



IMPROVING PRODUCTIVITY

A SAFE TRANSPORT SYSTEM

PROTECTING THE ENVIRONMENT

NATIONAL OUTCOMES



National Transport Commission

8 October 2009



National Transport Commission

Level 15 / 628 Bourke Street
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The Hon A (Anthony) Albanese MP
The Hon D (David) Campbell MP
The Hon D (David) Borger MP
The Hon L (Lynne) Kosky MP
The Hon T (Tim) Pallas MP
The Hon R (Rachel) Nolan MP
The Hon C (Craig) Wallace MP
The Hon S (Simon) O'Brien MLC
The Hon R (Rob) Johnson MLA
The Hon M (Michael) O'Brien MP
The Hon P (Patrick) Conlon MHA
The Hon G (Graeme) Sturges MP
The Hon G (Gerald) McCarthy MLA
Mr J (Jon) Stanhope MLA
The Hon S (Steven) Joyce MP

Dear Ministers

In accordance with the *National Transport Commission Act 2003*, I am pleased to submit the National Transport Commission's (NTC) Annual Report for the year ended 30 June 2009.

This document reports on the NTC's activities in pursuing national transport reform during the financial year in close consultation with government and industry stakeholders and the community.

The 2008/09 financial year has been successful in progressing the Council of Australian Governments national reform agenda for national transport policy across all modes and users, reviews of freight rail productivity and national supply chains, better national safety regulation of heavy vehicles, rail, and implementing new laws to reduce heavy vehicle driver fatigue.

I would like to thank you for leading the development of the National Transport Policy Framework through the working groups and I look forward to a productive year ahead.

A handwritten signature in blue ink, appearing to read 'Greg Martin'.

Greg Martin
Chairman

www.ntc.gov.au

A.B.N 67 890 861 578

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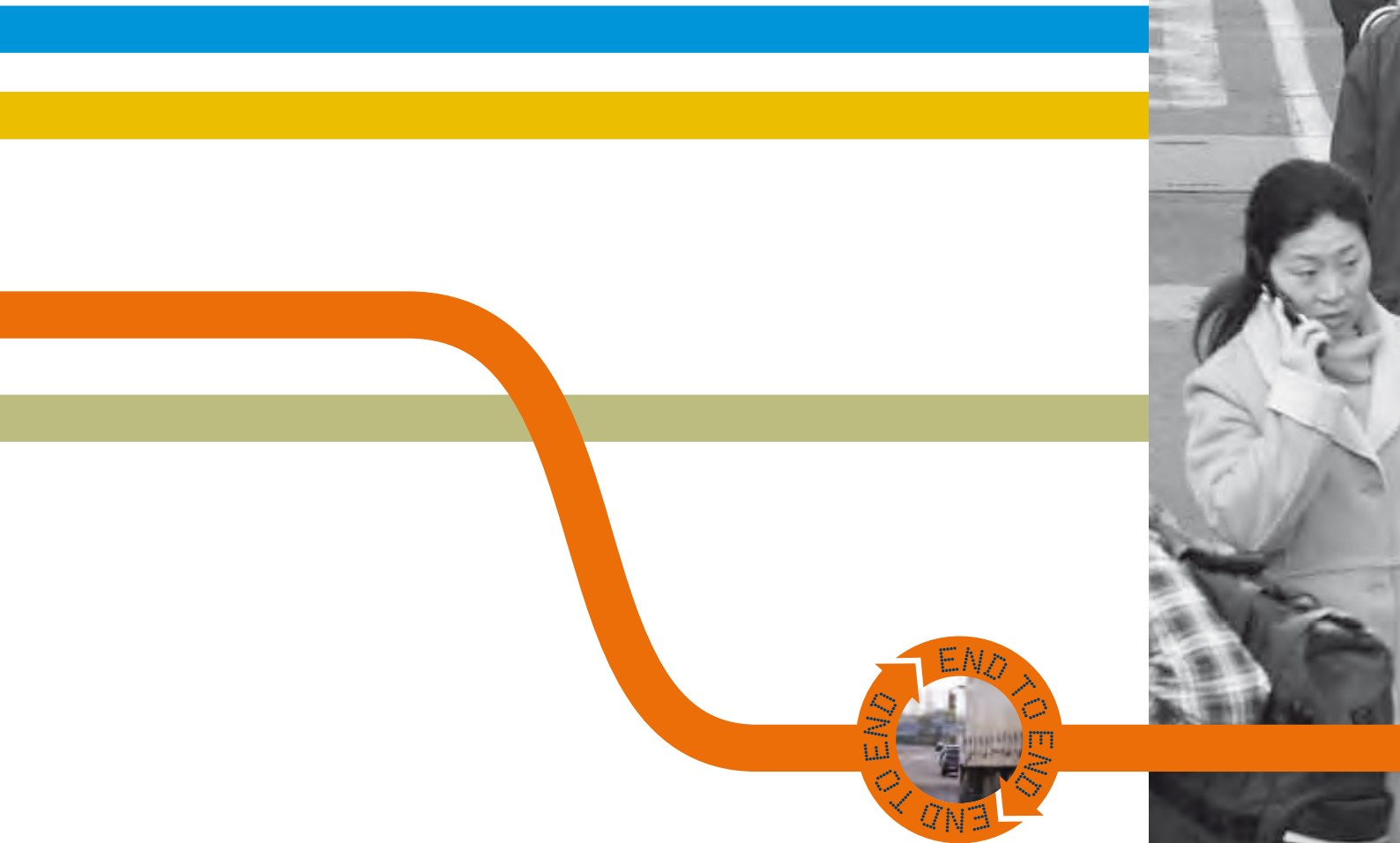
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In the coming year, a statutory review of the NTC will clarify our role in meeting those future challenges.



CHAIRMAN'S REPORT

OPPORTUNITY FOR TRANSPORT REFORM

It has been a long hard road for transport reform in recent decades. While national markets were pursued enthusiastically in the energy and water sectors, transport remained the domain of incremental change marred by regulatory inconsistencies.

Australia had no national transport policy framework to guide government responses to the challenges of a changing climate, growing urban congestion, more transport deaths and injuries, infrastructure bottlenecks and flagging productivity. Policies, planning, investment, research and regulations for transport were often developed in modal and geographic silos.

This year I witnessed first hand the impact of those challenges from the front seat of a truck.

In 2008, Transport Ministers collectively broke the cycle of doing what we've always done. Australia adopted 'new thinking' on national transport policies, which broke down the old paradigms. National policy is now focused on end-to-end transport across all modes and users – a theme adopted by this annual report.

For example, governments are now busy integrating their transport policy and planning, which has seen bus timetables feeding passengers into urban rail systems on a single 'smart' ticket. Urban development is increasingly planned hand-in-hand with transport services.

The Prime Minister and First Ministers endorsed a historic reform agenda which – with goodwill and commitment – will establish single regulators administering national regulation for the heavy vehicle, rail safety and maritime sectors.

Infrastructure Australia's (IA) priority list for infrastructure also signalled the Commonwealth's renewed interest in urban passenger transport.

During the year, the National Transport Commission (NTC) outlined a new productivity reform agenda following significant strategic reviews of rail freight, major supply chains and high productivity vehicles.

The Future Tax System Review and Safe Work Australia will also help set the transport reform agenda for pricing and safety for years to come.

In the coming year, a statutory review of the NTC will clarify our role in meeting those future challenges. In the meantime, our focus is to strengthen working partnerships with governments, industry and unions; assisting the COAG Road Reform Plan board develop a feasibility study for better road pricing and working with IA on national ports and freight strategies.

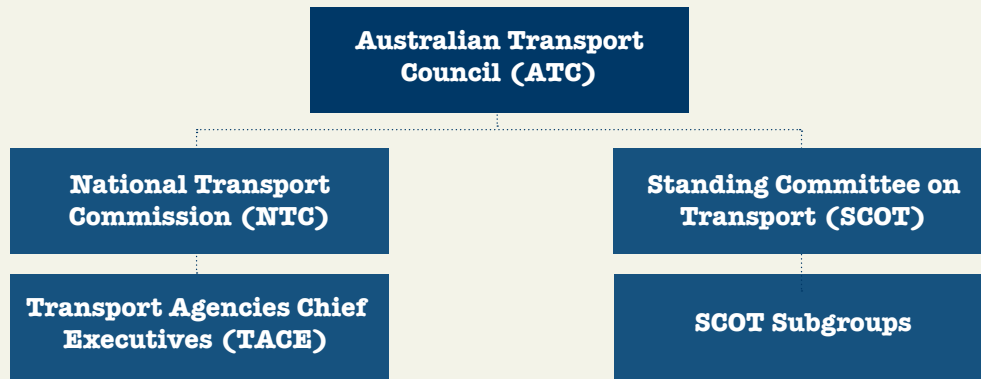
I congratulate our Transport Ministers for their leadership and vision in leading national reform. The litmus test, however, is where the 'rubber hits the road' and the 'wheels roll on steel'.

My goal? To support governments in driving the changes needed to ensure my next truck trip is free of the loading delays, regulatory headaches, paper warfare, clogged roads and last mile bottlenecks. And to travel seamlessly and efficiently by rail in a loco hauling double-stacked containers across this great nation.



