 63,323 | 56,947 |
| Payment from related entities | 2,740 | 3,157 |
| Special Appropriations | 107,846 | 117,363 |
| Revenue from independent sources | 8,133 | 11,040 |
| Expenses not requiring appropriation in the Budget year ¹ | (8,343) | 1,671 |
| Total expenses for Outcome 1 | 173,699 | 190,178 |
| | 2012-13 | 2013-14 |
| Average staffing level (number) | 344 | 358 |

Notes:

1. Expenses not requiring appropriation in the budget year are made up of the operating result and timing of accruals.

Departmental appropriation splits and totals, by subprogram, are indicative estimates and may change in the course of the budget year as government priorities change.

Contributions to Outcome 1

Program 1.1: Seafarer and ship safety, environment protection and search and rescue

Program 1.1 Objective

Minimise the risk of shipping incidents and pollution in Australian waters and maximise the number of people saved from aviation and maritime incidents by:

- minimising the occurrence of maritime accidents and incidents;
- ensuring that seafarer living and working conditions meet international requirements;
- supporting and enhancing the operation of a skilled maritime workforce within the Australian shipping industry;
- minimising the impact of shipping on the environment;
- minimising the environmental impact of marine pollution incidents that occur from shipping, offshore pollution activity or any other source;
- achieving a modern, effective, enforceable and nationally consistent system for all commercial vessel regulation; and
- rescuing people from maritime and aviation distress situations.

Program 1.1 Expenses

| | 2012-13 Revised budget \$'000 | 2013-14 Budget \$'000 | 2014-15 Forward year 1 \$'000 | 2015-16 Forward year 2 \$'000 | 2015-16 Forward year 3 \$'000 |
|---|--|-----------------------------|--|--|--|
| Annual departmental expenses | | | | | |
| Ordinary Annual Services (Appropriation Bills No.1 & No.3) | 63,323 | 56,947 | 56,740 | 58,261 | 67,039 |
| Special Appropriations | | | | | |
| Australian Maritime Safety Authority Act 1990 - s48 | 107,846 | 117,363 | 133,282 | 148,692 | 154,756 |
| Expenses not requiring appropriation in the Budget year ¹ | 2,530 | 15,868 | 7,483 | (678) | (1,098) |
| Total program expenses | 173,699 | 190,178 | 197,505 | 206,275 | 220,697 |

Notes:

1. Expenses not requiring appropriation in the budget year are made up of revenue from independent sources, payments from related entities, the operating result and timing of accruals.

| Program 1.1 Deliverables | | |
|--|------------------------|----------------|
| Deliverables | Year | Target |
| Subprogram 1.1.1 - Seafarer and ship safety and environment protection | | |
| Seafarer and ship safety and environment regulatory and compliance monitoring systems | | |
| Improved standard of foreign ships operating in Australian waters (Quality). Targeted rate: Declining average number of deficiencies per inspection by priority group. | 2012-13 Revised budget | Targeted rate |
| | 2013-14 Budget | Targeted rate |
| | 2014-15 Forward year 1 | Targeted rate |
| | 2015-16 Forward year 2 | Targeted rate |
| | 2016-17 Forward year 3 | Targeted rate |
| All regulatory measures introduced internationally or domestically are given effect within specified timeframes (Quality). | 2012-13 Revised budget | 100% |
| | 2013-14 Budget | 100% |
| | 2014-15 Forward year 1 | 100% |
| | 2015-16 Forward year 2 | 100% |
| | 2016-17 Forward year 3 | 100% |
| Inspection rate of risk assessed eligible foreign flag ships (Quality). Targeted rates: Priority one ships: 80% Priority two ships: 60% Priority three ships: 40% Priority four ships: 20% | 2012-13 Revised budget | Targeted rates |
| | 2013-14 Budget | Targeted rates |
| | 2014-15 Forward year 1 | Targeted rates |
| | 2015-16 Forward year 2 | Targeted rates |
| | 2016-17 Forward year 3 | Targeted rates |
| Number of port and flag State ship inspections (Quantity). Targeted rates: Port State inspections: 3,000 Flag State inspections: 60 | 2012-13 Revised budget | Targeted rates |
| | 2013-14 Budget | Targeted rates |
| | 2014-15 Forward year 1 | Targeted rates |
| | 2015-16 Forward year 2 | Targeted rates |
| | 2016-17 Forward year 3 | Targeted rates |

| Program 1.1 Deliverables (continued) | | |
|--|------------------------|---------------------|
| Deliverables | Year | Target |
| Marine pollution and emergency response services to shipping incidents | | |
| Availability of pollution response resources and equipment to a pollution incident (Quality). | 2012-13 Revised budget | 100% |
| | 2013-14 Budget | 100% |
| | 2014-15 Forward year 1 | 100% |
| | 2015-16 Forward year 2 | 100% |
| | 2016-17 Forward year 3 | 100% |
| Availability of emergency response capability (Quality). Targeted rate: 100% availability of emergency towage vessels and fixed wing dispersal aircraft. | 2012-13 Revised budget | Targeted rate |
| | 2013-14 Budget | Targeted rate |
| | 2014-15 Forward year 1 | Targeted rate |
| | 2015-16 Forward year 2 | Targeted rate |
| | 2016-17 Forward year 3 | Targeted rate |
| A national network of systems to aid marine navigation | | |
| Availability of marine aids to navigation network (Quality). Targeted rate: Compliance with the targets set out in the International Association of Marine Aids to Navigation and Lighthouse Authorities (IALA) guidelines. | 2012-13 Revised budget | Targeted rate |
| | 2013-14 Budget | Targeted rate |
| | 2014-15 Forward year 1 | Targeted rate |
| | 2015-16 Forward year 2 | Targeted rate |
| | 2016-17 Forward year 3 | Targeted rate |
| Maritime safety reform | | |
| Further develop service delivery partnerships with jurisdictions and arrangements for the national maritime safety regulatory system. Targeted timeframe: Completed by June 2016. | 2012-13 Revised budget | Targeted timeframe. |
| | 2013-14 Budget | N/A |
| | 2014-15 Forward year 1 | N/A |
| | 2015-16 Forward year 2 | N/A |
| | 2016-17 Forward year 3 | N/A |

| Program 1.1 Deliverables (continued) | | |
|---|------------------------|----------------------------------|
| Deliverables | Year | Target |
| Subprogram 1.1.2 - Search and rescue | | |
| National Rescue Coordination Centre providing 24 hour coordination of aviation and maritime search and rescue and distress and safety communication services | | |
| Provision of Rescue Coordination Centre with capacity to handle incidents and searches (Quantity). | 2012-13 Revised budget | 8,500 incidents and 740 searches |
| | 2013-14 Budget | 8,500 incidents and 740 searches |
| | 2014-15 Forward year 1 | 8,500 incidents and 740 searches |
| | 2015-16 Forward year 2 | 8,500 incidents and 740 searches |
| | 2016-17 Forward year 3 | 8,500 incidents and 740 searches |
| Availability of distress and safety communications services (Quality). | 2012-13 Revised budget | 100% of the time |
| | 2013-14 Budget | 100% of the time |
| | 2014-15 Forward year 1 | 100% of the time |
| | 2015-16 Forward year 2 | 100% of the time |
| | 2016-17 Forward year 3 | 100% of the time |
| Number of search and rescue units (Quantity). Targeted rate: 5 dedicated airborne units and an additional 50 trained units not dedicated primarily to search and rescue. | 2012-13 Revised budget | Targeted rate |
| | 2013-14 Budget | Targeted rate |
| | 2014-15 Forward year 1 | Targeted rate |
| | 2015-16 Forward year 2 | Targeted rate |
| | 2016-17 Forward year 3 | Targeted rate |
| Median time for the Rescue Coordination Centre to initiate a response (Quality). | 2012-13 Revised budget | 30 minutes |
| | 2013-14 Budget | 30 minutes |
| | 2014-15 Forward year 1 | 30 minutes |
| | 2015-16 Forward year 2 | 30 minutes |
| | 2016-17 Forward year 3 | 30 minutes |

| Program 1.1 Key performance indicators | | |
|--|------------------------|----------------|
| The following key performance indicators, addressing key features of the program, measure the effectiveness of the program in meeting its objectives. | | |
| Key performance indicators | Year | Target |
| Subprogram 1.1.1 - Seafarer and ship safety and environment protection | | |
| Reduction over time in the ratio of reports to AMSA under the <i>Navigation Act 2012</i> and the <i>Protection of the Sea (Prevention of Pollution from Ships) Act 1983</i> of serious pollution incidents and significant ship operational incidents compared to the total number of ship port visits to Australia and the average number of deficiencies per ship inspection. Targeted rates: Significant pollution incidents: <0.7% Ship operation incidents: 0.2% Ship inspection deficiencies: 3.25 average per inspection | 2012-13 Revised budget | Targeted rates |
| | 2013-14 Budget | Targeted rates |
| | 2014-15 Forward year 1 | Targeted rates |
| | 2015-16 Forward year 2 | Targeted rates |
| | 2016-17 Forward year 3 | Targeted rates |
| Subprogram 1.1.2: Search and Rescue | | |
| Maximise percentage of saved lives as a proportion of lives at risk. (A person is defined as being at risk if the person has a chance of surviving the initial maritime or aviation incident). | 2012-13 Revised budget | 100% |
| | 2013-14 Budget | 100% |
| | 2014-15 Forward year 1 | 100% |
| | 2015-16 Forward year 2 | 100% |
| | 2016-17 Forward year 3 | 100% |

SECTION 3: EXPLANATORY TABLES AND BUDGETED FINANCIAL STATEMENTS

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the Budget year 2013-14. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and program expenses, movements in administered funds, special accounts and government Indigenous expenditure.

3.1: EXPLANATORY TABLES

3.1.1: Movement of administered funds between years

AMSA does not receive administered funds.

3.1.2: Special Accounts

AMSA does not maintain Special Accounts.

3.1.3: Australian Government Indigenous Expenditure

The 2013-14 Australian Government Indigenous Statement is not applicable because AMSA has no Indigenous specific expenses.

3.2: BUDGETED FINANCIAL STATEMENTS

3.2.1: Differences in agency resourcing and financial statements

AMSA does not have any significant differences between the resource information presented in the Budget Papers and Portfolio Budget Statements as a result of differences between Australian Accounting Standards (AAS) and Government Finance Statistics (GFS).

3.2.2: Analysis of budgeted financial statements

AMSA is budgeting for a zero operating result in 2013-14. This operating result includes the continuation of the 3 cents per net registered tonne increase of the Protection of the Sea Levy (PSL) which was introduced in 2010 to cover costs associated with the *Pacific Adventurer* incident. Additional revenue collected from the continuation of the 3 cents per net registered tonne increase in the PSL will be offset by anticipated increased costs associated with the implementation of a number of pollution response and prevention initiatives including improving and maintaining pollution response stockpiles, supporting the National Plan for Maritime Environmental Emergencies, the National Maritime Emergency Response Arrangements and supporting vessel traffic service arrangements in the Torres Strait and the inner route of the Great Barrier Reef.

In 2012-13, AMSA is projecting a net surplus of \$7.6 million driven by higher than expected levy revenue from continued strong activity in the natural resources sector and the retention of the increase to the PSL. This surplus is being used to enable AMSA to establish a \$10 million pollution response reserve. The pollution response reserve will enable AMSA to fund a response to pollution incidents while claims are being settled and as a contingency in the event that future pollution claims exceed the limited liability of any ship owner.

AMSA revenue

AMSA's revenue sources are from levies collected from the shipping industry and appropriated under Section 48 of the AMSA Act as Special Appropriations to fund AMSA's ship safety and environment protection functions and Community Service Obligation funding from government for search and rescue activities. AMSA has two lesser revenue sources from fees and charges and from interest. In 2013-14, AMSA estimates receiving total revenue of \$190.2 million compared to \$169.8 million in the 2012-13 Budget, as summarised in the table below.

AMSA revenue comparison

| AMSA Revenue Sources | 2013-14 Budget | 2012-13 Budget |
|---|-----------------|-----------------|
| Special Appropriations of levies collected from the shipping industry | \$119.0m | \$101.9m |
| Annual departmental appropriation for search and rescue functions | \$45.4m | \$42.2m |
| Annual departmental appropriation for search and rescue response | \$10.7m | \$10.5m |
| Revenue from budget measures | \$0.8m | \$6.3m |
| Revenue from independent sources (fees and charges and interest) | \$14.2m | \$8.9m |
| Total Revenue: | \$190.2m | \$169.8m |

Revenue from government: levy funding

AMSA has three levies corresponding to its ship safety and environment protection functions:

- Marine Navigation (Regulatory Function) Levy funds AMSA's shipping regulatory functions;
- Marine Navigation Levy funds the national network of marine aids to navigation; and
- Protection of the Sea Levy funds activities related to pollution and emergency response services.

In 2013-14, levy revenue is estimated to total \$119.0 million, which is \$17.1 million higher than the 2012-13 Budget. The increase relates to anticipated significant increases in shipping activity and the continuation of the 3 cents per net registered tonne increase in the PSL. The increase in levy growth has been based on modelling with reference to commodity growth projections from the Bureau of Resources and Energy Economics report, 'Australian Bulk Commodity Exports and Infrastructure - Outlook to 2025'.

Revenue from government

AMSA receives an annual departmental appropriation of \$45.4 million in 2013-14 for providing a search and rescue co-ordination service to the community. AMSA also received an annual departmental appropriation of \$10.7 million in 2013-14 to cover the cost of search and rescue incidents (mainly aircraft/helicopter hire).

For 2013-14, AMSA also received revenue of \$0.8 million to fund the existing 'National Transport Regulatory reforms - implementation assistance' measure. Funding for this existing measure terminates in 2015-16.

AMSA is also subject to the 'Targeted savings - public service efficiencies' measure which has resulted in a decrease to AMSA's budgeted revenue by \$0.1 million in 2013-14. This decrease is in addition to the decrease of \$0.2 million reported in the 2012-13 Infrastructure and Transport Portfolio Additional Estimates Statements.

Appropriation comparison between 2013-14 and 2012-13

The table below compares the appropriations between the 2013-14 and 2012-13 Budgets:

| | 2013-14 Budget (\$'000) | 2012-13 Budget (\$'000) |
|---|--|--|
| Appropriation Bill No. 1 | | |
| Departmental Outputs | | |
| Australian Search and Rescue Function | 45,417 | 42,153 |
| Australian Search and Rescue Response | 10,724 | 10,489 |
| National Transport Reform – implementation assistance | 806 | 157 |
| National Transport Regulators – additional funding | - | 5,429 |
| Total | 56,947 | 58,228 |
| Special Appropriations | | |
| Marine Navigation Levy | 31,622 | 30,349 |
| Regulatory Functions Levy | 46,123 | 39,106 |
| Protection of the Sea Levy | 39,618 | 33,169 |
| Total | 117,363 | 102,624 |
| Total Appropriations | 174,310 | 160,852 |

Revenue from independent sources: sale of goods and services and interest

AMSA may make determinations fixing charges under section 47 of the AMSA Act, which requires these fees and charges to be reasonably related to the costs incurred by AMSA in their provision. AMSA has a range of services with charges based on the average cost of delivering a specific service or the time taken to deliver the service multiplied by a standard hourly rate. These services include:

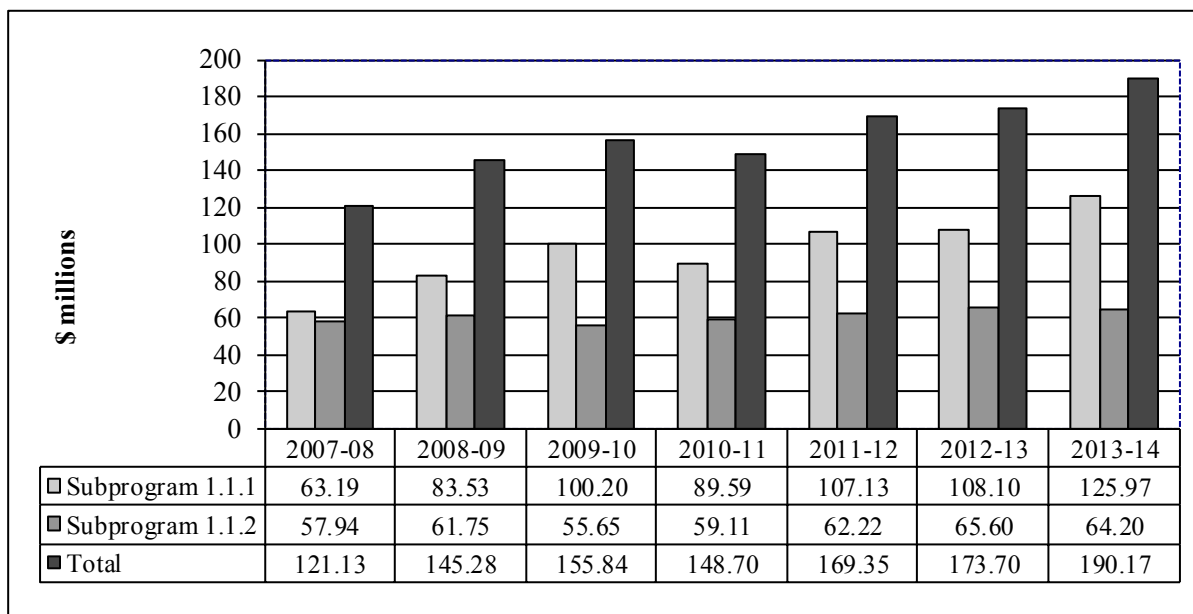
- approvals, certificates and determinations for ships, cargo, and ships' safety equipment;
- activities involved with issuing certificates of competency to seafarers, including conducting oral practical examinations for navigating and engineering officers; and
- assessing sea time prerequisites for qualifications; issuing and renewing coastal pilot licences; and services provided by the Australian Shipping Registration Office.