GREG MARTIN
CHAIRMAN

AUSTRALIAN TRANSPORT COUNCIL AND SUBSTRUCTURE



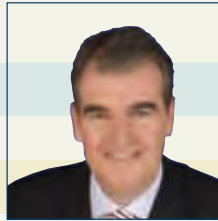
Membership as at 30 June 2009



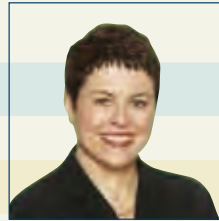
The Hon A (Anthony) Albanese
Minister for Infrastructure, Transport, Regional Development and Local Government
Commonwealth



The Hon D (David) Campbell MP
Minister for Transport
New South Wales



The Hon M (Michael) Daley MP
Minister for Roads
New South Wales



The Hon L (Lynne) Kosky MP
Minister for Public Transport
Victoria



The Hon T (Tim) Pallas MP
Minister for Roads and Ports
Victoria



The Hon R (Rachel) Nolan
Minister for Transport
Queensland



The Hon C (Craig) Wallace
Minister for Main Roads
Queensland



The Hon S (Simon) O'Brien MLC
Minister for Transport
Western Australia



The Hon R (Rob) Johnson MLA
Minister for Police, Emergency Services and Road Safety
Western Australia



The Hon P (Patrick) Conlon MHA
Minister for Transport, Infrastructure and Energy
South Australia



The Hon M (Michael) O'Brien MP
Minister for Road Safety
South Australia



The Hon G (Graeme) Sturges MP
Minister for Infrastructure
Tasmania



The Hon G (Gerald) McCarthy MLA
Minister for Transport
Northern Territory



Mr J (Jon) Stanhope MLA
Minister for Transport, Chief Minister
Australian Capital Territory



The Hon S (Steven) Joyce MP
Minister for Transport
New Zealand

“... lifting the performance of the national transport system as a whole”

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

Under Australia’s federal system, transport policy and regulatory responsibilities span across commonwealth, state and territory and local governments. Our transport system also operates nationally, including trucks and trains running across state borders.

In the past, differences between these regulatory systems meant that national transport operators faced inconsistent road and rail laws and standards; creating unnecessary inefficiency and cost.

The National Road Transport Commission (NRTC) was formed by inter-governmental agreement in 1991 to develop and coordinate regulatory reform for nationally consistent road transport policies and laws. This was extended into rail and inter-modal transport in 2004 when it became the National Transport Commission (NTC).

As an independent statutory body, NTC develops and submits reform recommendations to the Australian Transport Council (ATC) of federal, state and territory Transport Ministers for approval. NTC also plays a role in coordinating, maintaining and monitoring implementation of approved reforms.

States and territories contribute 65 percent of NTC’s funding, and the Commonwealth Government provides 35 percent. The NTC has 38 staff based in their Melbourne office, and is led by six Commissioners, including a Chairman and a CEO.

In recent years, NTC’s work has also further evolved to meet changing industry needs for reform; from technical alignment of regulation, to more sophisticated risk-based reforms as part of an integrated and coordinated national policy response.

In developing reforms NTC undertakes considerable strategic stakeholder engagement; including talking to the transport industry, businesses, unions, governments and community groups to gain a full understanding of the challenges, the potential impact of reforms and to gain support for the right outcome. NTC is committed to working collaboratively with governments to continually improve the transport system.

Our Vision

“THE BEST TRANSPORT OUTCOMES FOR AUSTRALIA”

Our Mission

“WE LEAD REGULATORY REFORM NATIONALLY TO MEET THE ‘END TO END’ SUPPLY CHAIN NEEDS OF TRANSPORT USERS AND THE BROADER COMMUNITY FOR SAFE, EFFICIENT AND SUSTAINABLE LAND TRANSPORT.”

Our Role

“TO WORK CLOSELY IN PARTNERSHIP WITH ALL STAKEHOLDERS TO DEVELOP MORE CONSISTENT, PRACTICAL AND EFFECTIVE LAND TRANSPORT POLICIES, LAWS AND PRACTICES.”

Cultivating effective working partnerships is essential in making a real and lasting difference to transport and, consequently, the quality of people's lives.



CEO'S REPORT

WORKING TOGETHER ON NATIONAL GOALS

It has been a typically busy year for the National Transport Commission (NTC) punctuated by reform challenges and accomplishments, particularly in the areas of a national rail safety regulator, the NTC review, supply chain planning and the rail productivity review.

End-to-end movement of goods and people is the overarching theme of this year's annual report. It is critical that we address transport challenges from a holistic viewpoint across all modes and users from origin to destination. We are resolute in developing reforms that ensure the end-to-end journey of transport is safe, efficient and environmentally conscious.

Reform along end-to-end supply chains can be a complex and delicate task. While strategies, intellect and knowledge are important, a trusting relationship with stakeholders is critical to overcome barriers and accomplish goals.

Cultivating effective working partnerships is essential in making a real and lasting difference to transport and, consequently, the quality of people's lives. Put simply, we are in the business of driving innovative change to benefit Australia and to do this, a unique model of cooperation and collaboration between ourselves and all our stakeholders is required.

Our collective challenge is to improve Australia's transport industry on a national level by working with many stakeholders including industry, unions, customers, operators, associations, the community and government.

Despite wide and varied stakeholder interests and priorities, NTC has proven to be a successful model for achieving national outcomes. This is a clear reflection of our organisation's effective and consistent stakeholder processes and commitment to the best national outcomes.

NTC's accomplishments are also the result of the drive, dedication and enduring pursuit for success from our staff. It is a privilege to be in a position to lead and inspire such a talented team. Importantly, I believe in cultivating a workplace where relationships are built on trust, open and honest communication and fairness. Our staff are our competitive advantage and the heart of our organisation's success.

Our vision for the future is clear and, as identified by stakeholders in the NTC Review, it is to strengthen and build on existing arrangements as well as to respond strategically to new transport challenges. Our philosophy to do this is simple, that is, to capitalise on reform opportunities by working cooperatively for the benefit of all Australians.



A handwritten signature in dark ink, appearing to read 'Nick Dimopoulos'.

Nick Dimopoulos
CHIEF EXECUTIVE



YEAR IN REVIEW

Fatigue goes live

In September 2008, the NTC welcomed the commencement of new heavy vehicle driver fatigue laws in Queensland, New South Wales, Victoria and South Australia.

The reform makes all parties in the supply chain legally responsible for preventing driver fatigue and is developed around a risk management approach.

ATC approved the reform to deliver significant safety benefits for heavy vehicle drivers and the community by ensuring that professional truck and bus drivers will be healthier, better rested and trained in managing fatigue risks.

An implementation kit, containing information, compliance tools, a DVD (led by the South Australian Government) and checklists to help all parties in the supply chain transition smoothly to the new laws, was developed by the NTC for use by governments and industry.

National Transport Policy

In September 2008, NTC Chief Executive Officer Nick Dimopoulos attended the 7th Annual National Infrastructure Summit on the theme 'Modernising transport infrastructure and regulation for the future'. The focus of the discussions was on:

- congestion and climate change
- more sustainable transport
- supply chain pilots
- national ports and terminal strategy.

Mr Dimopoulos said Australia will only develop as far as the limitations of its transport policies, regulations and planning will allow. Doing nothing is not an option; and the old 'supply side' response of simply building more

and more roads infrastructure is no longer sustainable. He said Transport Ministers are now leading a paradigm shift in thinking.

Following advice from NTC in February 2008, Ministers led a number of working groups across key policy areas. Notable outcomes from the National Transport Policy Framework work agenda included:

- a commitment to a National Road Safety Council
- a review of Australia's major supply chains outlining the role of government in the event of market failure, and the need for national planning
- an agreement by ATC in May 2009 to recommend national regulators for the heavy vehicle, rail safety and maritime sectors
- the creation of state and territory-based workforce advisory groups to work with industry on national workforce planning, recruitment and retention initiatives
- strategic reform priorities to deliver efficient markets in transport
- strategic research priorities to address national transport challenges, and
- improved modelling of urban congestion.

ATC agreed in May 2009 to implement a future work agenda flowing from the NTC's National Transport Policy Framework through a streamlined structure of sub-committees of SCOT. The sub-committees focused on Productivity, Safety, Environment, Security, Maritime and Network Performance.



NTC Review

In January 2009, an independent Steering Committee was appointed to consider the future role of the NTC. Under its legislation, the NTC is reviewed every six years to consider the organisation's performance and its role in meeting future challenges. Following the 2003 review, the NTC's mandate was expanded to include rail and intermodal transport.

Many stakeholder submissions addressing the review argue NTC's focus should 'widen' across all transport modes, particularly for ports and maritime. Others believe NTC's work should go 'deeper' than regulatory policy, such as providing strategic advice and national coordination of planning.

NTC's own submission to the review focussed on the national challenges of climate change, energy security and urban congestion. It outlined a collaborative role with other bodies to help 'join the dots' and drive reform where a national approach makes sense.

The NTC Review Steering Committee will present its final recommendations to ATC in 2009/10, before being progressed to COAG for a final decision.

Commission appointments

ATC appointed Greg Martin as Chairman of the Commission and Frank Muller as a Commissioner in September 2008.

Professor Ian Johnston AM was appointed Deputy Chair of the Commission. Professor Johnston was first appointed as Commissioner in April 2008.

The new appointments assist the Commission's work to further drive national transport reform and support the National Transport Policy Framework work program.

The appointment of a new Chairman followed Michael Deegan's departure as Chairman when he was appointed Infrastructure Coordinator of Infrastructure Australia. NTC acknowledged and thanked Mr Deegan for his outstanding contribution to national transport reform and the vision for a better transport system across all modes.

World Bank Global Road Safety Facility appointment

In April 2009, Deputy Chairman Professor Ian Johnston was appointed to the World Bank's Global Road Safety Facility (GRSF) Core Advisory Group (CAG). CAG provides independent advice on best practice road safety initiatives for developing nations. The World Bank initiative plays a valuable role in reducing road deaths and injuries in low and middle income countries.

Working together to stay ahead

In April this year, Greg Martin attended the Australian Trucking Association's conference where he addressed the audience on the topic of delivering reform for future challenges. He outlined several key messages including:

- broader national challenges such as urban congestion are important trucking policy issues too
- the need for governments, industry and unions to work together to solve transport issues
- reform must meet the challenges of the future and not the past, and
- a supply chain perspective in policy-making is imperative to producing successful reforms.

Now is the right time for national reform

Nick Dimopoulos attended the AusRAIL 2008: Climate, Capacity and Culture convention where he spoke about planning for future transport challenges. He said a single regulator, administering a single rail safety national act based on the rail safety model legislation, will:

- improve the clarity and understanding of the new laws
- deliver better and safer outcomes from existing people and systems by pooling expert knowledge and experience, and
- create one set of business processes and systems to cut red tape for industry.

Mr Dimopoulos said industry had to make a strong and united case for real and lasting change to be delivered.



New NTC website

In December 2008, NTC launched a new website with an improved layout to assist stakeholders in finding information about national reforms more efficiently. The new website improves transparency of the national reform process by ensuring up-to-date

information is readily available via new user-friendly navigation menus and the ability to scan across NTC projects by name. The website also provides search functions for reports and publications.

The new site has been restructured to align with key areas of the National Transport Policy Framework. The website is a reflection of NTC's commitment to a integrated approach to transport reform.

PERFORMANCE REVIEW

Measuring our performance against Australia's transport needs

NTC, along with Commonwealth, state and territory governments, plays an active role in striving for a safer, more sustainable and productive transport system in Australia. We measure our performance against those objectives and this year's report card indicates that more needs to be done to meet the needs of our transport industry and community.

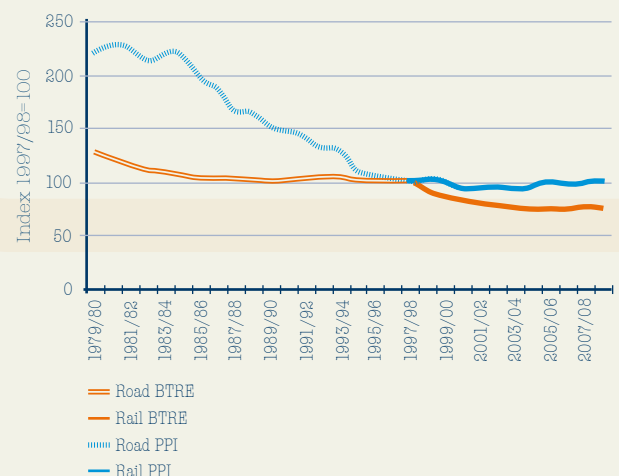
Road and rail transport productivity gains have slowed in recent years (see Figure 1: Road and rail transport costs) with the easier 'low hanging fruit' of prescriptive regulations waning. Productivity reform is now more complex as it includes links to pricing, investment and safety reform. The focus now is to reassess existing reforms, such as the Performance Based Standards (PBS) Review, to ensure our reforms meet COAG objectives for continuous productivity gains.

Australia's current National Road Safety Strategy (NRSS) goal is to achieve a 40 per cent reduction in the national fatality rate to 5.6 deaths per 100,000 people by 2010. While considerable progress has been made to achieve this target, particularly since the adoption of the current national strategy, it is clear that more needs to be done (see Figure 2: Land transport deaths).

Australia has a national target of cutting greenhouse gas (GHG) emissions to 108 per cent of the levels they were in 1990. Transport is Australia's fastest growing source of greenhouse emissions. NTC is committed to working toward a low-carbon future, including productivity reforms like pricing and PBS that deliver significant environmental benefits (see Figure 3: Greenhouse gas emissions).

Road and Rail Transport Productivity gain are slowing

Figure 1: Road and rail transport costs (real)



Source: Transport Costs sheet



More needs to be done to meet national safety targets

Transport is Australia's fastest growing source of greenhouse emissions

Figure 2:
Land transport deaths

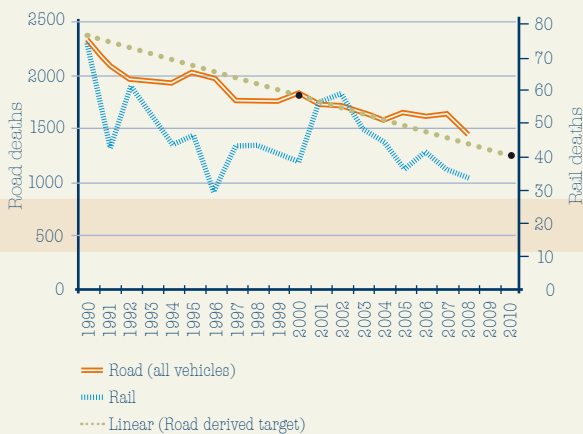
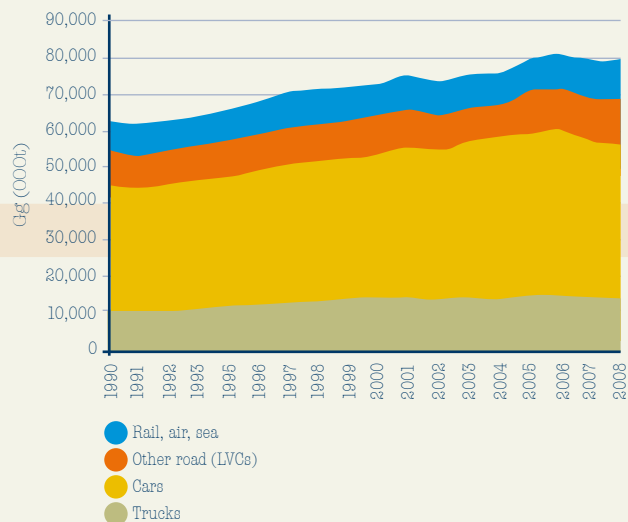


Figure 3:
Greenhouse gas emissions



PERFORMANCE REVIEW

In terms of operational efficiency, NTC is on track with approximately 70 per cent of projects completed on time (see Figure 4: Operational efficiency Completion of projects on time). The annual external stakeholder survey also rates the organisation positively in terms of independence, leadership, reform priorities and communication. The survey highlights that NTC is getting better at engaging the right stakeholders and assessing the impact of reforms.

The overall operating expenditure for the year totalled \$7.9m as compared to \$8.1m for the previous year, reflecting an emphasis on cost control and fewer consultancy contracts through the development of in-house expertise among staff where appropriate.

Considerable focus and resource was placed on Economics and Productivity reform, including key projects such as the Supply Chain Pilot projects and Incremental Pricing.

Expenditure across all departments was well maintained and consistent with the annual budgets and previous years (refer to Figure 4: Department costs June 2009).

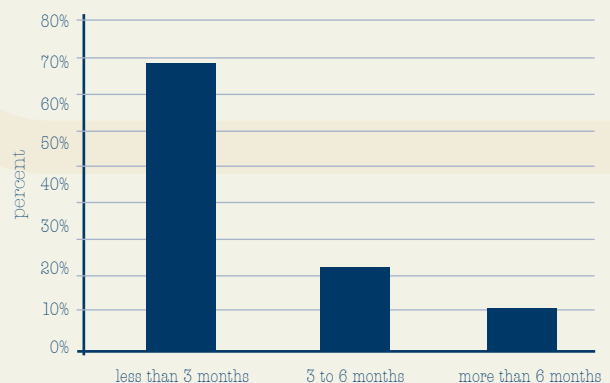
Overview of national transport reform

Progress in the implementation of NTC's reforms by the states, territories and Commonwealth (where applicable) is reported to ATC. Of the non-COAG reforms being undertaken (ignoring the overlap with several reforms):

- 29 are nationally implemented reforms (6 completed reforms have no implementation action required from states/territories)
- 21 are still being implemented by at least one state/territory, and
- 8 are under development by the NTC.

Approx 70% of projects completed on time

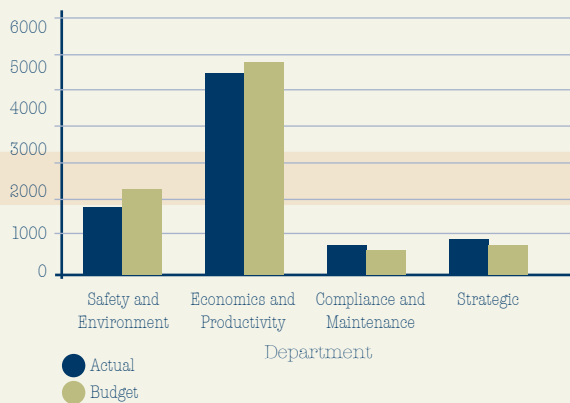
Figure 4: Operational efficiency Completion of projects on time





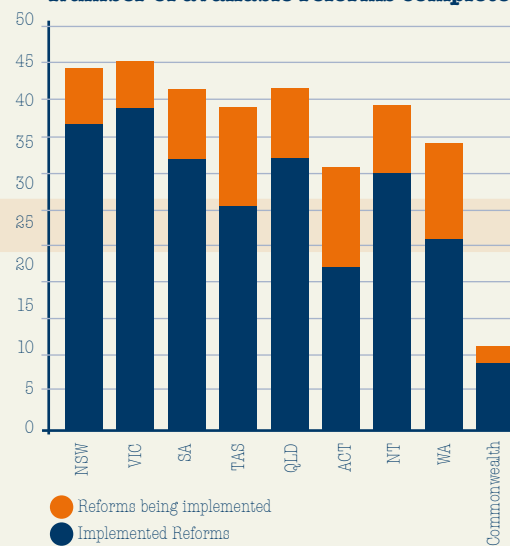
Strong focus on cost control

Figure 4:
Department costs June 2009



A focus on implementation will continue

Figure 5:
Number of available reforms completed



NATIONAL HIGHLIGHTS



All governments around Australia continued to participate in national road and rail transport reform throughout 2008/09. The following is a summary report of participation in NTC reforms supplied by government agencies.