In 2013-14, AMSA's total estimated revenue from independent sources is \$14.2 million (up \$5.3 million compared to \$8.9 million in 2012-13). This includes the sale of goods and services comprising \$9.8 million, payment from related entities (Infrastructure and Transport Portfolio) in relation to the continued provision of transport safety assistance to Indonesia of \$3.2 million and interest of \$1.3 million. The increase of \$5.3 million is primarily due to increased revenue from the continued provision of transport safety assistance to Indonesia of \$4.4 million (\$2.0 million provided in 2012-13 subsequent to the finalisation of the budget and a further \$2.4 million in 2013-14).

Resources for AMSA's output groups

Chart 3.2.1 shows the resources allocated to AMSA's two subprograms since 2007-08:

Chart 3.2.1: Trends in resources for AMSA Subprograms

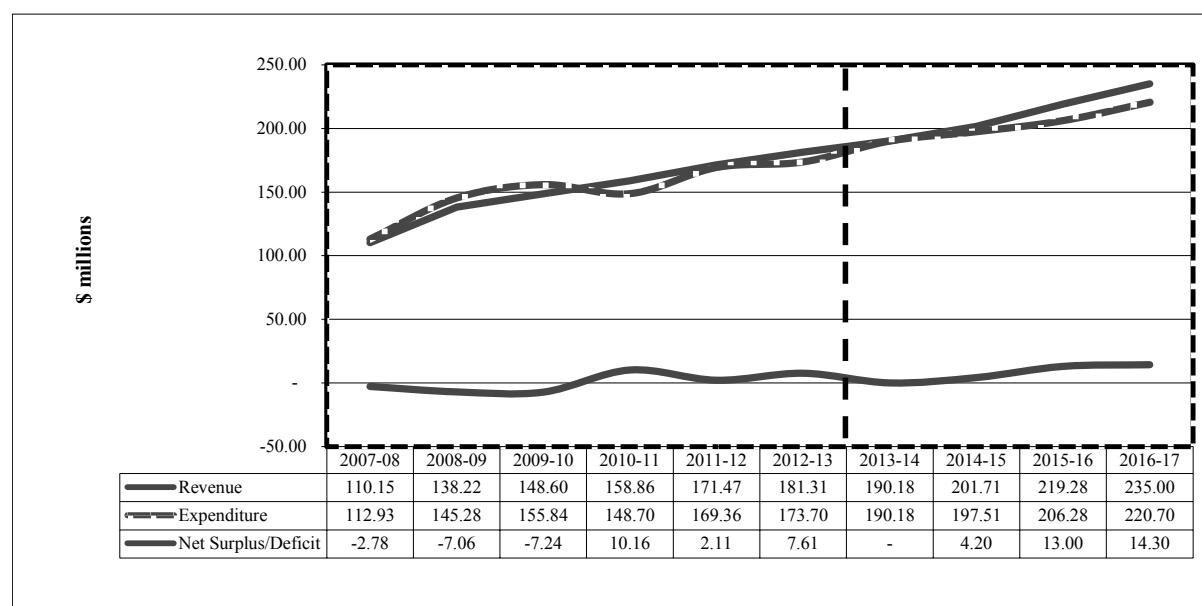


Revenue/expense comparison

Chart 3.2.2 shows the overall trend in AMSA's revenue and expenses since 2007-08. The increase in revenue and expenses since 2007-08 are due largely to several major events. These being:

- the rise in levy revenue to fully recover the costs of AMSA's functions in providing emergency response services under the National Maritime Emergency Response Arrangements over 2006-07 to 2009-10;
- the increase to the PSL in 2009-10 to recover the cost of reimbursing claims from the *Pacific Adventurer* incident; and
- the continuation of the PSL in 2012-13 and 2013-14 to establish a \$10 million pollution response reserve and to cover the anticipated increased costs associated with the implementation of a number of pollution response and prevention initiatives.

Chart 3.2.2: AMSA revenue and expenses



3.2.3: Budgeted financial statements tables

**Table 3.2.1: Comprehensive income statement (showing net cost of services)
(for the period ended 30 June)**

| | Notes | Estimated actual 2012-13 \$'000 | Budget estimate 2013-14 \$'000 | Forward estimate 2014-15 \$'000 | Forward estimate 2015-16 \$'000 | Forward estimate 2016-17 \$'000 |
|--|-------|--|---|--|--|--|
| EXPENSES | | | | | | |
| Employee benefits | 3 | 55,069 | 55,572 | 57,183 | 60,445 | 64,109 |
| Suppliers | 4 | 106,740 | 120,741 | 123,478 | 129,156 | 139,658 |
| Depreciation and amortisation | 5 | 11,890 | 13,865 | 16,844 | 16,674 | 16,930 |
| Total expenses | | 173,699 | 190,178 | 197,505 | 206,275 | 220,697 |
| LESS: | | | | | | |
| OWN-SOURCE INCOME | | | | | | |
| Own-source revenue | | | | | | |
| Sale of goods and rendering of services | | 8,380 | 12,897 | 10,621 | 10,947 | 12,262 |
| Interest | | 2,493 | 1,300 | 1,000 | 900 | 900 |
| Total own-source revenue | 6 | 10,873 | 14,197 | 11,621 | 11,847 | 13,162 |
| Total own-source income | | 10,873 | 14,197 | 11,621 | 11,847 | 13,162 |
| Net cost of (contribution by) services | | 162,826 | 175,981 | 185,884 | 194,428 | 207,535 |
| Revenue from Government | | 170,436 | 175,981 | 190,084 | 207,428 | 221,835 |
| Surplus (Deficit) attributable to the Australian Government | | 7,610 | - | 4,200 | 13,000 | 14,300 |
| Total comprehensive income (loss) attributable to the Australian Government | | 7,610 | - | 4,200 | 13,000 | 14,300 |

Prepared on Australian Accounting Standards basis.

Table 3.2.2: Budgeted departmental balance sheet (as at 30 June)

| | Notes | Estimated actual 2012-13 \$'000 | Budget estimate 2013-14 \$'000 | Forward estimate 2014-15 \$'000 | Forward estimate 2015-16 \$'000 | Forward estimate 2016-17 \$'000 |
|---|-------|--|---|--|--|--|
| ASSETS | | | | | | |
| Financial assets | | | | | | |
| Cash and cash equivalents | | 6,310 | 6,342 | 7,199 | 8,225 | 8,523 |
| Trade and other receivables | | 4,241 | 5,753 | 5,914 | 6,481 | 6,626 |
| Investments | | 45,000 | 26,000 | 30,000 | 48,000 | 59,000 |
| Total financial assets | 7 | 55,551 | 38,095 | 43,113 | 62,706 | 74,149 |
| Non-financial assets | | | | | | |
| Land and buildings | | 16,546 | 22,684 | 23,624 | 22,706 | 21,617 |
| Property, plant and equipment | | 128,510 | 133,316 | 133,238 | 129,583 | 136,349 |
| Intangibles | | 6,298 | 16,835 | 15,035 | 12,183 | 9,238 |
| Inventories | | 5,467 | 6,163 | 6,921 | 7,691 | 7,891 |
| Other non-financial assets | | 2,140 | 2,604 | 2,437 | 2,567 | 2,643 |
| Total non-financial assets | 8 | 158,961 | 181,602 | 181,255 | 174,730 | 177,738 |
| Total assets | | 214,512 | 219,697 | 224,368 | 237,436 | 251,887 |
| LIABILITIES | | | | | | |
| Payables | | | | | | |
| Suppliers | | 30,933 | 29,900 | 29,552 | 29,380 | 29,641 |
| Other payables | | 3,558 | 2,660 | 3,040 | 3,530 | 3,400 |
| Total payables | 9 | 34,491 | 32,560 | 32,592 | 32,910 | 33,041 |
| Interest bearing liabilities | | | | | | |
| Leases | | 241 | - | - | - | - |
| Total interest bearing liabilities | | 241 | - | - | - | - |
| Provisions | | | | | | |
| Employee provisions | | 13,598 | 13,470 | 13,909 | 13,659 | 13,679 |
| Other provisions | | 4,935 | 4,935 | 4,935 | 4,935 | 4,935 |
| Total provisions | 9 | 18,533 | 18,405 | 18,844 | 18,594 | 18,614 |
| Total liabilities | | 53,265 | 50,965 | 51,436 | 51,504 | 51,655 |
| Net assets | | 161,247 | 168,732 | 172,932 | 185,932 | 200,232 |
| EQUITY | | | | | | |
| Contributed equity | | 30,501 | 37,986 | 37,986 | 37,986 | 37,986 |
| Reserves | | 90,845 | 90,845 | 90,845 | 90,845 | 90,845 |
| Retained surplus (accumulated deficit) | | 39,901 | 39,901 | 44,101 | 57,101 | 71,401 |
| Total equity | | 161,247 | 168,732 | 172,932 | 185,932 | 200,232 |

'Equity' is the residual interest in assets after deduction of liabilities.

Prepared on Australian Accounting Standards basis.

**Table 3.2.3: Departmental statement of changes in equity – summary of movement
(Budget year 2013-14)**

| | Retained earnings | Asset revaluation reserve | Other reserves | Contributed equity/ capital | Total equity |
|--|----------------------|---------------------------------|-------------------|-----------------------------------|-----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Opening balance as at 1 July 2013 | | | | | |
| Balance carried forward from previous period | 39,901 | 89,345 | 1,500 | 30,501 | 161,247 |
| Adjusted opening balance | 39,901 | 89,345 | 1,500 | 30,501 | 161,247 |
| Comprehensive income | | | | | |
| Surplus (deficit) for the period | - | - | - | - | - |
| Total comprehensive income | - | - | - | - | - |
| of which: | | | | | |
| Attributable to the Australian Government | - | - | - | - | - |
| <i>Contribution by owners</i> | | | | | |
| Equity injection - Appropriation | - | - | - | 7,485 | 7,485 |
| Sub-total transactions with owners | - | - | - | 7,485 | 7,485 |
| Estimated closing balance as at 30 June 2014 | 39,901 | 89,345 | 1,500 | 37,986 | 168,732 |
| Closing balance attributable to the Australian Government | 39,901 | 89,345 | 1,500 | 37,986 | 168,732 |

Prepared on Australian Accounting Standards basis.

Table 3.2.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

| | Estimated actual 2012-13 \$'000 | Budget estimate 2013-14 \$'000 | Forward estimate 2014-15 \$'000 | Forward estimate 2015-16 \$'000 | Forward estimate 2016-17 \$'000 |
|---|--|---|--|--|--|
| OPERATING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Appropriations | 63,323 | 56,947 | 56,740 | 58,261 | 67,039 |
| Sale of goods and rendering of services | 18,519 | 24,941 | 22,733 | 23,507 | 24,991 |
| Interest | 2,493 | 1,300 | 1,000 | 900 | 900 |
| Other | 107,846 | 117,363 | 133,282 | 148,692 | 154,756 |
| Total cash received | 192,181 | 200,551 | 213,755 | 231,360 | 247,686 |
| Cash used | | | | | |
| Employees | 52,455 | 56,598 | 56,363 | 60,205 | 64,219 |
| Suppliers | 124,464 | 134,363 | 135,871 | 142,110 | 152,307 |
| Total cash used | 176,919 | 190,961 | 192,234 | 202,315 | 216,526 |
| Net cash from (used by) operating activities | 15,262 | 9,590 | 21,521 | 29,045 | 31,160 |
| INVESTING ACTIVITIES | | | | | |
| Cash used | | | | | |
| Purchase of property plant and equipment and intangibles | 27,681 | 36,043 | 16,664 | 10,019 | 19,862 |
| Total cash used | 27,681 | 36,043 | 16,664 | 10,019 | 19,862 |
| Net cash from (used by) investing activities | (27,681) | (36,043) | (16,664) | (10,019) | (19,862) |
| FINANCING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Contributed equity | 2,380 | 7,485 | - | - | - |
| Total cash received | 2,380 | 7,485 | - | - | - |
| Cash used | | | | | |
| Other | 241 | - | - | - | - |
| Total cash used | 241 | - | - | - | - |
| Net cash from (used by) financing activities | 2,139 | 7,485 | - | - | - |
| Net increase (decrease) in cash held | (10,280) | (18,968) | 4,857 | 19,026 | 11,298 |
| Cash and cash equivalents at the beginning of the reporting period | 61,590 | 51,310 | 32,342 | 37,199 | 56,225 |
| Cash and cash equivalents at the end of the reporting period | 51,310 | 32,342 | 37,199 | 56,225 | 67,523 |

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget statement

| | Estimated actual 2012-13 \$'000 | Budget estimate 2013-14 \$'000 | Forward estimate 2014-15 \$'000 | Forward estimate 2015-16 \$'000 | Forward estimate 2016-17 \$'000 |
|--|--|---|--|--|--|
| NEW CAPITAL APPROPRIATIONS | | | | | |
| Equity injections - Bill 2 | 2,380 | 7,485 | - | - | - |
| Total new capital appropriations | 2,380 | 7,485 | - | - | - |
| Provided for: | | | | | |
| Purchase of non-financial assets | 2,380 | 7,485 | - | - | - |
| Total items | 2,380 | 7,485 | - | - | - |
| PURCHASE OF NON-FINANCIAL ASSETS | | | | | |
| Funded by capital appropriations ¹ | 2,380 | 7,485 | - | - | - |
| Funded internally from departmental resources ² | 24,941 | 27,861 | 15,906 | 9,249 | 19,662 |
| Total | 27,321 | 35,346 | 15,906 | 9,249 | 19,662 |
| RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE | | | | | |
| Total purchases ³ | 27,681 | 36,043 | 16,664 | 10,019 | 19,862 |
| Total cash used to acquire assets | 27,681 | 36,043 | 16,664 | 10,019 | 19,862 |

Prepared on Australian Accounting Standards basis.

Notes:

1. Includes both current and prior year appropriations.
2. Includes funding from prior year appropriations, agency receipts, and proceeds from the sale of assets.
3. Includes cash used to acquire inventories which are not reported in the asset movement table.

Table 3.2.6: Statement of asset movements (2013-14)

| | Land | Buildings | Property, plant and equipment | Intangibles | Total |
|---|--------------|---------------|-------------------------------------|----------------|-----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| As at 1 July 2013 | | | | | |
| Gross book value | 4,320 | 12,695 | 139,227 | 7,002 | 163,244 |
| Accumulated depreciation/amortisation and impairment | - | (469) | (10,717) | (704) | (11,890) |
| Opening net book balance | 4,320 | 12,226 | 128,510 | 6,298 | 151,354 |
| CAPITAL ASSET ADDITIONS | | | | | |
| Estimated expenditure on new or replacement assets | | | | | |
| By purchase - appropriation equity ¹ | - | - | - | 7,485 | 7,485 |
| By purchase - other | - | 6,787 | 16,801 | 4,273 | 27,861 |
| Sub-total | - | 6,787 | 16,801 | 11,758 | 35,346 |
| Other movements | | | | | |
| Depreciation/amortisation expense | - | (649) | (11,995) | (1,221) | (13,865) |
| Sub-total | - | (649) | (11,995) | (1,221) | (13,865) |
| As at 30 June 2014 | | | | | |
| Gross book value | 4,320 | 19,482 | 156,028 | 18,760 | 198,590 |
| Accumulated depreciation/amortisation and impairment | - | (1,118) | (22,712) | (1,925) | (25,755) |
| Closing net book balance | 4,320 | 18,364 | 133,316 | 16,835 | 172,835 |

Prepared on Australian Accounting Standards basis.

Notes:

1. 'Appropriation equity' refers to equity injections provided through Appropriation Bill (No. 2) 2013-14.

3.2.4: Notes to the financial statements

1. Accounting policy

The budgeted financial statements have been prepared on an accrual accounting basis, having regard to Statements of Accounting Concepts, and in accordance with:

- the Finance Minister's Orders;
- Australian Accounting Standards;
- other authoritative pronouncements of the Australian Accounting Standards Board; and
- the Consensus Views of the Urgent Issues Group.

2. Departmental and administered items

Agency assets, liabilities, revenues and expenses are those items that are controlled by AMSA that are used in producing its outcomes and include:

- infrastructure, plant and equipment used in providing goods and services;
- liabilities for employee entitlements;
- revenue from appropriations or independent sources in payment for outcomes; and
- employee, supplier and depreciation expenses incurred in providing agency outcomes.

AMSA has no administered items.

3. Departmental expenses – employees

Payments and net increases in entitlements to employees for services rendered in the financial year.

4. Departmental expenses – suppliers

Payments to suppliers for goods and services used in providing agency outcomes.

5. Departmental expenses – depreciation and amortisation

Depreciable property plant and equipment, buildings and intangible assets are written-off to their estimated residual values over their estimated useful life to AMSA, using the straight-line calculation method.

6. Departmental revenue

Revenue from government represents the purchase of outcomes from AMSA by the government and is recognised to the extent that it has been received into AMSA's bank account.

Revenue from other sources, representing sales from goods and services, is recognised when:

- the risks and rewards of ownership have been transferred to the buyer;
- the seller retains no managerial involvement nor effective control over the goods;
- the revenue and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the entity.

7. Departmental assets - financial assets

The primary financial asset relates to receivables. Financial assets are used to fund AMSA's capital program, employee entitlements, creditors and to provide working capital.

8. Departmental assets - non-financial assets

These items represent future economic benefits that AMSA will consume in producing outcomes. The reported value represents the purchase price paid less depreciation incurred to date in using the asset.

9. Departmental liabilities - provisions and payables

Provision has been made for AMSA's liability for employee entitlements arising from services rendered by employees. This liability includes unpaid annual leave and long service leave.

Provision has also been made for unpaid supplier expenses as at balance date.

Australian Transport Safety Bureau

Agency resources and planned performance

Australian Transport Safety Bureau

| | |
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SECTION 1: AGENCY OVERVIEW AND RESOURCES

1.1: STRATEGIC DIRECTION STATEMENT

The Australian Transport Safety Bureau (ATSB) is established under the *Transport Safety Investigation Act 2003* as the national transport safety investigation agency.

Its primary function is to improve aviation, marine and rail safety, in particular by receiving information on accidents and other safety occurrences and by investigating selected occurrences so as to identify and communicate factors that affect or might affect transport safety.

The ATSB is independent and operates on a 'no blame' basis: it is prevented from apportioning blame or providing the means to determine liability in transport safety matters. The ATSB is also required to cooperate with other parties that have powers relating to transport safety or functions affected by the ATSB's priority of improving transport safety.

In discharging its functions of improving transport safety and cooperating with others, the ATSB will:

- focus its resources where they are most likely to result in safety improvements;
- harness the expertise and information necessary to its safety role;
- conduct impartial, systemic and timely safety investigations;
- identify safety issues based on evidence and expert analysis;
- report safety issues clearly and objectively, without attributing blame or liability;
- ensure the significance of safety issues is clearly understood by all concerned; and
- promote effective safety action.

KEY ELEMENTS OF THE ATSB'S STRATEGIC DIRECTION

Building capability and effectiveness

The ATSB's highest operational priority is to undertake those investigations of accidents and safety occurrences that have the greatest potential to deliver improved transport safety outcomes, with a particular focus on the safety of the travelling public.

For many occurrences, the contributing factors and safety issues are already well-known so there is unlikely to be any significant safety benefit that would warrant an extensive investigation. In those cases, the ATSB may limit itself to a fact-gathering investigation. Equally, there is often as much or more to be learned from serious incidents or patterns of incident as there is from accidents and, where appropriate, the ATSB will give priority to investigating these sorts of safety occurrence.

The ATSB is committed to ensuring it attracts, retains and develops transport safety professionals who consistently carry out thorough, timely and authoritative investigations. The ATSB will also ensure it is able to effectively respond to a major accident within Australia or to an accident involving an Australian air carrier or ship overseas through training, participation in regular emergency exercises and contingency planning and by maintaining an active program of international and regional engagement.

Strengthening stakeholder relationships

The ATSB will focus on ways to improve dialogue, coordination and cooperation while protecting the independence of its investigation function. This work will have three areas of focus: other safety agencies (including coroners and overseas counterpart agencies); transport industry participants; and the travelling public. The ATSB will work closely with regulators and the Department of Infrastructure and Transport to ensure arrangements are in place for the appropriate sharing and use of safety information and that these arrangements are transparent to industry and consistent with a strong reporting culture.

Commitment to safety research, communication and education

The ATSB will publish its safety research program for the financial year including a list of all active and proposed safety research projects. This program may be updated during the financial year to reflect changes to priorities and scope. The ATSB will continue to publish educational material aimed at line operators and others based on the analysis of occurrence data and in-house expertise.

Consistent with its legislative framework and international requirements, the ATSB will cooperate with state, national and international safety agencies to share safety data and intelligence to allow all parties to better perform their safety functions.

Safety awareness priorities

The ATSB Safety Watch initiative highlights priority areas where safety risk can be reduced. These priority areas are determined through analysis of ATSB investigation findings and of the occurrence data reported by industry. The ATSB will engage with the transport community to give heightened attention to these priority areas:

1. Avoidable accidents in general aviation
2. Safe work on rail
3. Safety around non-towered aerodromes
4. Maritime pilotage
5. Data input errors in aviation
6. Handling an aircraft's approach to land
7. Under-reporting of safety occurrences
8. Improved safety of R44 Helicopter fuel tanks
9. Safer marine work practices

Regional and international engagement

The ATSB will play an active and targeted role in international engagement and regional development. As well as fulfilling its international obligations, the ATSB will work cooperatively with our regional neighbours to assist them to improve transport safety.

The ATSB will actively participate in Australian Government regional transport safety initiatives such as the Indonesian Transport Safety Assistance Package (ITSAP); and cooperation with Papua New Guinea, consistent with the MOU on Cooperation in the Transport Sector.

The ATSB will engage with overseas counterparts and with relevant international organisations. The focus will be on ensuring that safety lessons and operational innovations are shared internationally and on collaborating to improve the international standards for

accident investigation. In addition, continuous improvement will be sought through benchmarking and networking with like overseas agencies.

Active participation in the transport reform agenda

The ATSB will work with the Department of Infrastructure and Transport to contribute to the government's reform agenda to improve the efficiency, safety, sustainability and competitiveness of the aviation, marine and rail industries.

The ATSB will complete the transition to being the national rail safety investigator, as established through the Council of Australian Governments' Intergovernmental Agreement on Rail Safety Regulation and Investigation Reform.

The ATSB will also work collaboratively with the Department of Infrastructure and Transport and state and territory agencies to position the ATSB to progressively become the single national maritime investigator.

1.2: AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all sources.

Table 1.1: Agency resource statement - Budget estimates for 2013-14 as at Budget May 2013

| | Estimate of prior year + amount available in 2013-14 \$'000 | Proposed at Budget = 2013-14 \$'000 | Total estimate 2013-14 \$'000 | Actual available appropriation 2012-13 \$'000 |
|--|--|--|--|---|
| Ordinary annual services¹ | | | | |
| Departmental | | | | |
| Prior year Departmental appropriation ² | 7,999 | | 7,999 | 8,199 |
| Departmental appropriation ³ | | 20,550 | 20,550 | 22,418 |
| s31 relevant agency receipts ⁴ | | 2,400 | 2,400 | 1,150 |
| Total | 7,999 | 22,950 | 30,949 | 31,767 |
| Total ordinary annual services | 7,999 | 22,950 | 30,949 | 31,767 |
| Other services⁵ | | | | |
| Departmental non-operating | | | | |
| Equity injections | - | 973 | 973 | 1,181 |
| Total | - | 973 | 973 | 1,181 |
| Total other services | - | 973 | 973 | 1,181 |
| Total available annual appropriations | 7,999 | 23,923 | 31,922 | 32,948 |
| Total net resourcing | 7,999 | 23,923 | 31,922 | 32,948 |

All figures are GST exclusive.

Notes:

1. Appropriation Bill (No.1) 2013-14.
2. Estimated adjusted balance carried from previous year for annual appropriations.
3. Includes an amount of \$0.425m in 2013-14 for the Departmental Capital Budget (refer to table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.
4. s31 Relevant Agency receipts - estimate.
5. Appropriation Bill (No.2) 2013-14.

Third party payments from and on behalf of other agencies

| | 2013-14 \$'000 | 2012-13 \$'000 |
|---|-------------------|-------------------|
| Payments made to other agencies for the provision of services (disclosed above within Departmental s31 relevant agency receipts) | | |
| Department of Infrastructure and Transport | 2,999 | 2,958 |
| Total | 2,999 | 2,958 |
| Total payments made to other agencies for the provision of services | 2,999 | 2,958 |

1.3: BUDGET MEASURES

Budget measures in Part 1 relating to ATSB are detailed in Budget Paper No. 2 and are summarised below.

Table 1.2: Agency 2013-14 Budget measures

Part 1: Measures announced since the 2012-13 MYEFO

There were no measures announced since the 2012-13 MYEFO for ATSB.

Part 2: MYEFO measures not previously reported in a portfolio statement

| | Program | 2012-13 (\$'000) | 2013-14 (\$'000) | 2014-15 (\$'000) | 2015-16 (\$'000) | 2016-17 (\$'000) |
|--|---------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Expense measures | | | | | | |
| Targeted savings - public service efficiencies | 1.1 | | | | | |
| Departmental expenses | | (77) | (111) | (118) | (121) | (113) |
| Total resourcing | | (77) | (111) | (118) | (121) | (113) |
| Total expense measures | | | | | | |
| Departmental | | (77) | (111) | (118) | (121) | (113) |
| Total | | (77) | (111) | (118) | (121) | (113) |

Prepared on a Government Financial Statistics (fiscal) basis.

SECTION 2: OUTCOMES AND PLANNED PERFORMANCE

2.1: OUTCOMES AND PERFORMANCE INFORMATION

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government agencies achieve the intended results of their outcome statements. Agencies are required to identify the programs which contribute to Government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs, specifying the performance indicators and targets used to assess and monitor the performance of the ATSB in achieving Government outcomes.

The performance indicators have been refined for 2013-14 to ensure that they reflect transition to implementation of COAG agreement to expanding the ATSB's responsibilities for rail investigations.

Outcome 1: Improved transport safety in Australia including through: independent 'no blame' investigation of transport accidents and other safety occurrences; safety data recording, analysis and research; and fostering safety awareness, knowledge and action.

Outcome 1 Strategy

The ATSB will:

- Build its capability and effectiveness through attracting, retaining and developing professional staff and delivering those investigations of accidents and safety occurrences that have the greatest potential to deliver improved transport safety outcomes, with a particular focus on the safety of the travelling public.
- Maintain and enhance stakeholder relationships, with a particular focus on ensuring a strong culture of reporting safety matters through transparent arrangements for the appropriate reporting, sharing and use of safety information.
- Deliver a program of safety research and analysis that draws on the results of investigations and the safety occurrence datasets that it holds
- Undertake safety communication and education with an emphasis on identified priority areas where safety risk can be reduced
- Engage with and, as appropriate, provide support to regional and international partners, focussing on development cooperation in our region and on ensuring that safety lessons and operational innovations are shared internationally
- Complete the transition to being the national rail safety investigator, as established through the Council of Australian Governments' Intergovernmental Agreement on Rail Safety Regulation and Investigation Reform.

Outcome 1 expense statement

Table 2.1 provides an overview of the total expenses for Outcome 1, by program.

Table 2.1: Budgeted expenses for Outcome 1

| | 2012-13 Estimated actual expenses \$'000 | 2013-14 Estimated expenses \$'000 |
|--|--|--|
| Program 1.1: Australian Transport Safety Bureau | | |
| Departmental expenses | | |
| Departmental appropriation ¹ | 22,949 | 22,525 |
| Expenses not requiring appropriation in the Budget year ² | 2,645 | 4,290 |
| Total for Program 1.1 | 25,594 | 26,815 |
| Total expenses for Outcome 1 | 25,594 | 26,815 |
| | 2012-13 | 2013-14 |
| Average staffing level (number) | 122 | 118 |

Notes:

1. Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s31)'.
2. Expenses not requiring appropriation in 2013-14 is made up of depreciation and amortisation expense estimates (\$2.245m) and estimates of the value of the services that the ATSB will receive free of charge from the Victorian Office of the Chief Investigator, the NSW Office of Transport Investigations and the Australian National Audit Office (\$2.045m in total).

Contributions to Outcome 1

Program 1.1: Australian Transport Safety Bureau

Program 1.1 Objective

The ATSB will work actively with the aviation, marine and rail industries, transport regulators and governments at a state, national and international level to improve transport safety standards for all Australians, particularly those travelling within Australia and overseas. Investigations and related activities seek to raise awareness of identified safety issues and to encourage stakeholders to implement actions to improve future safety. There are three core functions which arise from the ATSB's functions under the *Transport Safety Investigation Act 2003*:

1. Independent 'no blame' investigation of transport accidents and other safety occurrences

Independent investigations that are selective and systemic, and which focus on future safety rather than on blame, increase stakeholder awareness and action on safety issues and foster industry and public confidence in the transport system.

2. Safety data recording, analysis and research

Timely receipt and assessment of transport accident and other safety occurrence notifications allows the ATSB to identify and refer safety issues at the earliest opportunity. The maintenance and analysis of a body of safety information (including transport safety data, and research and investigation reports) enables stakeholders and researchers to gain a better understanding of safety trends and safety issues.

3. Fostering safety awareness, knowledge and action

Awareness and understanding of transport safety issues is increased through a range of activities including consultation, education, and the promulgation of research and investigation findings and recommendations. These contribute to the national and international body of safety knowledge and foster action for the improvement of safety systems and operations.

Program 1.1 Expenses

The increase in planned expenses for 2013-14 reflects the increased expenditures related to the ATSB's expanded national role as Australia's no blame rail safety investigator as part of the Rail Regulation and Investigation Reform.

| | 2012-13 Revised Budget \$'000 | 2013-14 Budget \$'000 | 2014-15 Forward year 1 \$'000 | 2015-16 Forward year 2 \$'000 | 2016-17 Forward year 3 \$'000 |
|-------------------------------|--|-----------------------------|--|--|--|
| Program Support | 25,594 | 26,815 | 23,825 | 24,053 | 24,128 |
| Total program expenses | 25,594 | 26,815 | 23,825 | 24,053 | 24,128 |

Program 1.1 Deliverables

The ATSB receives mandatory reports of up to 10 000 accident or incident occurrences per annum. This includes the expanded national role in rail transport safety, as part of the Intergovernmental Agreement (IGA) on Rail Regulation and Investigation Reform, which commenced on 20 January 2013.

Occurrences are initially assessed against the ATSB's published policies and criteria to determine those matters warranting investigation. The occurrences are also classified and recorded for further research and analysis, prepared for publication and used to inform communication and education priorities.

The ATSB also receives notifications as part of confidential safety reporting schemes in operation for the aviation, rail and marine transport modes. Reporting of all occurrences is a key input for ATSB deliverables.

| Deliverables | Year | Target |
|--|------------------------|---|
| We will assess, classify and publish summaries of accident and incident occurrences that we receive. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | Details of occurrences being investigated are published within one business day. Summaries of other occurrences are published within 5 working days of receipt. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |

| Program 1.1 Deliverables (continued) | | |
|---|------------------------|---|
| Deliverables | Year | Target |
| We will assess confidential reports for clarity, completeness and significance for transport safety and, where appropriate, advise any responsible party in a position to take safety action in response to the safety concern. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | A de-identified summary of the confidential report will be provided to any relevant third party within five working days. Within two months, advise a responsible party in a position to take safety action in response to the safety concern. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |
| We will complete and publish safety investigations. | 2012-13 Revised budget | More complex Investigations: up to 60 per annum (p.a.). Short investigations: up to 120 p.a. |
| | 2013-14 Budget | More complex Investigations: up to 80 p.a. Short investigations: up to 120 p.a. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |

| Program 1.1 Deliverables (continued) | | |
|--|------------------------|---|
| Deliverables | Year | Target |
| We will complete and publish research and analysis reports based on safety priorities and trends. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | Up to 14 reports as part of an annual research program. Reports on aviation safety trends provided to the Minister and safety agencies quarterly. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |
| We will ensure we are prepared for a major accident by reviewing and testing our major accident response and management capabilities. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | Participation in one major exercise per annum. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |
| We will assist regional transport safety through participation in the Indonesian Transport Safety Assistance Package (ITSAP) and cooperation with Papua New Guinea consistent with the Memorandum of Understanding on Cooperation in the Transport Sector. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | Delivery of approved projects within Program funding allocation. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |

| Program 1.1 Deliverables (continued) | | |
|--|------------------------|---|
| Deliverables | Year | Target |
| We will publish and deliver an annual program of safety communication and awareness. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | Implementation of published program. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |

Program 1.1 Key performance indicators

The following key performance indicators, addressing key features of the program, measure the effectiveness of the program in meeting its objectives.

| Key performance indicators | Year | Target |
|---|------------------------|--|
| Safety action is taken by stakeholders to adequately address identified safety issues. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | Critical Safety Issues: 100%. Significant safety issues: 70%. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |
| Stakeholder awareness of safety issues is raised as a result of investigation, research and analysis findings and through safety education activities (as measured through a biennial survey; scored on a 7-point rating scale. | 2012-13 Revised budget | N/A. |
| | 2013-14 Budget | 5 or higher. |
| | 2014-15 Forward year 1 | N/A. |
| | 2015-16 Forward year 2 | 5 or higher. |
| | 2016-17 Forward year 3 | N/A. |
| Investigation reports are published in a timely manner. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | More complex investigations published within 12 months. Short investigations published within two months. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |

SECTION 3: EXPLANATORY TABLES AND BUDGETED FINANCIAL STATEMENTS

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the Budget year 2013-14. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and program expenses, movements in administered funds, special accounts and government Indigenous expenditure.

3.1: EXPLANATORY TABLES

3.1.1: Movement of administered funds between years

ATSB does not receive administered funds.

3.1.2: Special Accounts

ATSB does not maintain Special Accounts.

3.1.3: Australian Government Indigenous Expenditure

The 2013-14 Australian Government Indigenous Statement is not applicable because ATSB has no Indigenous specific expenses.

3.2: BUDGETED FINANCIAL STATEMENTS

3.2.1: Differences in agency resourcing and financial statements

The ATSB does not have any significant differences between the resource information presented in the Budget Papers and Portfolio Budget Statements as a result of differences between Australian Accounting Standards (AAS) and Government Finance Statistics (GFS).

3.2.2: Analysis of budgeted financial statements

An analysis of ATSB's budgeted financial statements, as reflected in the budgeted departmental financial statements for 2013-14, is provided below.