The Commonwealth has:

- participated actively in the:
 - National Heavy Vehicle Enforcement Strategy
 - Accreditation Policy Review
 - Effectiveness review of the Australian Vehicle Standards Rules and Administrative Guidelines for Pilot and Escort Vehicle Driver Accreditation Procedures Reform
 - Fatigue Authorities Panel (FAP)
 - Heavy Vehicle Fatigue regulatory maintenance process
 - the Australian Road Rules maintenance process
 - assessment of the regulatory impacts of adopting electronic fatigue management systems
 - the Performance Based Standards (PBS) reform
 - rail safety reform
 - the B-triple network development
 - higher weights for twin steer vehicles reform
- facilitated, in cooperation with representatives of states and territories and the NTC, key elements of COAG's transport reform agenda, including heavy vehicle pricing reforms and developing approaches to achieving single national transport regulators and single national systems of transport regulation and
- facilitated approval by the Governor-General of five model legislative reforms.



Western Australia has:

- implemented the phase-out of the Australian Dangerous Goods Code (6th Edition), and phase-in of the Australian Dangerous Goods Code (7th Edition)
- progressed the implementation of outstanding items from the Transport of Dangerous Goods by Road and Rail Maintenance Package
- contributed to deliberations on future pricing reform, including mass distance charging
- participated in panels and advisory groups such as the Performance Based Standards Review Panel (PRP) and the Intelligent Access Program (IAP) legislation Maintenance Group
- progressed the implementation of the Road Transport Reform (Compliance and Enforcement) Bill 2003
- provided a submission to the NTC Review supporting the role of the NTC in the national transport arena
- participated in:
 - the Rail Freight Productivity Review
 - ongoing work on Heavy Vehicle Driver Fatigue reform
 - the evaluation of incremental pricing schemes for higher productivity vehicles
 - supply chain studies including meat and livestock, grain, coal and intermodal
 - the Safer Payments Review
 - ongoing work on level crossing safety
- contributed to:
 - the 8th Australian Road Rules amendment package and the use of hand held mobile phones
 - work on Freight Transport in a Carbon-Constrained Economy
 - reform initiatives including 6th amendment package to the Australian Vehicle Standards Rules and amendments to the National Driver Licensing Scheme and National Heavy Vehicle Registration Scheme
 - proposals for a national rail safety regulator and investigator, national policy for the recognition of industry developed standards for rail safety and the rail safety data strategy, worked on the PBS Review, the Accreditation Policy Review and the maintenance of IAP legislation.



Queensland has:

- successfully implemented phase two of the heavy vehicle registration charges legislation
- provided technical assistance to the development of PBS concepts and has been involved in the physical testing of a number of PBS heavy vehicle combinations
- successfully implemented the National Heavy Vehicle Driver Fatigue legislation
- participated as a member of the FAP
- taken a lead role in negotiation and consultation with industry and participating jurisdictions on National Heavy Vehicle Driver Fatigue legislation
- developed Queensland Livestock Transporters Fatigue Accreditation Scheme
- progressed development and implementation of Heavy Vehicle Speed Compliance
- implemented the mandatory IAP requirement for vehicles operating under the Higher Mass Limits Guideline
- committed to the implementation of the national heavy vehicle regulator laws and registration scheme as approved by COAG
- taken a lead in drafting the National Rail Data Strategy
- taken a lead in developing competencies for the national rail safety regulator staff and supported national model legislation relating to the transport of dangerous goods.



Victoria has:

- implemented Heavy Vehicle Driver Fatigue reform
- implemented the 2008 adjustment for heavy vehicle charges
- commenced on incremental pricing trial in Victoria with the support of the local transport industry
- applied IAP to heavy mobile cranes and concrete pump trucks
- approved the Australian Dangerous Goods Code 7
- approved more than 30 vehicles for use on the roads in Victoria under PBS
- provided executive support for the national secretariat of the PRP for three months
- prepared and issued national competencies for pilot vehicle operators
- published maps for PBS level 1 and level 2 networks
- approved maintenance pack for the National Road Safety Vehicle Standards
- implemented the National Speeding Heavy Vehicle reform
- worked closely with the NTC and Commonwealth to implement the COAG directive to develop a national rail safety regulatory system.



The Northern Territory has:

- progressed the implementation of the national Model Rail Safety Bill
- actively participated as a member of the PBS Review Panel
- actively participated as a member of the FAP
- implemented the Heavy Vehicle Charges Determination
- contributed to the development of:
 - the National Heavy Vehicle Driver Fatigue legislation
 - the PBS reform
 - the National Transport Policy Framework, taking the lead on the Workforce Planning and Skills Working Group and contributing to the eight other Working Groups
 - NTC's Strategic Plan and annual work program
 - the national regulators for road, rail, and maritime
 - road pricing reforms
- progressed the implementation of the Australian Dangerous Goods Code (7th Edition)
- progressed the implementation of the National Compliance and Enforcement Reform
- contributed to the ongoing development of the Australian Road Rules and progressed the implementation of the 5th, 6th, 7th and 8th packages of amendments
- actively participated in the model legislation maintenance groups.

NATIONAL HIGHLIGHTS



New South Wales has:

- expanded Higher Mass Limits (HML) access arrangements and approved 90% (14,000km) of the state road network within the HML access zone for HML access
- enrolled the first IAP monitored vehicles in Australia
- implemented the NSW Road Train Modernisation Program to allow B-triples and AB-triples to operate on suitable routes
- implemented the NSW Quad-axle Semi-trailer Pilot Scheme
- led the Austroads pilot of digital tachographs and electronic record keeping for heavy vehicles
- implemented trial of SMART heavy vehicles within the Port Botany precinct
- produced an indicative map of PBS Levels 2A, 3A and 4A access
- progressed development of incremental pricing trials
- as lead agency, commenced the project to facilitate national heavy vehicle enforcement data exchange between transport and police agencies
- contributed to the National Transport Policy Framework
- adopted the Australian Road Rules amendment packages up to and including the sixth package
- adopted NTC Fatigue and Speed Compliance model legislation into NSW law through the Road Transport Amendment Bill 2008
- actively participated in the PRP
- contributed to the development of:
 - the National Rail Safety (Reform) Bill
 - the National Heavy Vehicle Enforcement Strategy
 - the Heavy Vehicle Driver Fatigue package
 - the interim review of the Assessing Fitness to Drive Guidelines
 - the 2007 Heavy Vehicle Charges reform
 - NTC's policy review of accreditation schemes
 - the Heavy Vehicle Speeding regulations that incorporate the Chain of Responsibility principle.



Tasmania has:

- drafted legislation for submission to Parliament to enact the national model Compliance and Enforcement Bill and Regulations
- commenced drafting of legislation to implement the Heavy Vehicle Driver Fatigue Management reform and the Heavy Vehicle Speed Compliance legislation
- commenced drafting jurisdictional implementation policy for the PBS Scheme and the national Quad-Axle Policy
- participated in development of the PBS reform as a member of the NTC's Reference and Co-ordination Group and various sub-groups and through submissions to the PBS Scheme Review
- contributed to NTC's Strategic Plan and annual work program
- participated in the review of NTC
- participated in the development of the Incremental Pricing Scheme (including national road pricing principles)
- participated in the national process to maintain the Australian Road Rules
- responded to various discussion papers, reports, RIS, proposals, reviews and evaluations
- facilitated information sessions held by the NTC with key Tasmanian stakeholders on proposed regulatory changes and reform proposals.



South Australia has:

- led policy development on the Capacity Constraints and Supply Chain Performance Working Group and contributed to the eight other Working Groups as part of the National Transport Policy Framework
- contributed to the review of the Assessing Fitness to Drive Guidelines and Assessing Fitness to Drive process
- implemented the National Heavy Vehicle Driver Fatigue Legislation, including introduction of new national work diary and National Heavy Vehicle Accreditation Scheme (NHVAS)
 - Fatigue Management module
- implemented the 5th and 6th Australian Road Rules packages and the South Australian Rail Safety Act 2007.
- introduced an amending Bill to give effect to national model Heavy Vehicle Speed Compliance and IAP legislation
- contributed to the development of the:
 - operational policy associated with National Heavy Vehicle Driver Fatigue legislation
 - Heavy Vehicle Braking Strategy and National Stationary Exhaust Noise Test Procedures
 - incremental pricing trial
 - PBS reform including publication of PBS route networks
 - national B-triple network, and implemented the national policy for use of quad axles on semi-trailers and B-doubles
 - COAG Road Reform Plan
 - Transport Regulatory Reform
 - Single National Regulators (heavy vehicles, marine safety and rail safety)
- participated in:
 - membership and work of the FAP
 - the National Heavy Vehicle Enforcement Data Exchange Project
 - the National Heavy Vehicle Enforcement Strategy
 - the revision of the NHVAS Policy.



The Australian Capital Territory has:

- further developed the Compliance and Enforcement reform, targeting passage of the legislation by August 2009 and implementation by mid 2010
- assisted the implementation of amended national vehicle standards
- continued to work on the implementation of the 5th, 6th and 7th packages of amendments to the Australian Road Rules
- participated actively in the development of:
 - the PBS reform, including development of business rules for the PRP and standards and guidelines for the PBS Scheme
 - the National Heavy Vehicle Enforcement Strategy and Speed Compliance reform
 - the Heavy Vehicle Driver Fatigue package
 - the 8th and 9th packages of amendments to the Australian Road Rules
- provided input into the RIS for a National Framework for the Regulation, Registration and Licensing of Heavy Vehicles
- developed legislation for the road transport of dangerous goods, targeting introduction and passage of the legislation for the second half of 2009.

SECTION 1

IMPROVING PRODUCTIVITY

GET SMART FOR PRODUCTIVITY

Performance Based Standards (PBS) is a key element of the Council of Australian Governments' (COAG) national reform agenda for transport. It became operational in October 2007 after the unanimous approval of the ATC.

Current heavy vehicle regulations are prescriptive. The PBS scheme allows more flexibility in a vehicle's design based on its ability to stop, turn and travel safely without damaging roads or bridges. Under the PBS scheme, such vehicles are termed SMART vehicles. Applications for SMART heavy vehicle designs are considered by a national PBS Review Panel (PRP), comprising representatives from each state and territory and the Commonwealth.

NTC conducted a review of the PBS reform to ensure the scheme realises COAG's objective of 'continuous productivity gains' and delivers the right framework to get safer and more productive heavy vehicles on the road. While PBS has been successful for 'one-off' designs, it does not facilitate their wider take-up.

Key improvements to the PBS scheme put forward by government and industry during consultation for the review includes introducing self-assessment and certification for manufacturers, modular certification of trucks and trailers to give operators more choice when purchasing pre-approved SMART equipment and an improved blueprint process for generic vehicle designs.

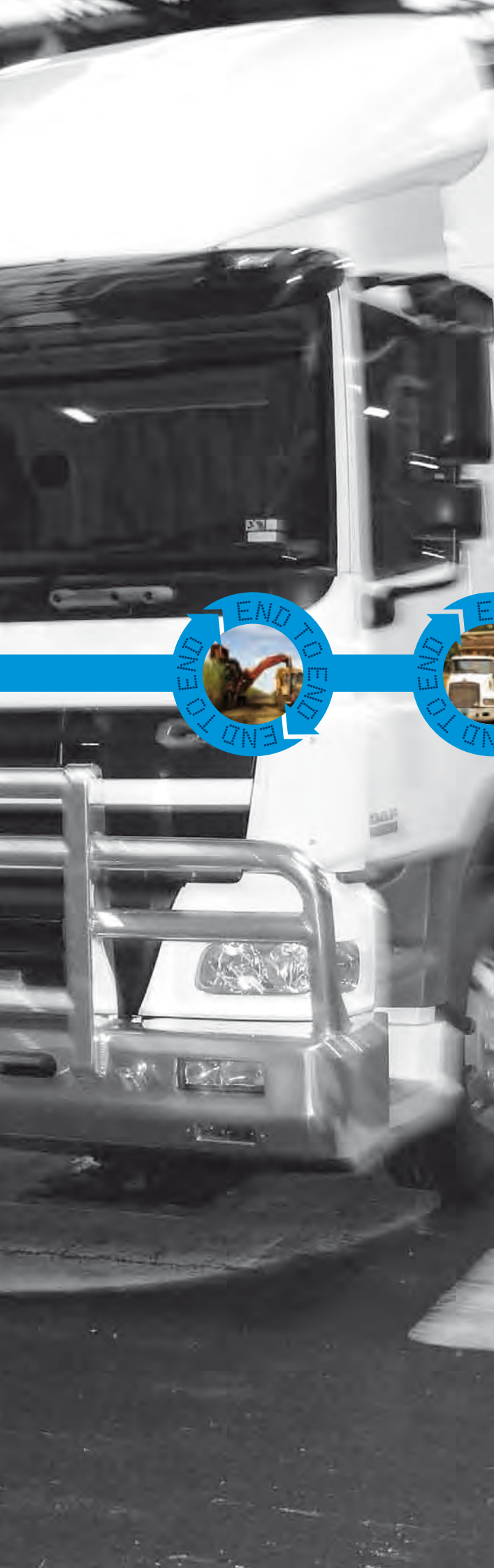
NTC will prepare a draft regulatory impact statement to be considered by ATC in 2010. Putting legislation in place will offer greater certainty and ensure PBS becomes a clear, nationally consistent scheme for delivering improvements in the road freight industry.



Access is the key to productivity

The PBS review identified better certainty of road access and more consistent decision-making by governments as key opportunities for the PBS scheme. NTC has already published maps provided by states and territories as a first step toward an integrated road network for SMART heavy vehicles.

SMART maps allow operators to better plan their PBS applications and highlight the gaps and mismatches on the existing national road network. Network access remains, however, dependent on approval by states and territories. Access beyond the SMART network maps are subject to individual route assessments.



SMART blueprint delivers extra payload

A new 'blueprint' SMART vehicle developed by industry has pioneered a short cut into PBS and a 5.5 tonne payload advantage for quarry industry truck operators.

The 19.6 metre long truck and dog combinations are legal at 54 tonne on PBS Level 2 (B-double equivalent) roads.

"It's like having an extra truck in the fleet," Volvo truck operator Ray Cauchi of Cartage Australia explained.

The engineering costs were funded by CMV truck sales of Laverton North in conjunction with Volvo Trucks and Gorski Trailers.

"Anyone can buy this PBS combination now but the spec must be identical to comply," CMV's Charles Bunkersmith said.

Reform agenda to revitalise Australia's rail freight sector

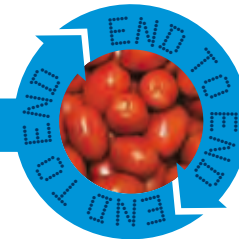
NTC's strategic plan had identified that rail is playing 'catch-up' in productivity reform. Further reform in the rail sector is essential to ensure rail plays its part in servicing the growing land freight task safely and sustainably.

Following the release of an issues paper and draft report – based on broad consultation with the rail industry, its customers and governments – NTC presented its findings in the Rail Freight Productivity Review to ATC in May 2009.

Freight customers want a rail system that better meets their needs for a growing rail freight task, with better track speeds, quicker transit times, higher axle weights, improved service and reliability.

The Rail Freight Productivity Review found that the current approach to planning and investment in rail was reactive and relied on short term 'fixes' – such as regional rail rescue packages. NTC made recommendations for a more sustainable long-term approach, including:

- clear national objectives and policies to plan and develop the right infrastructure (road or rail)
- certainty and transparency of government subsidies to rail
- exploration of options for more nationally consistent rail pricing and access regulation
- open access regulation for key strategically-located rail terminals
- long-term pricing reform so truck charges do not unfairly disadvantage rail
- industry-led coordination of freight movements along the supply chain, and
- better performance measures for rail.



“Anyone can buy this PBS combination now but the spec must be identical to comply”

CMV’s Charles Bunkersmith

PBS Review Panel more responsive and flexible

The ATC approved discretionary powers for the PRP, which provides more flexibility to approve safe vehicles using a risk-based approach. For example, it could be used to approve a bus if the frontal swing standard restricts wheelchair access; or allow road pricing solutions for vehicles which do not meet infrastructure standards.

Supply chain planning for the long term

Recommendations from the Rail Freight Productivity Review were consistent with the findings of intermodal, grain, coal, livestock and meat supply chain studies completed by NTC on behalf of the Capacity Constraints and Supply Chain Working Group led by South Australia (under the National Transport Policy Framework).

Australia’s business sector plans its supply chain operations across all modes from ‘paddock to plate’ and ‘mine to port’. In contrast, transport planning is largely state-based and involves multiple agencies and levels of government.

The supply chain pilots found that better coordination of land-use planning and investment for road, rail and ports nationally will help prevent the duplication of infrastructure and ensure efforts to fix transport bottlenecks do not simply shift the problem further down the supply chain.

Because ownership of infrastructure and operating assets in supply chains is often fragmented, effective cooperation and coordination is difficult. Parties often cannot agree on the tough decisions to create an incentive for efficiency, align their contracts and share investment risks.

While NTC’s pilot studies concluded that supply chains should self-regulate, there needs to be a credible and real possibility of government intervention if the market fails. Governments have a number of tools for intervention – from warnings, facilitation, mediation and arbitration to regulatory intervention as a last resort.

NTC will continue to work closely with all governments to progress the reform recommendations.





Pricing can unlock heavy vehicle productivity

NTC released a feasibility study of incremental pricing for heavy vehicles focussing on moving heavier payloads safely and better targeted road spending. The objective of the study was to allow transport operators to carry additional mass above national regulated limits by paying asset owners such as road agencies and councils for the extra road wear and tear.

NTC believes more flexible pricing will deliver increased productivity and fewer trucks on the road for the same freight task. This will consequently result in lower freight rates, better safety and fewer transport emissions.

The results of an NTC-commissioned survey showed reasonably strong support from industry to carry additional mass by paying for the option. Broad interest was shown across all industry sectors, truck types and routes, particularly with machinery, light vehicles and trucks, petroleum and grocery carriers.

The key issues addressed in the study included ensuring the safety of the vehicle, assessing existing infrastructure capacity, setting the price, choosing an appropriate monitoring system and directing revenue back into the roads used.

ATC will consider the role of incremental pricing as part of the broader mass-distance-location pricing reform led by the COAG Road Reform Board.



NTC believes more flexible pricing will deliver increased productivity and fewer trucks on the road for the same freight task.

Heavy vehicle charges impacted by road building programs

NTC was requested by the federal Minister for Infrastructure, Transport, Regional Development and Local Government, Anthony Albanese MP, to consult industry on an annual adjustment to the fuel-based road user charge.