Budgeted departmental comprehensive income statement

The ATSB has projected an operating loss for 2012-13, due to a decrease in revenue in relation to the National Transport Reforms. In the forward years, a breakeven position is expected once the impact of depreciation and amortisation expenses is factored out.

Revenue

Net appropriation revenue of \$20.1m will be provided to the ATSB in 2013-14 which includes additional funding for the ATSB to finalise processes in relation to recently becoming the national safety investigator across all Australian rail networks as of 20 January 2013. Previously, the ATSB only investigated safety occurrences on the defined interstate rail network which does not include the rail network around the major capital cities.

The income statement also includes estimates of the ATSB's own source revenue of \$4.4m of which includes:

- revenue from the Department of Infrastructure and Transport for the ATSB's continued capacity building work in Indonesia. This funding was announced by the Government in the 2010-11 Budget and will continue until 2013-14 (\$0.740m);
- estimates of cost recoveries from Queensland, Western Australia, South Australia and Tasmania for safety investigations we undertake on their intrastate rail networks (\$1.500m);
- estimates of cost recoveries for training that the ATSB provides to industry (\$0.160m); and
- estimates of the value of the services the ATSB will receive free of charge from the Victorian Office of the Chief Investigator, the NSW Office of Transport Investigations and the Australian National Audit Office (\$2.045m).

Expenses

Budgeted operating expenditure in 2013-14 is comprised of employee expenses (62%), supplier expenses (30%) and depreciation (8%). Although the funding for 2013-14 has increased when compared with 2012-13, there has been an increase of \$1m in non-cash expenses which relate to the resources received free of charge referred to above.

Depreciation and amortisation expenses are expected to increase over the forward estimates period as the ATSB has implemented the majority of its capital program in relation to their participation in the National Transport Reforms.

Budgeted departmental balance sheet

The ATSB's budgeted balance sheet at 30 June 2014 reflects the expected balances for its assets and liabilities as well as retained earnings and contributed equity, based on the projected operating result for 2012-13 and the Budget year.

Financial Assets

The ATSB's largest financial asset is \$7.4m in prior year appropriations.

Non-Financial Assets

These comprise plant, equipment and intangible software assets utilised by the ATSB, the largest component of which is the agency's investment in its Safety Investigation Information Management System. This is shown in the line intangibles.

Provisions and Payables

The ATSB's primary liability is accrued employee leave entitlements, shown in the line Employee provisions.

3.2.3: Budgeted financial statements tables

**Table 3.2.1: Comprehensive income statement (showing net cost of services)
(for the period ended 30 June)**

| | Notes | Estimated actual 2012-13 \$'000 | Budget estimate 2013-14 \$'000 | Forward estimate 2014-15 \$'000 | Forward estimate 2015-16 \$'000 | Forward estimate 2016-17 \$'000 |
|---|-------|--|---|--|--|--|
| EXPENSES | | | | | | |
| Employee benefits | 3 | 16,900 | 16,517 | 14,993 | 15,058 | 15,134 |
| Suppliers | 4 | 7,394 | 8,053 | 7,522 | 7,585 | 7,694 |
| Depreciation and amortisation | 5 | 1,300 | 2,245 | 1,310 | 1,410 | 1,300 |
| Total expenses | | 25,594 | 26,815 | 23,825 | 24,053 | 24,128 |
| LESS: | | | | | | |
| OWN-SOURCE INCOME | | | | | | |
| Own-source revenue | | | | | | |
| Sale of goods and rendering of services | | 1,150 | 2,400 | 1,660 | 1,660 | 1,660 |
| Other | | 1,045 | 2,045 | 2,045 | 2,045 | 2,045 |
| Total own-source revenue | 6 | 2,195 | 4,445 | 3,705 | 3,705 | 3,705 |
| Total own-source income | | 2,195 | 4,445 | 3,705 | 3,705 | 3,705 |
| Net cost of (contribution by) services | | 23,399 | 22,370 | 20,120 | 20,348 | 20,423 |
| Revenue from Government | | 21,799 | 20,125 | 18,810 | 18,938 | 19,123 |
| Surplus (Deficit) attributable to the Australian Government | | (1,600) | (2,245) | (1,310) | (1,410) | (1,300) |
| Total comprehensive income (loss) attributable to the Australian Government | | (1,600) | (2,245) | (1,310) | (1,410) | (1,300) |
| Note: Impact of Net Cash Appropriation Arrangements | | | | | | |
| | | 2012-13 \$'000 | 2013-14 \$'000 | 2014-15 \$'000 | 2015-16 \$'000 | 2016-17 \$'000 |
| Total comprehensive income (loss) less depreciation/amortisation expenses previously funded through revenue appropriations | | (300) | - | - | - | - |
| plus depreciation/amortisation expenses previously funded through revenue appropriations ¹ | | 1,300 | 2,245 | 1,310 | 1,410 | 1,300 |
| Total comprehensive income (loss) - as per Statement of Comprehensive income | | (1,600) | (2,245) | (1,310) | (1,410) | (1,300) |

Prepared on Australian Accounting Standards basis.

Notes:

- From 2010-11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of FMA Act agencies were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCB's, please refer to Table 3.2.5 Departmental Capital Budget Statement.

Table 3.2.2: Budgeted departmental balance sheet (as at 30 June)

| | Notes | Estimated actual 2012-13 \$'000 | Budget estimate 2013-14 \$'000 | Forward estimate 2014-15 \$'000 | Forward estimate 2015-16 \$'000 | Forward estimate 2016-17 \$'000 |
|---|-------|--|---|--|--|--|
| ASSETS | | | | | | |
| Financial assets | | | | | | |
| Cash and cash equivalents | | 1,292 | 1,292 | 1,292 | 1,292 | 1,292 |
| Trade and other receivables | | 6,996 | 7,096 | 6,499 | 6,499 | 6,499 |
| Other financial assets | | 1 | 1 | 1 | 1 | 1 |
| Total financial assets | 7 | 8,289 | 8,389 | 7,792 | 7,792 | 7,792 |
| Non-financial assets | | | | | | |
| Property, plant and equipment | | 1,938 | 1,521 | 1,376 | 994 | 399 |
| Intangibles | | 1,627 | 1,197 | 1,649 | 1,359 | 1,029 |
| Other non-financial assets | | 214 | 214 | 214 | 214 | 214 |
| Total non-financial assets | 8 | 3,779 | 2,932 | 3,239 | 2,567 | 1,642 |
| Total assets | | 12,068 | 11,321 | 11,031 | 10,359 | 9,434 |
| LIABILITIES | | | | | | |
| Payables | | | | | | |
| Suppliers | | 457 | 457 | 457 | 457 | 457 |
| Other payables | | 741 | 741 | 741 | 741 | 741 |
| Total payables | 9 | 1,198 | 1,198 | 1,198 | 1,198 | 1,198 |
| Interest bearing liabilities | | | | | | |
| Other interest bearing liabilities | | 5 | 5 | 5 | 5 | 5 |
| Total interest bearing liabilities | | 5 | 5 | 5 | 5 | 5 |
| Provisions | | | | | | |
| Employee provisions | | 5,089 | 5,189 | 5,289 | 5,289 | 5,289 |
| Total provisions | 9 | 5,089 | 5,189 | 5,289 | 5,289 | 5,289 |
| Total liabilities | | 6,292 | 6,392 | 6,492 | 6,492 | 6,492 |
| Net assets | | 5,776 | 4,929 | 4,539 | 3,867 | 2,942 |
| EQUITY | | | | | | |
| Contributed equity | | 9,884 | 11,282 | 12,202 | 12,940 | 13,315 |
| Reserves | | 85 | 85 | 85 | 85 | 85 |
| Retained surplus (accumulated deficit) | | (4,193) | (6,438) | (7,748) | (9,158) | (10,458) |
| Total equity | | 5,776 | 4,929 | 4,539 | 3,867 | 2,942 |

'Equity' is the residual interest in assets after deduction of liabilities.

Prepared on Australian Accounting Standards basis.

**Table 3.2.3: Departmental statement of changes in equity – summary of movement
(Budget year 2013-14)**

| | Retained earnings \$'000 | Asset revaluation reserve \$'000 | Contributed equity/ capital \$'000 | Total equity \$'000 |
|--|--------------------------------|---|---|---------------------------|
| Opening balance as at 1 July 2013 | | | | |
| Balance carried forward from previous period | (4,193) | 85 | 9,884 | 5,776 |
| Adjusted opening balance | (4,193) | 85 | 9,884 | 5,776 |
| Comprehensive income | | | | |
| Surplus (deficit) for the period | (2,245) | - | - | (2,245) |
| Total comprehensive income | (2,245) | - | - | (2,245) |
| of which: | | | | |
| Attributable to the Australian Government | (2,245) | - | - | (2,245) |
| Transactions with owners | | | | |
| <i>Contribution by owners</i> | | | | |
| Equity injection - Appropriation | - | - | 973 | 973 |
| Departmental Capital Budget (DCBs) | - | - | 425 | 425 |
| Sub-total transactions with owners | - | - | 1,398 | 1,398 |
| Estimated closing balance as at 30 June 2014 | (6,438) | 85 | 11,282 | 4,929 |
| Less non-controlling interest | - | - | - | - |
| Closing balance attributable to the Australian Government | (6,438) | 85 | 11,282 | 4,929 |

Prepared on Australian Accounting Standards basis.

Table 3.2.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

| | Estimated actual 2012-13 \$'000 | Budget estimate 2013-14 \$'000 | Forward estimate 2014-15 \$'000 | Forward estimate 2015-16 \$'000 | Forward estimate 2016-17 \$'000 |
|---|--|---|--|--|--|
| OPERATING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Appropriations | 21,764 | 19,820 | 18,605 | 18,543 | 19,123 |
| Sale of goods and rendering of services | 1,150 | 2,400 | 1,660 | 1,660 | 1,660 |
| Other | 350 | 350 | 350 | 350 | 350 |
| Total cash received | 23,264 | 22,570 | 20,615 | 20,553 | 21,133 |
| Cash used | | | | | |
| Employees | 16,900 | 16,517 | 14,993 | 15,058 | 15,134 |
| Suppliers | 6,364 | 6,053 | 5,622 | 5,495 | 5,999 |
| Total cash used | 23,264 | 22,570 | 20,615 | 20,553 | 21,133 |
| Net cash from (used by) operating activities | - | - | - | - | - |
| INVESTING ACTIVITIES | | | | | |
| Cash used | | | | | |
| Purchase of property plant and equipment and intangibles | 1,800 | 1,398 | 920 | 738 | 375 |
| Total cash used | 1,800 | 1,398 | 920 | 738 | 375 |
| Net cash from (used by) investing activities | (1,800) | (1,398) | (920) | (738) | (375) |
| FINANCING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Contributed equity | 1,800 | 1,398 | 920 | 738 | 375 |
| Total cash received | 1,800 | 1,398 | 920 | 738 | 375 |
| Net cash from (used by) financing activities | 1,800 | 1,398 | 920 | 738 | 375 |
| Net increase (decrease) in cash held | - | - | - | - | - |
| Cash and cash equivalents at the beginning of the reporting period | 1,292 | 1,292 | 1,292 | 1,292 | 1,292 |
| Cash and cash equivalents at the end of the reporting period | 1,292 | 1,292 | 1,292 | 1,292 | 1,292 |

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget statement

| | Estimated actual 2012-13 \$'000 | Budget estimate 2013-14 \$'000 | Forward estimate 2014-15 \$'000 | Forward estimate 2015-16 \$'000 | Forward estimate 2016-17 \$'000 |
|--|--|---|--|--|--|
| NEW CAPITAL APPROPRIATIONS | | | | | |
| Capital budget - Bill 1 (DCB) | 619 | 425 | 365 | 367 | 375 |
| Equity injections - Bill 2 | 1,181 | 973 | 555 | 371 | - |
| Total new capital appropriations | 1,800 | 1,398 | 920 | 738 | 375 |
| Provided for: | | | | | |
| Purchase of non-financial assets | 1,800 | 1,398 | 920 | 738 | 375 |
| Total items | 1,800 | 1,398 | 920 | 738 | 375 |
| PURCHASE OF NON-FINANCIAL ASSETS | | | | | |
| Funded by capital appropriations ¹ | 1,181 | 973 | 555 | 371 | - |
| Funded by capital appropriations - DCB ² | 619 | 425 | 365 | 367 | 375 |
| Total | 1,800 | 1,398 | 920 | 738 | 375 |
| RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE | | | | | |
| Total purchases | 1,800 | 1,398 | 920 | 738 | 375 |
| Total cash used to acquire assets | 1,800 | 1,398 | 920 | 738 | 375 |

Prepared on Australian Accounting Standards basis.

Notes:

1. Includes both current and prior year appropriations.
2. Includes both current and previous year's Departmental Capital Budgets (DCBs).

Table 3.2.6: Statement of asset movements (2013-14)

| | Property, plant and equipment \$'000 | Intangibles \$'000 | Total \$'000 |
|---|---|-----------------------|-----------------|
| As at 1 July 2013 | | | |
| Gross book value | 3,789 | 5,037 | 8,826 |
| Accumulated depreciation/amortisation and impairment | (1,851) | (3,410) | (5,261) |
| Opening net book balance | 1,938 | 1,627 | 3,565 |
| CAPITAL ASSET ADDITIONS | | | |
| Estimated expenditure on new or replacement assets | | | |
| By purchase - appropriation equity ¹ | 750 | 223 | 973 |
| By purchase - appropriation ordinary annual services ² | 148 | 277 | 425 |
| Sub-total | 898 | 500 | 1,398 |
| Other movements | | | |
| Depreciation/amortisation expense | (1,315) | (930) | (2,245) |
| Sub-total | (1,315) | (930) | (2,245) |
| As at 30 June 2014 | | | |
| Gross book value | 4,687 | 5,537 | 10,224 |
| Accumulated depreciation/amortisation and impairment | (3,166) | (4,340) | (7,506) |
| Closing net book balance | 1,521 | 1,197 | 2,718 |

Prepared on Australian Accounting Standards basis.

Notes:

1. 'Appropriation equity' refers to equity injections provided through Appropriation Bill (No. 2) 2013-14.
2. 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2013-14 for Departmental Capital Budgets (DCBs).

3.2.4: Notes to the financial statements

1. Accounting policy

The budgeted financial statements have been prepared on an accrual accounting basis, having regard to Statements of Accounting Concepts, and in accordance with:

- the Finance Minister's Orders;
- Australian Accounting Standards;
- other authoritative pronouncements of the Australian Accounting Standards Board; and
- the Consensus Views of the Urgent Issues Group.

2. Departmental and administered items

Agency assets, liabilities, revenues and expenses are those items that are controlled by ATSB that are used in producing its outcomes and include:

- infrastructure, plant and equipment used in providing goods and services;
- liabilities for employee entitlements;
- revenue from appropriations or independent sources in payment for outcomes; and
- employee, supplier and depreciation expenses incurred in providing agency outcomes.

ATSB has no administered items.

3. Departmental expenses – employee benefits

Payments and net increases in entitlements to employees for services rendered in the financial year.

4. Departmental expenses – suppliers

Payments to suppliers for goods and services used in providing agency outcomes.

5. Departmental expenses - depreciation and amortisation

Depreciable property plant and equipment and intangible assets are written-off to their estimated residual values over their estimated useful life to ATSB, using the straight-line calculation method.

6. Departmental revenue

Revenue from government represents the purchase of outcomes from ATSB by the Government and is recognised on the delivery of its outcome.

Revenue from other sources, representing sales from goods and services, is recognised when:

- the risks and rewards of ownership have been transferred to the buyer;
- the ATSB retains no managerial involvement nor effective control over the goods;
- the revenue and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the entity.

7. Departmental assets - financial assets

The primary financial asset relates \$7.4m in prior year appropriations.

8. Departmental assets - non-financial assets

These items represent future economic benefits that ATSB will consume in producing outcomes. The reported value represents the purchase price paid less depreciation incurred to date in using the asset.

9. Departmental liabilities - provisions and payables

Provision has been made for ATSB's liability for employee entitlements arising from services rendered by employees. This liability includes unpaid annual leave and long service leave.

Provision has also been made for the expected unpaid supplier expenses as at balance date.

Civil Aviation Safety Authority

**Agency resources and planned
performance**

Civil Aviation Safety Authority

| | |
|--|------------|
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SECTION 1: AGENCY OVERVIEW AND RESOURCES

1.1: STRATEGIC DIRECTION STATEMENT

The Civil Aviation Safety Authority (CASA) is an independent statutory authority established in 1995 under the *Civil Aviation Act 1988*. The main object of this Act is to establish a regulatory framework for maintaining, enhancing and promoting the safety of civil aviation, with particular emphasis on preventing aviation accidents and incidents.

In accordance with the Civil Aviation Act 1988 and the regulations, 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 provides safety education and training programs and has the acquired responsibility for airspace regulation.

GOVERNMENT PRIORITIES AND CASA'S COMMITMENT TO AVIATION SAFETY

The Government is committed to maintaining and enhancing safety as its number one priority in aviation. As Australia's aviation safety regulator, CASA will support the Government to maintain, enhance and promote the safety of civil aviation with particular emphasis on preventing aviation accidents and incidents.

CASA will ensure the relevant requirements of the Government's White Paper on National Aviation Policy and initiatives presented in the Minister's Statement of Expectations are implemented effectively and efficiently.

The Government has set out some clear objectives in the Aviation White Paper, namely:

- to give industry the certainty and incentive to plan and invest for the long term;
- to maintain and improve Australia's excellent safety record;
- to give proper consideration to the interests of travellers and users of airports; and
- to better manage the impact of aviation activity on communities and the environment.