Trucks and buses pay their fair share of road and bridge costs, through a two-part federal fuel-based charge and state-based registration fees. Annual adjustments ensure trucks and buses do not pay too much, or too little, for using the road network.

Significantly higher spending on major roads in recent years resulted in a 3.2% increase in truck and bus registration charges.



Annual adjustment of charges

The annual adjustment of heavy vehicle charges commenced in 2002. Heavy vehicle registration charges were adjusted in line with increases in road expenditure and expected changes in road use. The automatic adjustment occurred in July each year and was capped by a Consumer Price Index (CPI) ceiling and a floor of zero percent.

This annual adjustment procedure was reviewed by the NTC as part of the 2007 Determination. The review recommended that the annual adjustment no longer include the CPI ceiling and a floor of zero percent. This would mean that future changes in road expenditure and road use would be more accurately represented in the resulting charge adjustments. In addition, it was recommended that the annual adjustment also apply to the fuel based charge. These recommendations were unanimously approved by ATC in February 2008.

The new annual adjustment procedure was implemented from 1 July 2009 with the heavy vehicle fuel charge rising by 3.2%. Heavy vehicle registration charges in most states and territories also rose by 3.2% on 1 July 2009, with the remaining states and territories planning to implement the registration charge increase by 1 January 2010.

Road construction and maintenance expenditure

To enable the NTC to meet its reporting requirements under Clause 5.1(j) of the *Inter-Governmental Agreement for Regulatory and Operational Reform in Road, Rail and Intermodal Transport*, the NTC obtains road construction and maintenance expenditure estimates from states and territories. This data is also used to apply the annual adjustment procedure for heavy vehicle charges.

The figures presented in Table 3 are the road construction and maintenance expenditure estimates provided by each state and territory for the 2008-09 financial year. A number of governments have also included qualifying notes to aid in interpreting these figures, which are reported below.

Expenditure data for use in the annual adjustment procedure

Arterial road expenditure

Figures shown for urban and rural arterial roads in Table 2 are based on the most recent data provided by state and territory road authorities in accordance with the agreed expenditure reporting categories. Only expenditure in those categories relevant to the annual adjustment procedure is included¹.

Local road expenditure

Estimates of local council spending on roads were obtained from unpublished Government Finance Statistics provided by the Australian Bureau of Statistics (ABS). These figures reflect the most accurate and recent data available. In 2009, the ABS revised its local council spending on roads data series to reflect a reclassification of a number of councils from rural to urban. This resulted in an increase in urban local road expenditure and a corresponding decrease in rural local road expenditure when compared to previous data published by NTC in its annual reports for Table 2. There have also been some revisions to historical data by the ABS at an aggregate level.

¹Note that the figures in Table 2 now explicitly include both corporate services and heavy vehicle enforcement expenditure consistent with the revised annual adjustment procedure. The 2008 NTC annual report and earlier annual reports did not include corporate services and enforcement expenditure in the Table 2 arterial road expenditure estimates. However, corporate services and enforcement expenditure data taken from Table 3 in past NTC/NRTC annual reports was included in the estimation of the 2009 annual adjustment that applied from 1 July 2009.

Table 2

Estimated Arterial Road Expenditure (\$ million)								
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Urban	1710	2059	2130	2177	3164	4441	5157	6338
Rural	2629	2425	2591	3018	2941	3173	4049	4752
Total	4339	4484	4721	5195	6105	7614	9206	11090
Estimated Local Road Expenditure (\$ million)								
	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Urban	2560	2675	2593	2589	2670	2741	3016	3409
Rural	1578	1679	1702	1748	1700	1687	1891	2246
Total	4138	4354	4295	4337	4370	4428	4906	5655

Table 3

	Expenditure Category	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	Total
A	Servicing and operating	430	132	209	49	7	16	27	10	881
B	Road pavement and shoulder construction:									
B1	Routine maintenance	69	59	137	46	74	12	30	2	429
B2	Periodic surface maintenance	150	100	143	6	37	4	8	3	451
C	Bridge maintenance/rehab	100	33	57	5	13	11	2	1	221
D	Road rehabilitation	345	70	148	49	154	6	4	3	779
E	Low-cost safety/traffic	183	249	199	15	89	11	1	3	750
F	Asset extension/improvements:									
F1	Pavement improvements	370	214	965	116	132	49	26	58	1930
F2	Bridge improvements	337	181	326	54	200	4	29	5	1136
F3	Land acquisition, earthworks, other extensions/improvement expenditure	1234	596	1643	185	310	16	2	0	3986
G	Other miscellaneous activities:									
G1	Corporate services	83	14	162	31	109	7	3	5	414
G2	Enforcement of heavy vehicle regulations	69	12	14	6	9		3	0	113
G3	Vehicle registration	96	105	51	33	69		6	3	364
G4	Driver licensing	79	53	31	11	36		3	1	214
G5	Loan servicing	48	0	72	0	2		0	0	122
	Totals	3594	1817	4159	606	1242	135	142	95	11790
H	Other road-related payments:									
H1	Financial assistance to councils for work on council managed arterials	276	0	0	0	41		0	0	317
H2	Payments to councils for contract work on State managed roads	157	11	177	0	2		9	0	355
H3	Spending on local access roads in unincorporated areas	2	0	0	1	2		40	0	44
H4	Direct spending on council managed local access roads	37	20	0	0	109	1	0	0	169
H5	Any other direct state spending on local access roads	0	0	8	0	3		17	0	28

2009 NTC Annual report - Notes to 2008-09 Road Construction and Maintenance Expenditure (Table 3)**Notes**

Figures may not add due to rounding

QLD:

To avoid double-counting of overall roads expenditure incurred by federal, state and local governments, the following grants and subsidy payments to local governments in 2008-09 are excluded from this analysis as this expenditure is captured as part of Australian Bureau of Statistics Reporting:

- (a) Commonwealth Roads of National Importance and Black Spot contributions for local government-controlled road upgrades (\$5.7 million) - administered by the Department of Transport and Main Roads (DTMR).
- (b) State-funded Transport Infrastructure Development Scheme (TIDS) subsidies to local governments and Australian Torres Strait Islander communities for local road upgrades (\$67.6 million) - administered by DTMR.
- (c) State-funded road and drainage grants to local governments in Queensland (\$25 million) - administered by the Department of Infrastructure and Planning (DIP).
- (d) Commonwealth Financial Assistance Grants (FAGS) to local governments (\$108.9 million) - administered by DIP.

(e) Direct Commonwealth funding to local governments under the Roads to Recovery initiative (\$84.7 million) - administered by Department of Infrastructure, Transport, Regional Development and Local Government (DITRD LG).

WA:

- (a) Main Roads does not report its records in a form that enables direct reporting in the categories prescribed by the NTC. Translating the expenditure into these categories is achieved with computer software that apportions in line with simple rules. As a consequence, the data provided by category must be considered as estimates.
- (b) A significant proportion of Main Road network maintenance and rehabilitation is carried out under the ten year Term Network Contract (TNCs). NTC Categories B1: Routine Maintenance of Pavements and Shoulders, B2: Periodic Surface Maintenance of Sealed Roads and D: Road Rehabilitation, have therefore been estimated from a total reported figure.
- (c) Expenditure under category, 'G1: Corporate Services' has increased considerably as compared with previous years. Following the

introduction of our new financial accounting system, our data extraction methodology has had to be redesigned. Previously, some items which might have been allocated to G1 were instead spread over categories A to F. This redistribution/spreading is no longer considered appropriate.

NT:

- (a) H3 - In addition to the above NT sourced revenue - estimated expenditure, there are also Commonwealth funds included in this category. This is funded from the Commonwealth Department of Families, Housing, Community Services and Indigenous Affairs Emergency Response Intervention Programme, National Network Strategic Regional Roads and Roads to Recovery Programmes.
- (b) NT funded grants to councils for works on council managed local access roads are not included in the above data.
- (c) NT funded expenditure also includes disaster maintenance which may receive partial reimbursement under National Disaster Relief and Recovery Arrangements from the Commonwealth Government.

SECTION 2

A SAFE TRANSPORT SYSTEM

A SAFER AND MORE EFFICIENT RAIL INDUSTRY

Australia currently has seven rail safety regulators operating across nine states and territories. A third of the rail industry operates in multiple states and deals with two or more regulators. Managing local variations and interpretations of national laws and different policies, requirements, organisational cultures and data collection needs add to the compliance costs of operators.

In an historic decision this year, ATC agreed to implement national safety regulators for the heavy vehicle, rail and maritime industries. The establishment of a national rail safety regulator will unite the different bodies, laws and processes that currently hinder efficiency and best practice safety outcomes.

A national rail safety regulator will support the safe and efficient movement of people and goods, which is central to the Australian economy.

The development of a recommendation for a single national rail safety regulator was a year long process of extensive consultation and impact analyses, drawing from overseas experience and systematic communications with stakeholders.

The national rail safety regulator reform is part of the National Transport Policy Framework to ensure national safety laws are administered in a consistent manner throughout Australia.

The Council of Australian Governments (COAG) subsequently endorsed national rail safety reform pending further advice on the establishment and implementation of a national rail safety regulator; particularly the interface between urban passenger rail and freight movement. A final agreement by the ATC is set for 2011.

A National Road Safety Council

COAG has approved a recommendation from the ATC to establish a National Road Safety Council subject to a National Partnership Agreement. The establishment of a National Road Safety Council was initiated by NTC in its advice on the National Transport Policy Framework.

A new approach is needed to further reduce road deaths and injuries. The Council will help facilitate the implementation of nationally agreed road safety reforms through evidence-based measures and the application of the safe system principles set out in the National Road Safety Strategy and supporting action plans.

Membership appointments to the National Road Safety Council will be elected by COAG and will include community leaders and experts from the business, government, academic and community sectors.



Fatigue management goes live

On 29 September 2008, new heavy vehicle driver fatigue laws were established in Queensland, New South Wales, Victoria and South Australia to target the root cause of driver fatigue. The reform makes all parties in the supply chain legally responsible for preventing driver fatigue and applies to both trucks and buses.

The reform comprises three work hour options to suit individual business needs. Of the three, Advanced Fatigue Management (AFM) allows the most flexibility in return for higher safety standards.

AFM, unlike Basic Fatigue Management (BFM) can be tailored to support the needs of different truck and bus operations through a genuine fatigue safety risk management approach. Operators can propose flexible work and rest times as long as it is demonstrated that the proposed system is safe.

Transport operators wishing to operate under the AFM accreditation option are required to submit an AFM application to their state or territory road transport agency. All AFM accredited operators must comply with 10 auditable standards (scheduling and rostering, readiness for duty, management practices, workplace conditions, health, fatigue knowledge and awareness, records and documentation, operating limits, responsibilities and internal review).

In March this year, the Fatigue Authorities Panel (FAP) endorsed three applications to operate heavy vehicles under the AFM scheme. This progress in fatigue management will set a new world-leading benchmark for Australian road safety.

The Fatigue Authorities Panel

A government advisory group called the Fatigue Authorities Panel (FAP) was established under the Heavy Vehicle Driver Fatigue reform to support national consistency in approving AFM applications.

The Panel's role is to facilitate a national outcome; it does not approve applications but provides consistent advice to state and territory fatigue regulators on the suitability of AFM applications. Regulators must follow the Panel's advice or clearly justify reasons for not doing so.

Recognition of industry developed standards for rail safety

ATC approved a policy and process for regulators to recognise industry developed rail safety standards as good practice.

National standards across the rail sector reduce cost where freight moves between different rail operations in the supply chain. Previously, the rail industry had to prove its standards were robust on a case-by-case basis.



Free Australian Dangerous Goods Code

The 7th Edition of the Australian Dangerous Goods Code (ADG7) was made available for free download on the NTC website. It is also available for purchase as a two volume hard copy or single electronic CD-ROM version.

ATC agreed to make the ADG7 available for free download to allow for greater accessibility of the new law for the industry and also to promote a wider understanding of new requirements in ADG7.

A 12 month national transition period will allow the 6th Edition of the Australian Dangerous Goods Code to act as an alternative to ADG7 until 31 December 2009.

This progress in fatigue management will set a new world-leading benchmark for Australian road safety.



Braking strategy

In November 2008, NTC released the National Heavy Vehicle Braking Strategy outlining measures to ensure Australia keeps pace with international standards in braking performance and technology.

The braking strategy responds to a comprehensive review of heavy vehicle braking by heavy vehicle expert, Dr Peter Hart. The report recommended mandated antilock braking systems (ABS) for new prime movers and load proportioning brakes or ABS on new trailers.

NTC will also co-fund an industry-led Brake Balance Code of Practice and public website resource to help operators align brake technologies used in heavy vehicle combinations as part of a National Vehicle Braking Strategy.

Safe payments

NTC was tasked to provide a report to ATC addressing safety issues relating to driver remuneration and payment methods.

Along with two industry leading experts, the Hon Lance Wright QC, former president of the NSW Industrial Relations Commission, and Professor Michael Quinlan, an Occupational Health and Safety expert from the University of NSW, NTC considered how payment rates and methods impacted drivers on-road safety.

Quinlan and Wright conclusively determined that truck drivers face economic pressures that can create an incentive for unsafe on-road behaviour and result in poor safety outcomes. Economic pressures identified in the Safe Payments report include low pay rates in a highly competitive market, low bargaining power and incentives to 'keep the wheels moving'.

The report identified the need for a minimum enforceable safe rate covering running costs and a sufficient return so operators are not encouraged to cut corners, such as speeding or vehicle maintenance. A 'safe rate' should not prevent operators from making productivity gains in their businesses nor from competing on price.

In November 2008, ATC agreed to consider advice on a national framework for setting and maintaining safe payments systems in the road transport industry, including safe rates for owner drivers and employees. The federal Minister for Infrastructure, Transport, Regional Development and Local Government agreed to progress the issue within the Commonwealth and provide reports to future ATC meetings.

SECTION 3

PROTECTING THE ENVIRONMENT

FREIGHT TRANSPORT IN A CARBON - CONSTRAINED ECONOMY

Climate change is an international problem that requires coordinated global action. As the third largest contributor to carbon emissions in Australia, the transport sector has a significant role to play in meeting the challenge of climate change. Freight transport is currently responsible for six per cent of Australia's total greenhouse gas (GHG) emissions and is closely linked to economic growth.

In response to this potential rise in emissions, the Australian Government is planning to introduce a Carbon Pollution Reduction Scheme in 2010. This scheme will work as a mechanism to price carbon emissions and encourage long-term investment in cleaner technologies, better infrastructure and the right choice of transport mode.

NTC proposed that the ATC should play a leading role in coordinating measures to reduce GHG emissions from freight transport consistent with the National Transport Policy Framework. Importantly, measures known to reduce GHG emissions should be implemented, and further research on the ways in which freight transport's emissions can be reduced should be conducted.

NTC concluded that transport productivity reform is also environmental reform. For example, the wide national roll out of B-double trucks in recent years has resulted in over one million less carbon emissions a year.

Currently, freight transport emissions are reported as part of the transport sector at the national and international level. NTC recommends that more specific freight transport metrics at both national and international levels will help to better monitor whether emissions are increasing or decreasing on an efficiency and absolute level.

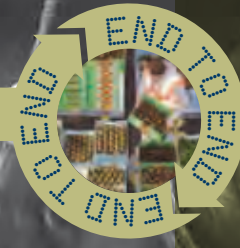
New technology can also help businesses transition to low-carbon supply chains. Funding for research and development programs by governments should be clearly linked to policy objectives such as lower GHG emissions.

Analysis however, has revealed that the Carbon Pollution Reduction Scheme will only be effective in reducing transport emissions over the long term. The NTC has responded to this finding by developing several short to medium term measures that can both cut GHG emissions and reduce freight costs.

Progressing and implementing national reforms for more productive trucks and buses, better road-use pricing signals, rail productivity initiatives and integrated transport policies are essential for a more sustainable transport system. Future NTC reforms will identify the GHG impacts to ensure environmental benefits are fully considered.

Business takes the lead

Business leadership in moving to low carbon supply chains has also been identified as an effective measure in reducing GHG emissions. Several Australian companies are already exploring ways to reduce carbon emissions in their supply chains, such as using hybrid trucks, sustainable packaging and logistics chain design. Further business leadership is needed to redesign current supply chains to lower emissions.



SECTION 4

NATIONAL OUTCOMES

COAG COMMITS TO NATIONAL MARKETS

Following an agreement in July 2008, Australia's Transport Ministers agreed to pursue a number of priority national reforms outlined in the National Transport Policy Framework.

Regulatory impact statements (RIS) for a single national system of heavy vehicle regulation, registration and licensing; a single national system for maritime safety regulation administered by the Australian Maritime Safety Authority (AMSA) and a single national rail safety regulatory and investigation framework were prepared for consideration by the Council of Australian Governments (COAG) in 2009.

NTC developed the proposal recommending a single national rail safety regulator and investigator. NTC also contributed to consolidation of national heavy vehicle regulation to support the Commonwealth proposal for a national heavy vehicle regulator.

In May 2009, ATC agreed to recommend the proposals for consideration by COAG. The reforms identified significant benefits, including improved safety outcomes and reduced costs of regulatory compliance for transport operators.

COAG also commissioned the next stage of the research needed to move towards more efficient heavy vehicle pricing under the COAG Road Reform Plan.

The reforms identified significant benefits, including improved safety outcomes and reduced costs of regulatory compliance for transport operators.





Securing national reform outcomes

During the year, significant progress was made by states and territories in national reform implementation; particularly in the areas of Chain of Responsibility, Heavy Vehicle Driver Fatigue and Rail Safety.

Submissions to the statutory review of NTC during 2009 highlighted the importance many stakeholders place on consistent and timely implementation of national reforms. NTC has already begun to review its processes to strengthen and support reform implementation.

As part of its obligation under the *Inter-Governmental Agreement for Regulatory and Operation Reform in Road, Rail and Intermodal Transport* the NTC established a robust programme to maintain, evaluate and review agreed reforms.

Implementation evaluation is generally conducted 12 to 18 months after a reform has been approved or after a majority of states and territories have implemented the reform. The process compares the agreed reform with the implemented reform and reports differences to the ATC.

An effectiveness review assesses the agreed reform against its original objectives and determines if it is delivering the desired outcomes. These reviews are generally conducted on a five and 10 year cycle. During the last financial year an effectiveness review of the Australian Vehicle Standards Rules was completed which indicated the reform was delivering the outcomes sought by the objectives.



During the year, significant progress was made by states and territories in national reform implementation; particularly in the areas of Chain of Responsibility, Heavy Vehicle Driver Fatigue and Rail Safety.

Reform maintenance is carried out to ensure the laws remain contemporary. Maintenance projects for the 2008/09 financial year were completed for Dangerous Goods, Australian Road Rules, Australian Vehicle Standards Rules and the National Driver Licensing and Heavy Vehicle Registration Schemes. Maintenance projects for the following reforms have also commenced:

- the Australian Road Rules 9th Amendment Package
- the Australian Vehicle Standards Rules 7th Amendment Package
- the National Driver Licensing Scheme (Demerit Point Exchange Project)
- Compliance and Enforcement General Maintenance
- Intelligent Access programme
- Heavy Vehicle Driver Fatigue
- Rail Safety
- Defence Road Transport Exemption Framework



National Road Rules

ATC agreed to introduce Australian Road Rules from December 1999, which is a milestone in Australia's transportation history and something that has eluded traffic planners and law makers for over 50 years.