CASA's comprehensive planning framework fully incorporates the Government direction and ensures the relevant requirements of the Aviation White Paper are implemented effectively and efficiently. CASA aims to achieve its commitment to aviation safety through its three key goals. They are:

- comprehensive, consistent and effective regulation to enhance aviation safety;
- good governance and continuous improvement of organisational efficiency; and
- effective and appropriate relationships with the wider aviation community.

Each CASA goal is supported by a number of strategies and initiatives. The progress and achievement of the initiatives are monitored by a comprehensive performance management and reporting process. CASA will continue its commitment to making further improvements to the way it operates and continuously strive to achieve its high-level goals.

CHALLENGING AVIATION TRENDS AND IMPLICATIONS FOR CASA

The aviation landscape is growing in complexity, including through, the entry of additional foreign and low cost operators, introduction of bigger and more technologically complex and fuel efficient aircraft, increased competition for qualified staff, an ageing fleet at the smaller end of the industry and an increasing number of passengers flying every year. Like other safety regulators around the world, CASA faces all these key challenges and is cognisant of the need to ensure that safety-related considerations are at the forefront of CASA regulatory actions.

As a key priority, CASA continues to develop and implement new standards and regulations. CASA will stay abreast of changes within the aviation industry by carefully analysing safety and operational data to look for trends and emerging risks which need to be addressed. This approach will further focus CASA on its core activity - the regulation of aviation safety.

CASA'S FUNDING STRATEGY

CASA established a Funding Strategy which provides a framework of financial sustainability for the period 2010-11 to 2013-14, consistent with the funding principles outlined in the Aviation White Paper. The funding provided through this strategy, that is, the increase in fuel excise, 0.702 cents per litre, will continue over the forward estimates period.

COST RECOVERY ARRANGEMENTS

CASA collects fees for regulatory services in accordance with the *Civil Aviation (Fees) Regulations 1995*.

The Government's Aviation White Paper caps the sum of CASA's regulatory fees at the current \$15m per annum until June 2015. The cap acknowledges the Government's commitment to address the impact of CASA's regulatory charges, in particular on regional Australia and general aviation.

A new Cost Recovery Impact Statement (CRIS) has been prepared outlining the outcomes of our recent review of our cost recovery arrangements. The cost recovery review is a periodic review that all significant cost recovery agencies are to undertake in accordance with the *Australian Government Cost Recovery Guidelines, July 2005*.

There will be no increases to the fixed fees or hourly rates in 2013-14.

The following table shows budgeted revenue from CASA's cost recovery arrangements.

| | Estimated Actual | Budget | Forward Estimate | Forward Estimate | Forward Estimate |
|------------------------------|---------------------|----------------|---------------------|---------------------|---------------------|
| | 2012-13 \$m | 2013-14 \$m | 2014-15 \$m | 2015-16 \$m | 2016-17 \$m |
| LTFS Regulatory service fees | 12.7 | 12.0 | 12.0 | 12.0 | 12.5 |
| ASIC/ AVID issue and renewal | 1.5 | 1.5 | 1.5 | 1.5 | 1.6 |
| Total | 14.2 | 13.5 | 13.5 | 13.5 | 14.1 |

1.2: AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all sources.

Table 1.1: Agency resource statement - Budget estimates for 2013-14 as at Budget May 2013

| | Estimate of prior year + amount available in 2013-14 \$'000 | Proposed at Budget = 2013-14 \$'000 | Total estimate 2013-14 \$'000 | Actual available appropriation 2012-13 \$'000 |
|--|--|--|--|---|
| Opening balance/reserves at bank | 50,305 | | 50,305 | 51,864 |
| REVENUE FROM GOVERNMENT | | | | |
| Ordinary annual services¹ | | | | |
| Outcome 1 | | 42,460 | 42,460 | 42,521 |
| Total ordinary annual services | | 42,460 | 42,460 | 42,521 |
| Special appropriations (Department of Infrastructure and Transport) | | | | |
| <i>Aviation Fuel Revenues (Special Appropriation) Act 1988 - s4</i> | | 125,909 | 125,909 | 117,954 |
| Total special appropriations | | 125,909 | 125,909 | 117,954 |
| Payments from related entities² | | | | |
| Department of Infrastructure and Transport | | 740 | 740 | 740 |
| Total | | 740 | 740 | 740 |
| Total funds from Government | 50,305 | 169,109 | 219,414 | 213,079 |
| FUNDS FROM INDUSTRY SOURCES | | | | |
| Regulatory service fees | | 12,000 | 12,000 | 12,667 |
| Total | | 12,000 | 12,000 | 12,667 |
| FUNDS FROM OTHER SOURCES | | | | |
| Interest | | 3,000 | 3,000 | 2,643 |
| Sale of goods and services ³ | | 1,500 | 1,500 | 1,493 |
| Other | | 60 | 60 | 261 |
| Total | | 4,560 | 4,560 | 4,397 |
| Total net resourcing | 50,305 | 185,669 | 235,974 | 230,143 |

All figures are GST exclusive.

CASA is not directly appropriated as it is a CAC Act body. Appropriations are made to the Department of Infrastructure and Transport, which are then paid to CASA and are considered 'departmental' for all purposes.

Notes:

1. Appropriation Bill (No.1) 2013-14.
2. Funding provided by a Government body that is not specified within the annual appropriation bills as a payment to the CAC Act body.
3. Includes revenue from the issuance of Aviation Security Identification Cards (ASIC) and Aviation Verification of Identity (AVID) cards.

1.3: BUDGET MEASURES

Budget measures in Part 1 relating to CASA are detailed in Budget Paper No. 2 and are summarised below.

Table 1.2: Agency 2013-14 Budget measures

Part 1: Measures announced since the 2012-13 MYEFO

There were no measures announced since the 2012-13 MYEFO for CASA.

Part 2: MYEFO measures not previously reported in a portfolio statement

| | Program | 2012-13 (\$'000) | 2013-14 (\$'000) | 2014-15 (\$'000) | 2015-16 (\$'000) | 2016-17 (\$'000) |
|---|--------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Expense measures | | | | | | |
| Fire Services Levy - reduction (2012-13 Budget) ¹ | 1.1 | | | | | |
| Departmental expenses | | (11) | (11) | (12) | (12) | (12) |
| Total resourcing | | (11) | (11) | (12) | (12) | (12) |
| Targeted savings - public service efficiencies | 1.1 | | | | | |
| Departmental expenses | | (143) | (210) | (164) | (141) | (126) |
| Total resourcing | | (143) | (210) | (164) | (141) | (126) |
| Total expense measures | | | | | | |
| | Departmental | (154) | (221) | (176) | (153) | (138) |
| | Total | (154) | (221) | (176) | (153) | (138) |

Prepared on a Government Financial Statistics (fiscal) basis.

Notes:

1. This is a measure announced in the 2012-13 Budget but not previously reported in a portfolio statement.

SECTION 2: OUTCOMES AND PLANNED PERFORMANCE

2.1: OUTCOMES AND PERFORMANCE INFORMATION

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government agencies achieve the intended results of their outcome statements. Agencies are required to identify the programs which contribute to Government outcomes over the Budget and forward years.

CASA has a single key portfolio outcome supported by a number of performance indicators and targets used to assess and monitor the performance of CASA in achieving this outcome.

Outcome 1: Maximise aviation safety through a regulatory regime, detailed technical material on safety standards, comprehensive aviation industry oversight, risk analysis, industry consultation, education and training.

Outcome 1 Strategy

CASA's portfolio outcome will be achieved by delivering its strategic direction articulated in the CASA Corporate Plan and by performing its day-to-day regulatory functions and activities as presented in the authority's divisional business and risk management plans.

Outcome 1 expense statement

Table 2.1 provides an overview of the total expenses for Outcome 1, by program.

Table 2.1: Budgeted expenses for Outcome 1

| | 2012-13 Estimated actual expenses \$'000 | 2013-14 Estimated expenses \$'000 |
|---|--|--|
| Program 1.1: Civil Aviation Safety Authority | | |
| Revenue from Government | | |
| Ordinary Annual Services (Appropriation Bill No. 1) | 42,521 | 42,460 |
| Payment from related entities | 740 | 740 |
| Special Appropriations | 117,954 | 125,909 |
| Revenue from independent sources | 17,064 | 16,560 |
| Expenses not requiring appropriation in the current year ¹ | (6,747) | (2,186) |
| Total for Program 1.1 | 171,532 | 183,483 |
| Total expenses for Outcome 1 | 171,532 | 183,483 |
| | 2012-13 | 2013-14 |
| Average staffing level (number) | 809 | 855 |

Notes:

1. Expenses not requiring appropriation in the Budget year is made up of the operating result and the timings of accruals.

Contributions to Outcome 1**Program 1.1: Civil Aviation Safety Authority****Program 1.1 Objective**

Develop and maintain a quality safety regulatory framework and oversight its application through effective entry control, surveillance, education and enforcement to maintain, enhance and promote civil aviation safety.

Program 1.1 Expenses

The increase in CASA's program expenses in 2013-14 is due to the increasing activity for the regulatory reform and other aviation safety related programs.

| | 2012-13 Revised budget \$'000 | 2013-14 Budget \$'000 | 2014-15 Forward year 1 \$'000 | 2015-16 Forward year 2 \$'000 | 2016-17 Forward year 3 \$'000 |
|---|--|-----------------------------|--|--|--|
| Annual departmental expenses | | | | | |
| Ordinary Annual Services (Appropriation Bill No. 1) | 42,521 | 42,460 | 42,527 | 42,576 | 42,618 |
| Special Appropriations | | | | | |
| Aviation Fuel Revenues (Special Appropriation) Act 1988 - s4 | 117,954 | 125,909 | 127,559 | 128,343 | 133,152 |
| Expenses not requiring appropriation in the Budget year ¹ | 11,057 | 15,114 | 14,810 | 17,689 | 17,296 |
| Total program expenses | 171,532 | 183,483 | 184,896 | 188,608 | 193,066 |

Notes:

- Expenses not requiring appropriation in the Budget year are made up of revenue from independent sources, payments from related entities, the operating result and timings of accruals.

Program 1.1 Deliverables

- **Comprehensive, consistent and effective regulation to enhance aviation safety**

CASA will focus its efforts to maintain, enhance and promote aviation safety as set out in the *Civil Aviation Act*. CASA's work will centre on enhancing oversight and surveillance, completing the Regulatory Reform Program, continuing to reform the Australian administered airspace and continuing effective enforcement to secure compliance with safety standards.

- **Good governance and continuous improvement of organisational efficiency**

CASA is committed to being accountable to the Minister, Parliament and the Australian people. CASA has a number of control systems to monitor governance arrangements and continues to improve its consistent and efficient delivery of operational activities, regulatory services and other support functions. CASA is working to make sure decisions are fair, consistent and reflect systematic evaluation.

- **Effective and appropriate relationships with the wider aviation community**

CASA maintains a constructive working relationship with the Australian Government and promotes effective consultation and communication with the wider aviation community. Through its educational efforts and promotional campaigns, CASA is encouraging the aviation industry to understand its safety obligations and contribute to achieving higher safety outcomes.

| Deliverables | Year | Target |
|--|------------------------|--|
| Comprehensive, consistent and effective regulation to enhance aviation safety. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | Enhanced regulation of aviation safety. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |
| Good governance and continuous improvement of organisational efficiency. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | Enhanced level of governance and operational efficiency. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |
| Effective and appropriate relationships with the wider aviation community. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | Enhanced level of relationships. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |

| Program 1.1 Key performance indicators¹ | | |
|--|------------------------|---|
| <ul style="list-style-type: none"> • Number of accidents per hours flown, by industry sector. • Number of incidents per hours flown, by industry sector. | | |
| Key performance indicators | Year | Target |
| Number of accidents per hours flown, by industry sector. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | Reducing trend. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |
| Number of incidents per hours flown, by industry sector. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | Reducing trend. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |

¹ These measures are considered as high-level performance measures with many government agencies and wider industry operators contributing to the outcome.

SECTION 3: EXPLANATORY TABLES AND BUDGETED FINANCIAL STATEMENTS

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the Budget year 2013-14. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and program expenses, movements in administered funds, special accounts and government Indigenous expenditure.

3.1: EXPLANATORY TABLES

3.1.1: Movement of administered funds between years

CASA does not receive administered funds.

3.1.2: Special Accounts

CASA does not maintain Special Accounts.

3.1.3: Australian Government Indigenous Expenditure

The 2013-14 Australian Government Indigenous Statement is not applicable because CASA has no Indigenous specific expenses.

3.2: BUDGETED FINANCIAL STATEMENTS

3.2.1: Differences in agency resourcing and financial statements

CASA does not have any significant differences between the resource information presented in the Budget Papers and Portfolio Budget Statements as a result of differences between Australian Accounting Standards (AAS) and Government Finance Statistics (GFS).

3.2.2: Analysis of budgeted financial statements

An analysis of CASA's budgeted financial statements, as reflected in the budgeted departmental financial statements for 2013-14, is provided below.

Budgeted departmental income statement

2012-13

CASA is budgeting for an operating surplus in 2012-13 of \$7.0m. This mainly reflects the significant increase in Special Appropriation from aviation fuel excise, planned \$111.9m and the estimated result for 2012-13 is \$118.2m; an increase of \$6.3m.

2013-14

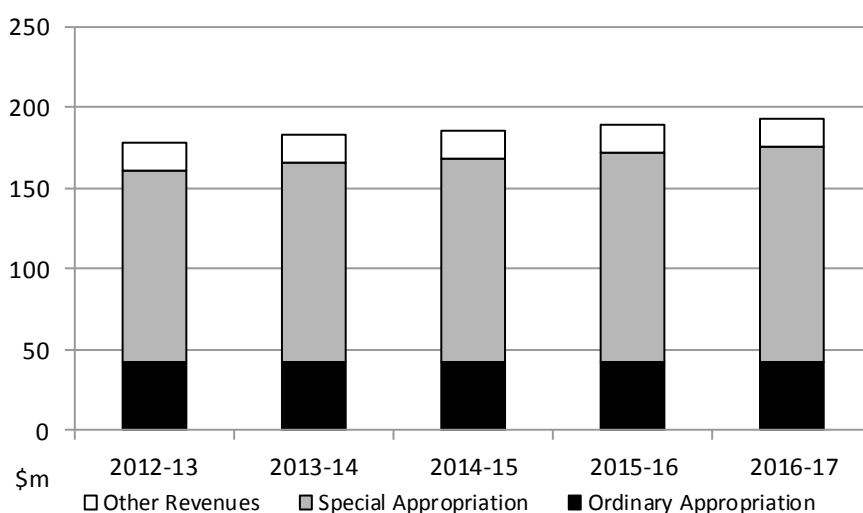
CASA is expecting its total revenue to increase for the financial year, primarily from the increase in special appropriation from aviation fuel excise. This planned increase in total revenue is being used to fund a number of ongoing initiatives such as the increasing activity for the regulatory reform program and new initiatives such as the insourcing of IT support services.

Forward Years

CASA is budgeting for small operating surpluses in the forward years.

Chart 3.1 illustrates CASA's revenue funding. Revenue from special appropriations will increase in the budget and forward years as a result of forecast higher volumes for aviation fuel excise collections.

Chart 3.1: Revenue



Total expenses in 2013-14 are estimated to be \$183.5m, an increase of \$12.0m when compared to 2012-13. The main movements in the major expense categories are:

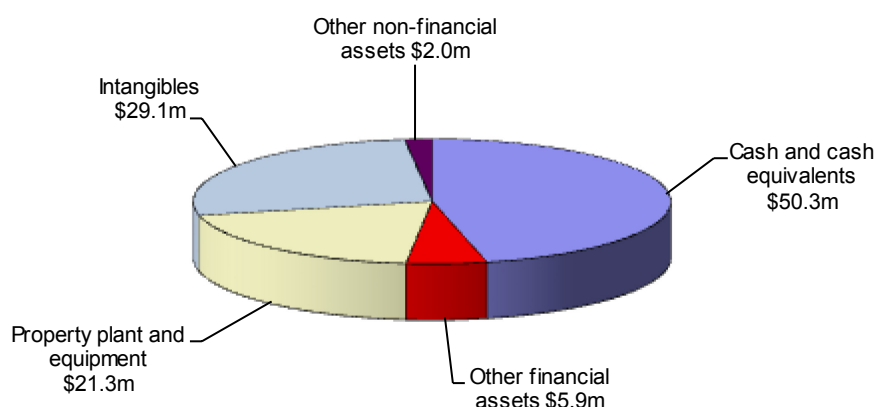
- Employee expenses is increasing by \$9.4m, due to increases as a result of the enterprise bargaining agreement, an increase of staff over 2012-13 due the filling vacant positions, insourcing of ICT services and additional staff due to the general increase in aviation activity and support of the regulatory program;
- Depreciation expenses increasing by \$0.5m, reflecting increased capital expenditure from 2012-13; and
- Supplier expenses increasing by \$2.0m, reflecting the escalation increases for vendor contracts, for example, building leases.

Budgeted departmental balance sheet

CASA's net asset (or equity) position is forecast to have a slight increase, \$0.2m, from the estimated outcome for 2012-13.

Chart 3.2 illustrates CASA's budgeted asset profile. Total budgeted assets of \$108.6m in 2013-14 represents a decrease of \$0.2m from the estimated 2012-13 estimated closing position.

Chart 3.2: Budgeted Assets for 2013-14



CASA's budgeted liabilities of \$42.4m in 2013-14 represent a decrease of \$0.5m from the 2012-13 estimated closing position. The decrease is primarily generated by a net fall in provisions for goods and services. CASA's primary liability continues to be accrued employee salary and leave entitlements of \$25.9m.

3.2.3: Budgeted financial statements tables**Table 3.2.1: Comprehensive income statement (showing net cost of services)
(for the period ended 30 June)**

| | Estimated actual 2012-13 \$'000 | Budget estimate 2013-14 \$'000 | Forward estimate 2014-15 \$'000 | Forward estimate 2015-16 \$'000 | Forward estimate 2016-17 \$'000 |
|--|--|---|--|--|--|
| EXPENSES | | | | | |
| Employee benefits | 109,391 | 118,814 | 122,884 | 127,087 | 130,900 |
| Suppliers | 51,065 | 53,104 | 53,606 | 54,413 | 54,724 |
| Depreciation and amortisation | 11,076 | 11,565 | 8,406 | 7,108 | 7,442 |
| Total expenses | 171,532 | 183,483 | 184,896 | 188,608 | 193,066 |
| LESS: | | | | | |
| OWN-SOURCE INCOME | | | | | |
| Own-source revenue | | | | | |
| Sale of goods and rendering of services | 14,160 | 13,500 | 13,500 | 13,500 | 14,040 |
| Interest | 2,643 | 3,000 | 3,000 | 3,000 | 3,000 |
| Other | 1,001 | 800 | 800 | 800 | 800 |
| Total own-source revenue | 17,804 | 17,300 | 17,300 | 17,300 | 17,840 |
| Total own-source income | 17,804 | 17,300 | 17,300 | 17,300 | 17,840 |
| Net cost of (contribution by) services | 153,728 | 166,183 | 167,596 | 171,308 | 175,226 |
| Revenue from Government | 160,721 | 166,416 | 167,808 | 171,570 | 175,444 |
| Surplus (Deficit) attributable to the Australian Government | 6,993 | 233 | 212 | 262 | 218 |
| Total comprehensive income (loss) attributable to the Australian Government | 6,993 | 233 | 212 | 262 | 218 |

Prepared on Australian Accounting Standards basis.

Table 3.2.2: Budgeted departmental balance sheet (as at 30 June)

| | Estimated actual 2012-13 \$'000 | Budget estimate 2013-14 \$'000 | Forward estimate 2014-15 \$'000 | Forward estimate 2015-16 \$'000 | Forward estimate 2016-17 \$'000 |
|--|--|---|--|--|--|
| ASSETS | | | | | |
| Financial assets | | | | | |
| Cash and cash equivalents | 5,007 | 5,007 | 5,007 | 5,007 | 5,007 |
| Trade and other receivables | 1,527 | 1,527 | 1,527 | 1,527 | 1,527 |
| Investments | 45,052 | 46,998 | 53,776 | 55,815 | 47,510 |
| Other financial assets | 4,572 | 2,619 | 341 | 992 | 666 |
| Total financial assets | 56,158 | 56,151 | 60,651 | 63,341 | 54,710 |
| Non-financial assets | | | | | |
| Property, plant and equipment | 22,067 | 21,276 | 18,023 | 17,142 | 25,666 |
| Intangibles | 28,490 | 29,065 | 27,272 | 25,611 | 25,936 |
| Inventories | 109 | 109 | 109 | 109 | 109 |
| Other non-financial assets | 2,007 | 2,007 | 2,007 | 2,030 | 2,030 |
| Total non-financial assets | 52,673 | 52,457 | 47,411 | 44,892 | 53,741 |
| Total assets | 108,831 | 108,608 | 108,062 | 108,233 | 108,451 |
| LIABILITIES | | | | | |
| Payables | | | | | |
| Suppliers | 4,944 | 4,574 | 4,392 | 5,122 | 5,122 |
| Other payables | 10,783 | 10,515 | 9,995 | 10,054 | 10,054 |
| Total payables | 15,727 | 15,089 | 14,387 | 15,176 | 15,176 |
| Provisions | | | | | |
| Employee provisions | 25,840 | 25,920 | 25,757 | 24,875 | 24,875 |
| Other provisions | 1,311 | 1,413 | 1,520 | 1,522 | 1,522 |
| Total provisions | 27,151 | 27,333 | 27,277 | 26,397 | 26,397 |
| Total liabilities | 42,878 | 42,422 | 41,664 | 41,573 | 41,573 |
| Net assets | 65,953 | 66,186 | 66,398 | 66,660 | 66,878 |
| EQUITY | | | | | |
| Contributed equity | 3,295 | 3,295 | 3,295 | 3,295 | 3,295 |
| Reserves | 5,949 | 5,949 | 5,949 | 5,949 | 5,949 |
| Retained surplus (accumulated deficit) | 56,709 | 56,942 | 57,154 | 57,416 | 57,634 |
| Total equity | 65,953 | 66,186 | 66,398 | 66,660 | 66,878 |

'Equity' is the residual interest in assets after deduction of liabilities.

Prepared on Australian Accounting Standards basis.

**Table 3.2.3: Departmental statement of changes in equity – summary of movement
(Budget year 2013-14)**

| | Retained earnings \$'000 | Asset revaluation reserve \$'000 | Contributed equity/ capital \$'000 | Total equity \$'000 |
|--|--------------------------------|---|---|---------------------------|
| Opening balance as at 1 July 2013 | | | | |
| Balance carried forward from previous period | 56,709 | 5,949 | 3,295 | 65,953 |
| Adjusted opening balance | 56,709 | 5,949 | 3,295 | 65,953 |
| Comprehensive income | | | | |
| Surplus (deficit) for the period | 233 | - | - | 233 |
| Total comprehensive income | 233 | - | - | 233 |
| of which: | | | | |
| Attributable to the Australian Government | 233 | - | - | 233 |
| Closing balance as at 30 June 2014 | 56,942 | 5,949 | 3,295 | 66,186 |
| Closing balance attributable to the Australian Government | 56,942 | 5,949 | 3,295 | 66,186 |

Prepared on Australian Accounting Standards basis.

Table 3.2.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

| | Estimated actual 2012-13 \$'000 | Budget estimate 2013-14 \$'000 | Forward estimate 2014-15 \$'000 | Forward estimate 2015-16 \$'000 | Forward estimate 2016-17 \$'000 |
|---|--|---|--|--|--|
| OPERATING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Appropriations | 42,521 | 42,460 | 42,527 | 42,576 | 42,618 |
| Sale of goods and rendering of services | 17,301 | 19,679 | 19,432 | 19,883 | 21,740 |
| Interest | 2,643 | 3,000 | 3,000 | 3,000 | 3,000 |
| Other | 117,954 | 125,909 | 127,559 | 128,343 | 133,152 |
| Total cash received | 180,419 | 191,048 | 192,518 | 193,802 | 200,510 |
| Cash used | | | | | |
| Employees | 109,092 | 118,734 | 123,047 | 127,969 | 130,900 |
| Suppliers | 51,860 | 53,474 | 53,788 | 53,683 | 54,724 |
| Other | 5,545 | 5,545 | 5,545 | 5,545 | 6,900 |
| Total cash used | 166,497 | 177,753 | 182,380 | 187,197 | 192,524 |
| Net cash from (used by) operating activities | 13,922 | 13,295 | 10,138 | 6,605 | 7,986 |
| INVESTING ACTIVITIES | | | | | |
| Cash used | | | | | |
| Purchase of property plant and equipment and intangibles | 15,727 | 11,349 | 3,360 | 4,566 | 16,291 |
| Total cash used | 15,727 | 11,349 | 3,360 | 4,566 | 16,291 |
| Net cash from (used by) investing activities | (15,727) | (11,349) | (3,360) | (4,566) | (16,291) |
| Net increase (decrease) in cash held | (1,805) | 1,946 | 6,778 | 2,039 | (8,305) |
| Cash and cash equivalents at the beginning of the reporting period | 51,864 | 50,059 | 52,005 | 58,783 | 60,822 |
| Cash and cash equivalents at the end of the reporting period | 50,059 | 52,005 | 58,783 | 60,822 | 52,517 |

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget statement

| | Estimated actual 2012-13 \$'000 | Budget estimate 2013-14 \$'000 | Forward estimate 2014-15 \$'000 | Forward estimate 2015-16 \$'000 | Forward estimate 2016-17 \$'000 |
|--|--|---|--|--|--|
| PURCHASE OF NON-FINANCIAL ASSETS | | | | | |
| Funded internally from departmental resources ¹ | 15,727 | 11,349 | 3,360 | 4,566 | 16,291 |
| Total | 15,727 | 11,349 | 3,360 | 4,566 | 16,291 |
| RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE | | | | | |
| Total purchases | 15,727 | 11,349 | 3,360 | 4,566 | 16,291 |
| Total cash used to acquire assets | 15,727 | 11,349 | 3,360 | 4,566 | 16,291 |

Prepared on Australian Accounting Standards basis.

Notes:

1. Includes funding from prior year Bill 2 appropriations, agency receipts, and proceeds from the sale of assets.

Table 3.2.6: Statement of asset movements (2013-14)

| | Property, plant and equipment \$'000 | Intangibles \$'000 | Total \$'000 |
|---|---|-----------------------|-----------------|
| As at 1 July 2013 | | | |
| Gross book value | 32,565 | 65,578 | 98,143 |
| Accumulated depreciation/amortisation and impairment | (10,498) | (37,088) | (47,586) |
| Opening net book balance | 22,067 | 28,490 | 50,557 |
| CAPITAL ASSET ADDITIONS | | | |
| Estimated expenditure on new or replacement assets | | | |
| By purchase - other | 5,318 | 6,031 | 11,349 |
| Sub-total | 5,318 | 6,031 | 11,349 |
| Other movements | | | |
| Depreciation/amortisation expense | (6,109) | (5,456) | (11,565) |
| Sub-total | (6,109) | (5,456) | (11,565) |
| As at 30 June 2014 | | | |
| Gross book value | 37,883 | 71,609 | 109,492 |
| Accumulated depreciation/amortisation and impairment | (16,607) | (42,544) | (59,151) |
| Closing net book balance | 21,276 | 29,065 | 50,341 |

Prepared on Australian Accounting Standards basis.

3.2.4: Notes to the financial statements

Basis of accounting

The budgeted financial statements have been prepared on an accruals basis and are in accordance with the historical cost convention, except for infrastructure, plant and equipment assets and employee entitlements. Property, plant and equipment assets are revalued every year using a fair value methodology. Employee entitlements are measured at the present value of estimated future cash flows based on periodic actuarial assessment.

The budgeted financial statements contain estimates prepared in accordance with the requirements of the Australian Government's financial budgeting and reporting framework, including:

- the Finance Minister's Orders;
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board; and
- specific guidance provided by the Department of Finance and Deregulation.

Departmental and administered items

Agency assets, liabilities, revenues and expenses are those items that are controlled and used by CASA in providing its goods and services and include:

- computers, plant and equipment used in producing goods and services;
- liabilities for employee entitlements;
- revenue from appropriations or independent sources in payment for services; and
- employee, supplier and depreciation expenses incurred in providing agency services.

CASA has no administered items.

Budgeted departmental income statement

Revenue from Government

CASA's ordinary appropriation estimates are generally quarantined from indexation and efficiency dividend adjustments. Estimates for special appropriation funding have been made on the basis of expected aviation fuel excise collections.

The Department of Infrastructure and Transport draws down ordinary and special appropriations on behalf of CASA.

Goods and services revenue

Goods and services revenue primarily represents revenue from cost recovery arrangements and purchase provider arrangements. Estimates are derived from projected service level activities and agreed purchase provider arrangements.

Other revenue

Other revenue comprises the sale of forms and documents, advertising, administrative fines and other sundry revenue. Estimates are based on averages from prior year receipts.

Departmental expenses

Employee expenses represent payments and accruing entitlements to employees for services rendered in the financial year.

Supplier expenses represent payments made and accruing obligations to suppliers for goods and services used in providing CASA's goods and services.

Depreciation and amortisation expenses comprise depreciable plant and equipment, buildings and intangible assets as they are written-off to their estimated residual values over their projected useful life to CASA using the straight-line calculation method.

Departmental assets - financial assets

CASA's financial assets are maintained to fund CASA's capital replacements, employee entitlements, creditors and to provide working capital. In addition, CASA's cash reserves provide a contingency to offset fluctuations in aviation fuel excise to avoid calls for additional budget supplementation.

Departmental assets - non-financial assets

These items primarily represent future economic benefits that CASA will consume in providing goods and services. Reported values represent the purchase price paid, adjusted for revaluations, less depreciation incurred to date in using the asset.

Other non-financial assets represent prepaid supplier expenses as at balance date.

Departmental liabilities - provisions and payables

Provision has been made for CASA's liability for employee entitlements arising from services rendered by employees. This liability includes unpaid annual leave and long service leave.

Provision has also been made for unpaid supplier expenses as at balance date.

Appendix 3.2.1: Total budgeted revenue

| | 2012-13 \$'000 | 2013-14 \$'000 | 2014-15 \$'000 | 2015-16 \$'000 | 2016-17 \$'000 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Ordinary Appropriation from Government | 42,521 | 42,460 | 42,527 | 42,576 | 42,618 |
| Special Appropriation | 118,200 | 123,956 | 125,281 | 128,994 | 132,826 |
| Revenue from related entities | 740 | 740 | 740 | 740 | 740 |
| Appropriations from Government | 161,461 | 167,156 | 168,548 | 172,310 | 176,184 |
| Regulatory service fees | 12,667 | 12,000 | 12,000 | 12,000 | 12,480 |
| Other cost recovery and purchase provider arrangements | 1,493 | 1,500 | 1,500 | 1,500 | 1,560 |
| Interest | 2,643 | 3,000 | 3,000 | 3,000 | 3,000 |
| Other | 261 | 60 | 60 | 60 | 60 |
| Revenue from other sources | 17,064 | 16,560 | 16,560 | 16,560 | 17,100 |
| Total revenue | 178,525 | 183,716 | 185,108 | 188,870 | 193,284 |

National Transport Commission

Agency resources and planned performance

National Transport Commission

| | |
|--|------------|
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SECTION 1: AGENCY OVERVIEW AND RESOURCES

1.1: STRATEGIC DIRECTION STATEMENT

The National Transport Commission (NTC) is an inter-governmental agency charged with improving the productivity, safety and environmental performance of Australia's road, rail and intermodal transport system.

As an independent statutory authority under the *Commonwealth Authorities and Companies Act 1997*, the NTC develops and submits reform recommendations to the Standing Council on Transport and Infrastructure (SCOTI) which comprises federal, state and territory transport and infrastructure ministers. The NTC plays a role in coordinating, monitoring and maintaining the implementation of reforms approved by SCOTI.

As set out in the NTC's Inter-Governmental Agreement (IGA) for Regulatory and Operational Reform in Road, Rail and Intermodal Transport and the National Transport Commission Act 2003, there is a requirement for NTC to develop a rolling three year strategic plan. The strategic plan drives NTC's work program, constituting a mix of Council of Australian Governments' (COAG)/SCOTI priority reform, existing SCOTI reforms and IGA requirements. NTC's work program and agenda can change each year based on the direction of SCOTI and COAG.

Over the years, the NTC's work has evolved to meet changing transport reform needs, from technical alignment of regulation to more sophisticated risk-based reform as part of an integrated and coordinated national policy response. NTC's mandate has been expanded to specifically include enhanced evaluation and implementation planning. This will ensure reform outcomes are realised on the ground.

The NTC works collaboratively with governments and industry stakeholders to improve the transport system. In developing reforms, the NTC undertakes considerable strategic engagement with affected stakeholders in the transport sector which includes transport industry groups, businesses, unions, governments and community groups. Through this engagement, the NTC develops a fuller understanding of the challenges stakeholders face and the potential impacts of reforms on the ground.

The NTC's revised forward work program reflects the outcomes of the draft *2012 Review of the NTC and other relevant transport bodies* and the collaborative planning workshop held with government and industry stakeholders in December 2012. Agreed priorities are based on the delivery of CoAG and SCOTI reform projects that will deliver the most effective national regulatory and operational reforms. The NTC's work program is very much centred on its core business of delivering on major national reform priorities and ensuring implemented reforms are effective.

1.2: AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all sources.

Table 1.1: Agency resource statement - Budget estimates for 2013-14 as at Budget May 2013

| | Estimate of prior year + amount available in 2013-14 \$'000 | Proposed at Budget = 2013-14 \$'000 | Total estimate 2013-14 \$'000 | Actual available appropriation 2012-13 \$'000 |
|--|--|--|--|---|
| Opening balance/Reserves at bank | 1,326 | | 1,326 | 2,036 |
| REVENUE FROM GOVERNMENT | | | | |
| Ordinary annual services¹ | | | | |
| Outcome 1 | | 3,169 | 3,169 | 3,100 |
| Total ordinary annual services | | 3,169 | 3,169 | 3,100 |
| Total funds from Government | 1,326 | 3,169 | 4,495 | 5,136 |
| FUNDS FROM OTHER SOURCES | | | | |
| Interest | | 39 | 39 | 53 |
| State and Territory Government contributions | | 5,880 | 5,880 | 5,877 |
| Other | | - | - | 59 |
| Total | | 5,919 | 5,919 | 5,989 |
| Total net resourcing | 1,326 | 9,088 | 10,414 | 11,125 |

All figures are GST exclusive.

NTC is not directly appropriated as it is a CAC Act body. Appropriations are made to the Department of Infrastructure and Transport, which are then paid to NTC and are considered 'departmental' for all purposes.

Notes:

1. Appropriation Bill (No.1) 2013-14.

1.3: BUDGET MEASURES

Budget measures in Part 1 relating to NTC are detailed in Budget Paper No. 2 and are summarised below.

Table 1.2: Agency 2013-14 Budget measures

Part 1: Measures announced since the 2012-13 MYEFO

There were no measures announced since the 2012-13 MYEFO for NTC.

Part 2: MYEFO measures not previously reported in a portfolio statement

There were no MYEFO measures not previously reported in a portfolio statement for NTC.

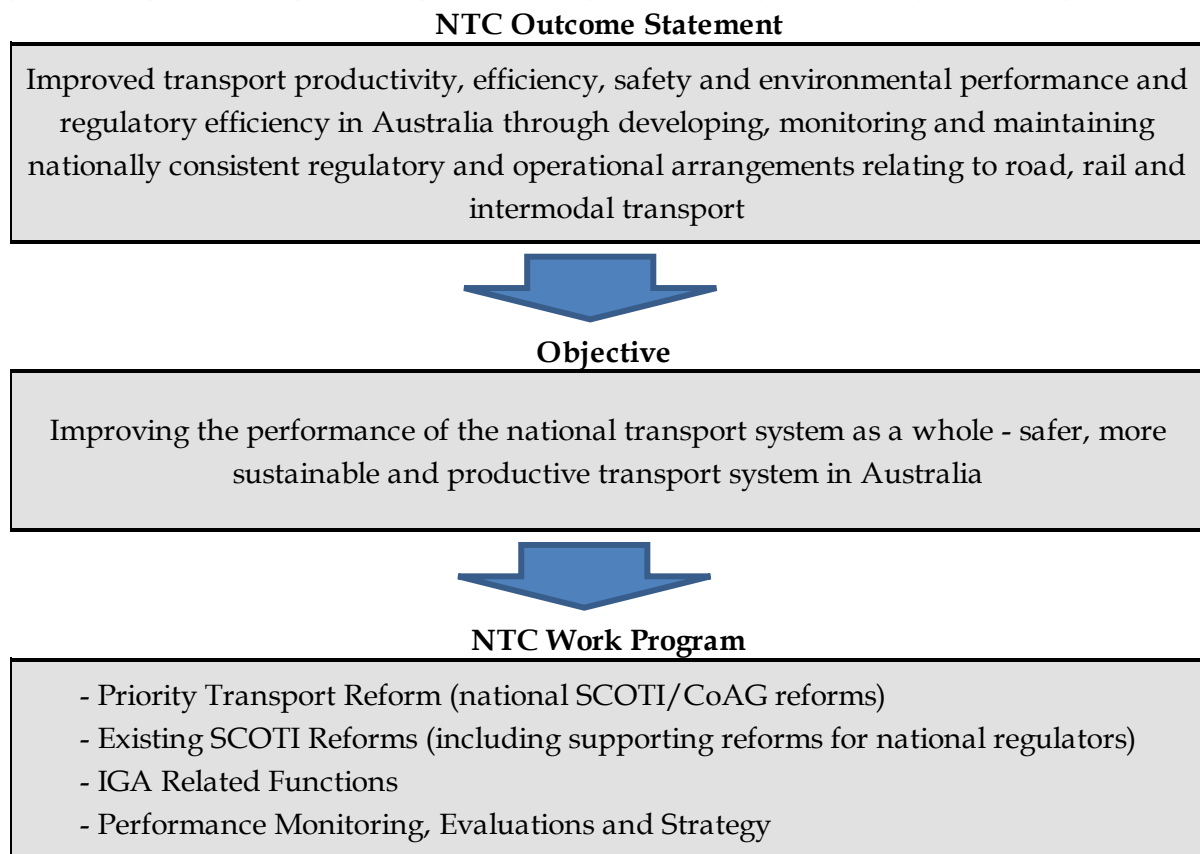
SECTION 2: OUTCOMES AND PLANNED PERFORMANCE

2.1: OUTCOMES AND PERFORMANCE INFORMATION

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government agencies achieve the intended results of their outcome statements. Agencies are required to identify the programs which contribute to Government outcomes over the budget and forward years.

The outcome described below together with its related programs, determines the performance indicators and targets used to assess and monitor performance of NTC in achieving outcomes.

Figure 2.1: NTC's Outcome Statement, Objective and Work Program



Outcome 1: Improved transport productivity, efficiency, safety and environmental performance and regulatory efficiency in Australia through developing, monitoring and maintaining nationally consistent regulatory and operational arrangements relating to road, rail and intermodal transport.

Outcome 1 Strategy

NTC has developed a work program that aims to deliver across a broad range of reform areas such as heavy vehicle pricing, heavy vehicle access, compliance and technology, maintenance of existing reforms and strategic planning that extends across road, rail and intermodal.

The NTC has undertaken extensive consultation with industry and stakeholders prior to developing the work program agenda. The consultation process provided an opportunity for NTC to identify potential gaps and inconsistencies when comparing against SCOTI's policy framework (economic, safety, environmental and integration).

As outlined within the NTC Inter-Governmental Agreement (IGA), the work program must be presented to SCOTI for endorsement by transport and infrastructure ministers prior to commencement each financial year.

Outcome 1 expense statement

Table 2.1 provides an overview of the total expenses for Outcome 1, by program.

Table 2.1: Budgeted expenses for Outcome 1

| | 2012-13 Estimated actual expenses \$'000 | 2013-14 Estimated expenses \$'000 |
|---|--|--|
| Program 1.1: National Transport Commission | | |
| Revenue from Government | | |
| Ordinary Annual Services (Appropriation Bill No. 1) | 3,100 | 3,169 |
| Revenue from independent sources | 5,989 | 5,919 |
| Expenses not requiring appropriation in the current year ¹ | (59) | - |
| Total for Program 1.1 | 9,030 | 9,088 |
| Total expenses for Outcome 1 | 9,030 | 9,088 |
| | 2012-13 | 2013-14 |
| Average staffing level (number) | 46 | 45 |

Notes:

1. Expenses not requiring appropriation in the current year represent expenses funded from existing cash reserves and revenue from independent sources.

Contributions to Outcome 1

Program 1.1: National Transport Commission**Program 1.1 Objective**

Delivery of approved reforms as outlined within the NTC work program (subject to approval by transport and infrastructure ministers of SCOTI).

Program 1.1 Expenses

The following tables summarises the preliminary expense estimates for the NTC's work program. The '*expenses not requiring appropriation in the budget year*' represents expenses funded from existing cash reserves and revenue from independent sources.

| | 2012-13 Revised budget \$'000 | 2013-14 Budget \$'000 | 2014-15 Forward year 1 \$'000 | 2015-16 Forward year 2 \$'000 | 2016-17 Forward year 3 \$'000 |
|---|--|-----------------------------|--|--|--|
| Annual departmental expenses | | | | | |
| Ordinary Annual Services (Appropriation Bill No. 1) | 3,100 | 3,169 | 3,245 | 3,326 | 3,409 |
| Expenses not requiring appropriation in the Budget year ¹ | 5,930 | 5,919 | 6,059 | 6,212 | 6,372 |
| Total program expenses | 9,030 | 9,088 | 9,304 | 9,538 | 9,781 |

Notes:

1. Expenses not requiring appropriation in the current year are made up of Revenue from independent sources and existing cash reserves.

| Program 1.1 Deliverables | | |
|---|------------------------|---|
| Deliverables | Year | Target |
| Environment, Safety and Productivity <u>Heavy Vehicle Access</u> Support Performance Based Standards (PBS) Implementation of National Heavy Vehicle Regulator (NHVR) forward work program items which improve road network access for heavy vehicles. <u>NHVR Implementation</u> Support transition to National Heavy Vehicle Regulator Office. <u>Ports Strategy National Plan</u> Implementation of CoAG approved activities to support the National Ports Strategy. <u>Business Partnerships (safety)</u> Corporate social responsibility safety programs. | 2012-13 Revised budget | Implement support for Performance Based Standards. Establishment of Regulator 2013. Review and identify best practice corporate social responsibility safety programs. Review of international ports best practice and establish ports steering, technology and expert panel groups. |
| | 2013-14 Budget | Access arrangements policy paper. Implementation support, monitor and review. Ports Strategy progress report to SCOTI. Transition of partnership framework to industry. Monitor and review. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |
| | | |

| Program 1.1 Deliverables (continued) | | |
|---|------------------------|--|
| Deliverables | Year | Target |
| Compliance and Technology <u>Compliance Framework</u> Review and recommend best practice regulatory compliance policy from a risk based approach. <u>Electronic Work Diary (EWD)</u> Regulatory policy. <u>Collaborative-Intelligent Transport Systems (C-ITS)</u> Regulatory policy including telematics and on-board mass monitoring. <u>National Heavy Vehicle Law</u> Implementation and maintenance to address NHVR forward work program legislative policy issues (e.g. officer liability, fatigue and OH&S laws). | 2012-13 Revised budget | Establishment of Regulator 2013. Finalise EWD reform. C-ITS policy direction to SCOTI. |
| | 2013-14 Budget | Implementation support, delivery of joint work program with the National Heavy Vehicle Regulator. Implement SCOTI agreed reforms. Delivery of EWD RIS to SCOTI. Explore national and international policy issues. |
| | 2014-15 Forward year 1 | Ongoing. Delivery of EWD reform. Release C-ITS report. Regulator support and implementation. |
| | 2015-16 Forward year 2 | Ongoing. Delivery of EWD reform. Regulator support and implementation. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2015-16 Budget target. |
| Reform Maintenance Australian Road Rules (ARR), Australian Vehicle Standards Rules (AVSR), Dangerous Goods, Rail Medical Standards and National Rail Safety Regulator Maintenance package. <u>National Rail Safety Regulator (maintenance package)</u> Support implementation including guideline development, and lead priority maintenance. | 2012-13 Revised budget | Establishment of Regulator 2013. |
| | 2013-14 Budget | Rail medical standards. Australian Road Rules 10 th pack. Australian Vehicle Standards 8 th pack. Rail maintenance package (phase 1). |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |

| Program 1.1 Deliverables (continued) | | |
|--|------------------------|---|
| Deliverables | Year | Target |
| Reform Monitoring, Evaluations and Strategy Performance reporting used as a learning tool and to inform strategic planning priorities for reform e.g. research and business case studies. Longitudinal surveys (before and after regulators established) to monitor reform impacts. <u>Reform evaluations</u> Australian Road Rules (ARR), Australian Vehicle Standards Rules (AVSR) and Dangerous Goods. | 2012-13 Revised budget | Regulatory efficiency (compliance cost) survey. Delivery of final ARR and AVSR reviews to SCOTI. Final Dangerous Goods Code review. |
| | 2013-14 Budget | Strategic planning and business cases to SCOTI. Performance evaluating and reporting. Develop and implement agreed reforms. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |
| Heavy Vehicle Pricing Support HVCI feasibility study and progress SCOTI agreed reform recommendations (commencement of Heavy Vehicle Price Determination review). | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | SCOTI agreed reform agenda. Development of RIS (Review and determination process). |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |

Program 1.1 Key performance indicators

The following key performance indicators, addressing key features of the program, measure the effectiveness of the program in meeting its objective.

| Key performance indicators | Year | Target |
|----------------------------------|------------------------|--|
| Regulatory quality is improved. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | 100% compliance with Office of Best Practice and Regulation. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |
| NTC work program is delivered. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | Work program is delivered on time and on budget. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |
| Developed reforms are agreed to. | 2012-13 Revised budget | Ongoing – refer to 2013-14 Budget target. |
| | 2013-14 Budget | All developed reforms receive SCOTI agreement. |
| | 2014-15 Forward year 1 | Ongoing – refer to 2013-14 Budget target. |
| | 2015-16 Forward year 2 | Ongoing – refer to 2013-14 Budget target. |
| | 2016-17 Forward year 3 | Ongoing – refer to 2013-14 Budget target. |

SECTION 3: EXPLANATORY TABLES AND BUDGETED FINANCIAL STATEMENTS

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2013-14 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and program expenses, movements in administered funds, special accounts and government Indigenous expenditure.

3.1: EXPLANATORY TABLES

3.1.1: Movement of administered funds between years

NTC does not receive administered funds.

3.1.2: Special Accounts

NTC does not maintain Special Accounts.

3.1.3: Australian Government Indigenous Expenditure

The 2013-14 Australian Government Indigenous Statement is not applicable because NTC has no Indigenous specific expenses.

3.2: BUDGETED FINANCIAL STATEMENTS

3.2.1: Differences in agency resourcing and financial statements

NTC does not have any significant differences between the resource information presented in the Budget Papers and Portfolio Budget Statements as a result of differences between Australian Accounting Standards (AAS) and Government Finance Statistics (GFS).

3.2.2: Analysis of budgeted financial statements

An analysis of NTC's budgeted financial statements, as reflected in the budgeted departmental financial statements for 2013-14, is provided below.

Budgeted departmental income statement

NTC's primary source of income is funding provided by Commonwealth, States and Territories on an annual basis, apportioned by an agreed percentage allocation as outlined within NTC's IGA. Annual funding is increased by index (forward CPI) each year to support NTC's work program portfolio.

Under the NTC Act, funding for the Commission is to be applied only in payment or discharge of the costs, expenses and other obligations incurred by the Commission in the performance of its functions and the exercise of its powers.

Each year, the Commission must prepare estimates, in accordance with SCOTI directions, of the Commission's receipts and expenditure for each financial year and, if SCOTI so directs, for any other period specified by SCOTI. The Commission must submit estimates so prepared to SCOTI no later than such a date as SCOTI directs. Except with the consent of SCOTI, the funding of the Commission must not be spent otherwise than in accordance with the applicable strategic plan and work program provided annually. On this basis, NTC's forward estimate may change yearly based on directions from SCOTI.

Budgeted departmental balance sheet

The NTC's balance sheet is simple in structure and classification. Assets are largely comprised of cash and office plant and equipment, while liabilities are payables (to suppliers) and employee provision (staff entitlements).

3.2.3: Budgeted financial statements tables**Table 3.2.1: Comprehensive income statement (showing net cost of services)
(for the period ended 30 June)**

| | Estimated actual 2012-13 \$'000 | Budget estimate 2013-14 \$'000 | Forward estimate 2014-15 \$'000 | Forward estimate 2015-16 \$'000 | Forward estimate 2016-17 \$'000 |
|--|--|---|--|--|--|
| EXPENSES | | | | | |
| Employee benefits | 6,121 | 5,982 | 6,242 | 6,524 | 6,818 |
| Suppliers | 2,755 | 2,929 | 2,877 | 2,809 | 2,748 |
| Depreciation and amortisation | 154 | 177 | 185 | 205 | 215 |
| Total expenses | 9,030 | 9,088 | 9,304 | 9,538 | 9,781 |
| LESS: | | | | | |
| OWN-SOURCE INCOME | | | | | |
| Own-source revenue | | | | | |
| Interest | 53 | 39 | 38 | 40 | 46 |
| Other ¹ | 5,877 | 5,880 | 6,021 | 6,172 | 6,326 |
| Total own-source revenue | 5,930 | 5,919 | 6,059 | 6,212 | 6,372 |
| Total own-source income | 5,930 | 5,919 | 6,059 | 6,212 | 6,372 |
| Net cost of (contribution by) services | 3,100 | 3,169 | 3,245 | 3,326 | 3,409 |
| Revenue from Government | 3,100 | 3,169 | 3,245 | 3,326 | 3,409 |
| Surplus (Deficit) attributable to the Australian Government | - | - | - | - | - |
| Total comprehensive income (loss) attributable to the Australian Government | - | - | - | - | - |

Prepared on Australian Accounting Standards basis.

Forward estimate may vary subject to direction from SCOTI.

Notes:

1. Relates to funding provided by States and Territories.

Table 3.2.2: Budgeted departmental balance sheet (as at 30 June)

| | Estimated actual 2012-13 \$'000 | Budget estimate 2013-14 \$'000 | Forward estimate 2014-15 \$'000 | Forward estimate 2015-16 \$'000 | Forward estimate 2016-17 \$'000 |
|--|--|---|--|--|--|
| ASSETS | | | | | |
| Financial assets | | | | | |
| Cash and cash equivalents | 1,326 | 1,265 | 1,270 | 1,375 | 1,490 |
| Trade and other receivables | 30 | 30 | 30 | 30 | 30 |
| Total financial assets | 1,356 | 1,295 | 1,300 | 1,405 | 1,520 |
| Non-financial assets | | | | | |
| Land & buildings | 164 | 243 | 172 | 101 | 30 |
| Property, plant and equipment | 560 | 542 | 608 | 574 | 530 |
| Total non-financial assets | 724 | 785 | 780 | 675 | 560 |
| Total assets | 2,080 | 2,080 | 2,080 | 2,080 | 2,080 |
| LIABILITIES | | | | | |
| Payables | | | | | |
| Suppliers | 300 | 300 | 300 | 300 | 300 |
| Other payables | 115 | 115 | 115 | 115 | 115 |
| Total payables | 415 | 415 | 415 | 415 | 415 |
| Provisions | | | | | |
| Employee provisions | 600 | 600 | 600 | 600 | 600 |
| Total provisions | 600 | 600 | 600 | 600 | 600 |
| Total liabilities | 1,015 | 1,015 | 1,015 | 1,015 | 1,015 |
| Net assets | 1,065 | 1,065 | 1,065 | 1,065 | 1,065 |
| EQUITY | | | | | |
| Reserves | 119 | 119 | 119 | 119 | 119 |
| Retained surplus (accumulated deficit) | 946 | 946 | 946 | 946 | 946 |
| Total equity | 1,065 | 1,065 | 1,065 | 1,065 | 1,065 |

'Equity' is the residual interest in assets after deduction of liabilities.

Prepared on Australian Accounting Standards basis.

**Table 3.2.3: Departmental statement of changes in equity – summary of movement
(Budget year 2013-14)**

| | Retained earnings | Asset revaluation reserve | Total equity |
|--|----------------------|---------------------------------|-----------------|
| | \$'000 | \$'000 | \$'000 |
| Opening balance as at 1 July 2013 | | | |
| Balance carried forward from previous period | 946 | 119 | 1,065 |
| Adjusted opening balance | 946 | 119 | 1,065 |
| Comprehensive income | | | |
| Surplus (deficit) for the period | - | - | - |
| Total comprehensive income | - | - | - |
| Estimated closing balance as at 30 June 2014 | 946 | 119 | 1,065 |
| Closing balance attributable to the Australian Government | 946 | 119 | 1,065 |

Prepared on Australian Accounting Standards basis.

Table 3.2.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

| | Estimated actual 2012-13 \$'000 | Budget estimate 2013-14 \$'000 | Forward estimate 2014-15 \$'000 | Forward estimate 2015-16 \$'000 | Forward estimate 2016-17 \$'000 |
|---|--|---|--|--|--|
| OPERATING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Appropriations | 3,100 | 3,169 | 3,245 | 3,326 | 3,409 |
| Interest | 53 | 39 | 38 | 40 | 46 |
| Other | 5,936 | 5,880 | 6,021 | 6,172 | 6,326 |
| Total cash received | 9,089 | 9,088 | 9,304 | 9,538 | 9,781 |
| Cash used | | | | | |
| Employees | 6,379 | 5,982 | 6,242 | 6,524 | 6,818 |
| Suppliers | 2,998 | 2,929 | 2,877 | 2,809 | 2,748 |
| Other | - | - | - | - | - |
| Total cash used | 9,377 | 8,911 | 9,119 | 9,333 | 9,566 |
| Net cash from (used by) operating activities | (288) | 177 | 185 | 205 | 215 |
| INVESTING ACTIVITIES | | | | | |
| Cash used | | | | | |
| Purchase of property plant and equipment and intangibles | 422 | 238 | 180 | 100 | 100 |
| Total cash used | 422 | 238 | 180 | 100 | 100 |
| Net cash from (used by) investing activities | (422) | (238) | (180) | (100) | (100) |
| Net increase (decrease) in cash held | (710) | (61) | 5 | 105 | 115 |
| Cash and cash equivalents at the beginning of the reporting period | 2,036 | 1,326 | 1,265 | 1,270 | 1,375 |
| Cash and cash equivalents at the end of the reporting period | 1,326 | 1,265 | 1,270 | 1,375 | 1,490 |

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget statement

| | Estimated actual 2012-13 \$'000 | Budget estimate 2013-14 \$'000 | Forward estimate 2014-15 \$'000 | Forward estimate 2015-16 \$'000 | Forward estimate 2016-17 \$'000 |
|--|--|---|--|--|--|
| PURCHASE OF NON-FINANCIAL ASSETS | | | | | |
| Funded internally from departmental resources ¹ | 422 | 238 | 180 | 100 | 100 |
| Total | 422 | 238 | 180 | 100 | 100 |
| RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE | | | | | |
| Total purchases | 422 | 238 | 180 | 100 | 100 |
| Total cash used to acquire assets | 422 | 238 | 180 | 100 | 100 |

Prepared on Australian Accounting Standards basis.

Notes:

1. Includes funding from agency receipts, and proceeds from the sale of assets.

Table 3.2.6: Statement of asset movements (2013-14)

| | Buildings \$'000 | Property plant and equipment \$'000 | Total \$'000 |
|---|---------------------|--|-----------------|
| As at 1 July 2013 | | | |
| Gross book value | 823 | 1,132 | 1,955 |
| Accumulated depreciation/amortisation and impairment | (659) | (572) | (1,231) |
| Opening net book balance | 164 | 560 | 724 |
| CAPITAL ASSET ADDITIONS | | | |
| Estimated expenditure on new or replacement assets | | | |
| By purchase - other | 150 | 88 | 238 |
| Sub-total | 150 | 88 | 238 |
| Other movements | | | |
| Depreciation/amortisation expense | (71) | (106) | (177) |
| Sub-total | (71) | (106) | (177) |
| As at 30 June 2014 | | | |
| Gross book value | 973 | 1,220 | 2,193 |
| Accumulated depreciation/amortisation and impairment | (730) | (678) | (1,408) |
| Closing net book balance | 243 | 542 | 785 |

Prepared on Australian Accounting Standards basis.

3.2.4: Notes to the financial statements

1. Accounting policy

The budgeted financial statements have been prepared on an accrual accounting basis, having regard to Statements of Accounting Concepts, and in accordance with:

- the Finance Minister's Orders;
- Australian Accounting Standards; and
- other authoritative pronouncements of the Australian Accounting Standards Board.

2. Departmental and administered items

Agency assets, liabilities, revenues and expenses are those items that are controlled by NTC that are used in producing its outcomes and include:

- infrastructure, plant and equipment used in providing goods and services;
- liabilities for employee entitlements;
- revenue from appropriations or independent sources in payment for outcomes; and
- employee, supplier and depreciation expenses incurred in providing agency outcomes.

NTC has no administered items.

3. Departmental expenses – employees

Payments and net increases in entitlements to employees for services rendered in the financial year.

4. Departmental expenses – suppliers

Payments to suppliers for goods and services used in providing in agency outcomes.

5. Departmental expenses – depreciation and amortisation

Depreciable property plant and equipment, buildings and intangible assets are written-off to their estimated residual values over their estimated useful life to NTC, using the straight-line calculation method.

6. Departmental revenue

Revenue from government represents funding from Commonwealth, appropriated based on the funding formula outlined in the NTC IGA.

Revenue from other sources, representing sales from goods and service and funding from states and jurisdictions, is recognised when:

- the risk and awards of ownership have been transferred to the buyer;
- the seller retains no managerial involvement nor effective control over the goods;
- the revenue and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the entity.

7. Departmental assets – financial assets

The primary financial asset relates to cash and receivables. Financial assets are used to fund NTC work program, employee entitlements, creditors and to provide working capital.

8. Departmental assets – non-financial assets

These items represent future economic benefits that NTC will consume in producing outcomes. The reported value represents the purchase price paid less depreciation incurred to date in using the asset.

9. Departmental liabilities – provisions and payables

Provision has been made for NTC's liability for employee entitlements arising from services rendered by employees. This liability includes unpaid annual leave and long service leave.

GLOSSARY

| | |
|------------------------------------|--|
| Actual available appropriation | The Actual available appropriation indicates the total appropriations available to the agency for 2011-12 as at the 2012-13 Budget. It includes all appropriations made available to the agency in the year (+/- section 32 transfers, formal reductions, Advance to the Finance Minister and movements of funds). It is to be the same as the comparator figure included in the Appropriation Bills, and as such provides a comparison with the appropriation proposed for the budget year. |
| Additional Estimates | Where amounts appropriated at Budget time are insufficient, Parliament may appropriate more funds to portfolios through the Additional Estimates Acts. This is the Additional Estimates process. |
| Additional Estimates Bills or Acts | These are Appropriation Bills 3 and 4, and a separate Bill for the Parliamentary Departments Appropriations (Parliamentary Departments) Bill (No 2). These Bills are introduced into Parliament after the Budget Bills. In 2012-13, the Budget was introduced in May 2012, and the Additional Estimates Bills were introduced in February 2013. |
| Administered item | Appropriation that consists of funding managed on behalf of the Commonwealth. This funding is not at the discretion of the agency and any unspent appropriation is returned to the CRF at the end of the financial year. An administered item is a component of an administered program. It may be a measure but will not constitute a program in its own right. |
| Agency | Generic term for Australian Government General Government Sector entities, including those governed by the FMA Act or CAC Act and the High Court of Australia. |
| Annual appropriation | Two appropriation Bills are introduced into Parliament in May and comprise the Budget for the financial year beginning 1 July. Further Bills are introduced later in the financial year as part of the additional estimates. Parliamentary departments have their own appropriations. |
| Appropriation | An amount of public money parliament authorises for spending (i.e. funds to be withdrawn from the CRF). Parliament makes laws for appropriating money under the Annual Appropriation Acts and under Special Appropriations, with spending restricted to the purposes specified in the Appropriation Acts. |
| Budget Paper 1 (BP1) | Budget Strategy and Outlook. Provides information and analysis on whole of government expenditure and revenue. |
| Budget Paper 2 (BP2) | Budget Measures. Provides a description of each budget measure by portfolio. |
| Budget Paper 3 (BP3) | Australia's Federal Relations. Provides information and analysis on Federal funding provided to the States and Territories. |

| | |
|---|--|
| Budget Paper 4 (BP4) | Agency Resourcing. Details total resourcing available to agencies. |
| Central Agencies | The Department of Prime Minister and Cabinet, the Department of the Treasury and the Department of Finance and Deregulation. |
| <i>Commonwealth Authorities and Companies Act 1997</i> (CAC Act) | The CAC Act sets out the financial management, accountability and audit obligations on Commonwealth statutory authorities and companies in which the Commonwealth has at least a direct controlling interest. A list of CAC Act bodies can be found at: finance.gov.au/financial-framework/cac-legislation/docs/CAC-body-list.pdf . |
| Consolidated Revenue Fund (CRF) | The principal operating fund from which money is drawn to pay for the activities of the Government. Section 81 of the Australian Constitution provides that all revenue raised or monies received by the Executive Government forms one consolidated revenue fund from which appropriations are made for the purposes of the Australian Government. |
| Departmental item | Resources (assets, liabilities, revenues and expenses) that agency Chief Executive Officers control directly. This includes outsourced activities funded and controlled by the agency. Examples of departmental items include agency running costs, accrued employee entitlements and net appropriations. A departmental item is a component of a departmental program. |
| Estimated actual expenses | Details of the current year's estimated final figures as included in the Budget documentation. As the Budget is released in May each year, but the financial year does not close off until 30 June, the current year numbers that are used for comparison with Budget amounts can only be estimates. |
| Expenses not requiring appropriation in the Budget year | Expenses not involving a cash flow impact are not included within the calculation of an appropriation. An example of such an event is goods or services received free of charge that are then expensed: e.g. ANAO audit services – the ANAO does not charge for audit services however the expense must be recognised. Similarly, bad debts are recognised as an expense but are not recognised for the purpose of calculating appropriation amounts to be sought from Parliament. |
| <i>Financial Management and Accountability Act 1997</i> (FMA Act) | The FMA Act sets out the financial management, accountability and audit obligations of agencies (including Departments) that are financially part of the Commonwealth (and form part of the General Government Sector). A list of FMA Act agencies can be found at: finance.gov.au/financial-framework/fma-legislation/docs/FMA-Agencies-List.pdf . |
| Forward Estimates Period | The three years following the budget year. For example if 2013-14 is the budget year, 2014-15 is forward year 1, 2015-16 is forward year 2 and 2016-17 is forward year 3. This period does not include the current or budget year. |

| | |
|--|--|
| General Government Sector (GGS) | A Government Finance Statistics' classification of all entities that are controlled and largely funded by the Commonwealth Government. The GGS provides public services that are mainly non-market in nature and for the collective consumption of the community, or involve the transfer or redistribution of income. These services are largely financed through taxes and other compulsory levies, user charging and external funding. This sector comprises all government departments, offices and some other bodies. |
| Government Finance Statistics (GFS) | A reporting framework that is a specialised statistical system designed to support economic analysis of the public sector. It allows for comprehensive assessments of the economic impact of government and is consistent with international statistical standards of the International Monetary Fund and the System of National Accounts. |
| Measure | A new policy or savings decision of the government with financial impacts on the government's: underlying cash balance; fiscal balance; operating balance; headline cash balance; net debt or net worth. Such proposals are normally made in the context of the annual Budget, and are typically published in Budget Paper No. 2, in the Mid-Year Economic and Fiscal Outlook (MYEFO) and in the Pre-election Economic and Fiscal Outlook (PEFO). |
| Mid-Year Economic and Fiscal Outlook (MYEFO) | The MYEFO provides an update of the government's budget estimates by examining expenses and revenues in the year to date, as well as provisions for new decisions that have been taken since the Budget. The report provides updated information to allow the assessment of the government's fiscal performance against the fiscal strategy set out in its current fiscal strategy statement. |
| Official Public Account (OPA) | The OPA is the Australian Government's central bank account held within the Reserve Bank of Australia. The OPA reflects the operations of the Consolidated Revenue Fund. |
| Outcome | An outcome is the intended result, consequence or impact of Government actions on the Australian community. |
| Outcome Statement | An outcome statement articulates the intended results, activities and target group of an Australian Government agency. An outcome statement serves three main purposes within the financial framework: <ul style="list-style-type: none"> • to explain and control the purposes for which annual appropriations are approved by the Parliament for use by agencies; • to provide a basis for annual budgeting, including (financial) reporting against the use of appropriated funds; and • to measure and assess agency and program (non-financial) performance in contributing to Government policy objectives. |
| Portfolio Budget Statements (PB Statements) | Budget related paper detailing budget initiatives and explanations of appropriations specified by outcome and program by each agency within a portfolio. |

| | |
|--|---|
| Program | Activity that delivers benefits, services or transfer payments to individuals, industry and/or the community as a whole, with the aim of achieving the intended result specified in an outcome statement. |
| Program support | The agency running costs allocated to a program. This is funded as part of the agency's departmental appropriations. |
| Special Account | Balances existing within the CRF, that are supported by standing appropriations (<i>Financial Management and Accountability (FMA) Act 1997</i> , ss.20 and 21). Special Accounts allow money in the CRF to be acknowledged as set-aside (hypothecated) for a particular purpose. Amounts credited to a Special Account may only be spent for the purposes of the Special Account. Special Accounts can only be established by a written determination of the Finance Minister (s.20 FMA Act) or through an Act of Parliament (referred to in s.21 of the FMA Act). |
| Special Appropriations (including Standing Appropriations) | <p>An amount of money appropriated by a particular Act of Parliament for a specific purpose and number of years. For special appropriations the authority to withdraw funds from the Consolidated Revenue Fund does not generally cease at the end of the financial year.</p> <p>Standing appropriations are a sub-category consisting of ongoing special appropriations - the amount appropriated will depend on circumstances specified in the legislation.</p> |

ABBREVIATIONS

| | |
|-------------------|--|
| AAS | Australian Accounting Standards |
| AGIE | Australian Government Indigenous Expenditure |
| AMSA | Australian Maritime Safety Authority |
| AMSA Act | <i>Australian Maritime Safety Authority Act 1990</i> |
| ANAO | Australian National Audit Office |
| ANCAP | Australasian New Car Assessment Program |
| ARR | Australian Road Rules |
| ARTC | Australian Rail Track Corporation Limited |
| ASIC | Australian Security Identification Card |
| ATSB | Australian Transport Safety Bureau |
| AVID | Aviation Identification Cards |
| AVSR | Australian Vehicle Standard Rules |
| BP1 | Budget Paper 1 |
| BP2 | Budget Paper 2 |
| BP3 | Budget Paper 3 |
| BP4 | Budget Paper 4 |
| CAC Act | <i>Commonwealth Authorities and Companies Act, 1997</i> |
| CASA | Civil Aviation Safety Authority |
| C-ITS | Collaborative-Intelligent Transport Systems |
| CO ₂ | Carbon Dioxide |
| COAG | Council of Australian Governments |
| CPI | Consumer Price Index |
| CRF | Consolidated Revenue Fund |
| CRIS | Cost Recovery Impact Statement |
| DCB | Departmental Capital Budget |
| the Department | The Department of Infrastructure and Transport |
| EWD | Electronic work diary |
| FMA Act | <i>Financial Management and Accountability Act, 1997</i> |

Abbreviations

| | |
|---------------|---|
| GGS | General Government Sector |
| GFS | Government Finance Statistics |
| GST | Goods and Services Tax |
| GTR | Global Technical Regulation |
| GVG | Green Vehicle Guide |
| Hon | Honourable |
| IALA | International Association of Lighthouse Authorities |
| IGA | Inter-Governmental Agreement |
| IRT Act | <i>Interstate Road Transport Act, 1985</i> |
| ITSAP | Indonesia Transport Safety Assistance Package |
| LTFS | Long Term Funding Strategy |
| MOU | Memorandum of Understanding |
| MP | Member of Parliament |
| MYEFO | Mid-Year Economic and Fiscal Outlook |
| N/A | Not Applicable |
| NBF Act | <i>Nation-building Funds Act 2008</i> |
| NHVR | National Heavy Vehicle Regulator |
| nfp | not for publication |
| NTC | National Transport Commission |
| OECD | Organisation for Economic Cooperation and Development |
| OPA | Official Public Account |
| PBS | Performance Based Standards |
| PB Statements | Portfolio Budget Statements |
| PEFO | Pre-election Economic and Fiscal Outlook |
| PPPs | Public Private Partnerships |
| PSL | Protection of the Sea Levy |
| RAAP | Regional Aviation Access Program |
| RAI | Remote Aerodrome Inspection |
| RAIF | Remote Aviation Infrastructure Fund |
| RASP | Remote Aerodrome Safety Program |

| | |
|-------|--|
| RASS | Remote Air Services Subsidy |
| RAU | Remote Airstrip Upgrade |
| RAW | Registered Automotive Workshops |
| RIS | Regulatory Impact Statement |
| SCOTI | Standing Council on Transport and Infrastructure |
| SOETM | Service for Other Entities and Trust Moneys Special Accounts |

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