Common rules of the road make travel easier for international tourists and for people living in border towns, travelling interstate on holiday and on business, and when shifting interstate. The laws also help lower the national road toll by eliminating much of the confusion when driving in other states and territories.

In February 2009, ATC approved the 8th Amendment Package for the Australian Road Rules. The package included changes to clarify the intent of national mobile phone rules, which restrict drivers from using a mobile phone while driving except when using a hands-free device.

The new rules, when implemented, allow drivers to pass a mobile phone to a passenger in the vehicle as long as the driver does not use the mobile phone. They also provide drivers with more clarity when considering using their mobile phones and promote safer driving on the roads.

COMMISSIONER PROFILES

The National Transport Commission (NTC) is headed by six Commissioners (including the Chief Executive Officer). The Commissioners are responsible for corporate governance, risk management, strategic planning and representing the Commission in the wider community. The Commissioners are also committed to regular evaluations of their performance against key performance criteria.

Following the appointment of new Commissioners, NTC welcomed Mr Greg Martin as Chairman, Mr Ian Johnston AM as Deputy Chairman and Mr Frank Muller to the Commission.

Ms Julie-Anne Schafer Commissioner

Julie-Anne Schafer was appointed Commissioner of the National Transport Commission on 4 April 2008. Ms Schafer is a lawyer with more than 25 years experience in private practice and who currently chairs a tribunal. In addition, she has considerable experience as a company director in sectors which include road and membership services, insurance and health.

She has been Chairperson of the Royal Automobile Club of Queensland and was a director for a number of years. In that capacity she gained experience of the transport sector. She has been a director of the Australian Automobile Association. Ms Schafer is currently the Chairperson of RACQ Insurance. She has been a director of several hospitals. She has experience of the education sector through service on law faculty advisory committees of the University of Queensland, the Queensland University of Technology, Griffith University and Bond University. She was an adjunct Professor of Law at the University of Queensland.

Ms Schafer has been Deputy Chancellor of the Queensland University of Technology. She is a former Telstra Queensland Business Women's Award Winner.

Mr Frank Muller Commissioner

Frank Muller was appointed Commissioner of the National Transport Commission on 3 September 2008. Mr Muller is a Professorial Visiting Fellow at UNSW's Institute of Environmental Studies and Climate Change Research Centre. Mr Muller has a 33 year career in environmental, energy and land use policy in Australia and the United States in government, universities, private consulting and the community sector.

Mr Muller previously headed greenhouse policy in the NSW Government and during the 1990s directed policy research at the University of Maryland's Center for Global Change in Washington, advising the United Nations, the Clinton Administration, US state governments and several developing countries. He is also non-executive director of the consumer organisation, Choice.

Mr Bill Noonan OAM Commissioner

Bill Noonan was appointed Commissioner of the National Transport Commission on 2 June, 2008. Mr Noonan is currently the Branch Secretary of the Transport Workers Union (TWU) Victoria/Tasmania, Chair of the Transport Industry Safety Group and board member of the TWU Super Fund, Institute for Breathing and Sleep and Victoria Police Blue Ribbon Foundation.



Mr Nick Dimopoulos
Chief Executive Officer
and Commissioner

Nick Dimopoulos was appointed CEO and Commissioner of the National Transport Commission on 2 October 2006.

Mr Dimopoulos has extensive experience in the public and private sector covering the areas of business strategy, economic research, public policy, financial and risk management and stakeholder management.

He was formerly the Acting CEO for the Committee for Economic Development of Australia (CEDA), which is a leading independent think tank and research organisation. At CEDA, he was instrumental in driving high quality research and promoting debate on public policy issues, including water management, education, and the future economic direction for Australia.

Mr Dimopoulos previously held senior executive positions in Victorian Treasury, AWB Ltd and BHP Billiton. In the Victorian Treasury, he provided high level financial and economic advice to the State Treasurer and Premier and oversaw the handing down of three State budgets. At AWB, he developed the strategy and plan for AWB Ltd's public listing and, at BHP Billiton, was involved in business development, mergers and acquisitions. During the 1990s, Nick also spent time in China working on World Bank infrastructure development projects.

Mr Greg Martin
Chairman

Greg Martin was appointed Chairman of the National Transport Commission on 4 September 2008. Mr Martin has extensive experience in the areas of transport and infrastructure planning, research and operations over 40 years. Mr Martin currently holds positions as Professor of Planning and Transport Studies, Curtin University of Technology, and Executive Director, Planning and Transport Research Centre of Western Australia (PATREC).

He has contributed a great deal of expertise and leadership to Western Australia's transport governance, with a focus on road use, public transport, and planning of land use, in both state and Commonwealth capacities.

Professor Ian Johnston AM
Deputy Chairman

Ian Johnston was appointed Commissioner of the National Transport Commission on 4 April 2008. Mr Johnston has worked in the transport, especially transport safety, field since 1966 and his experience spans all modes. Mr Johnston has been a researcher, policy analyst, program administrator, senior executive and non-executive board member across a range of transport modes and settings - with the Australian government, the government of Victoria, a national research and development company and in academia.

Mr Johnston has a special interest in how societies, governments and organisations think about and manage safety and in the translation of research results into policy and practice. He retired from the position of Director at Monash University Accident Research Centre at the end of 2006 and is now a part-time Professor at the Centre. He is also a non-executive Director on the Board of DECA Ltd (Australia's largest driver training organisation).



Six Commission meetings were held during the 2008/09 financial year.

The Commissioners during the financial year were: Mr G Martin, Chairman (term commenced June 2008), Mr N Dimopoulos, Mr I Johnston AM, Deputy Chairman (term commenced June 2008), Ms J Schafer (term commenced June 2008), Mr B Noonan OAM (term commenced June 2008), Mr F Muller (term commenced September 2008), Mr M Deegan, Chairman (term finished end of June 2008).

“Understanding how these issues are addressed elsewhere in the world is an inspiration for new directions to be explored and a good benchmark on whether we are on the right track. I am a firm believer that there is always more to learn”.



**Dr Jeff Potter,
Senior Manager Safety**

Dr Jeff Potter, Senior Manager Safety has been with the NTC since 2005 where he is affectionately known as the ‘safety guru’ of the organisation. His experience in the industry is extensive and covers the development and implementation of road safety policy and safety programs relating to driver behaviour, particularly driving under the influence, speed countermeasures and heavy vehicle safety.

In his role as Senior Manager Safety, he specialises in the research and development of safety policy and regulatory reform for both road and rail transport focussing on freight and heavy vehicle safety. Dr Potter is committed to improving Australia’s transport safety through the use of safe system principles and the continual research to identify and implement world-leading safety interventions.

His involvement with the OECD/ International Transport Forum Joint Transport Research Centre (JTRC) Working Group on Heavy Vehicles: Regulatory, Operational and Productivity Improvements led to his recent contribution to a benchmarking study of the safety performance of the road transport industry across Europe, North America, Australia, New Zealand, Japan and parts of Africa.

In June this year, Dr Potter attended the international conference on efficient, safe and sustainable truck transportation systems for the future in Ann Arbor, Michigan. It was a fantastic opportunity for the working groups participating in the study to congregate for the final editorial of the report, present their preliminary findings and share their knowledge of world-leading safety interventions.

Dr Potter said that the issues facing the Australian transport sector have a lot in common with the rest of the world.

“Understanding how these issues are addressed elsewhere in the world is an inspiration for new directions to be explored and a good benchmark on whether we are on the right track. I am a firm believer that there is always more to learn”.

The final report of the working group is scheduled for release at the end of 2009.



**Rob de Maid,
Senior Policy Analyst Safety**

Rob De Maid, Senior Policy Analyst in the Safety area experienced his first road trip from Melbourne to Dubbo in a truck this year with safety advocate, Rod Hannifey.

The 10 hour road trip took place in a TRUCK-RIGHT B-double fitted with a CHEK WAY electronic weighing and data logging system. The technology monitors and records road irregularities which then produces a report for road authorities to effectively target road repairs.

Having an 'on road' understanding of the job allowed Rob to gain a different perspective on road safety issues and the roles that truck drivers play in keeping the roads and ultimately, Australians, safe.

“It is enlightening and comforting to see first hand how committed some of our truckies are toward the safety of all road users. At the end of the day, we are all working toward a common goal – a better industry”.

While the primary focus of the trip was to discuss electronic work diaries, an understanding of how Chain of Responsibility can impact on a situation was also learnt when a five hour delay meant a late start to the trip and consequently missing all flights back to Melbourne and having to settle for a very long bus ride back instead.

Kathryn Hodges

Kathryn Hodges, Manager Strategy and Legal joined the NTC in May last year and is committed to building strong relationships with transport stakeholders based on mutual respect and collaboration.

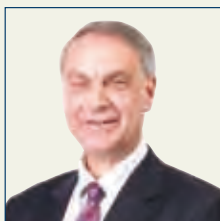
Her appointment as project manager of Safe Payments provided her with an excellent opportunity to meet and engage with the wider transport community.

In addition to undertaking a truck trip from Melbourne to Dubbo, Kathryn, along with Hon Lance Wright QC and Professor Michael Quinlan was able to meet with drivers, operators, unions, governments and freight customers to talk about the link between payments and safety outcomes for their perspectives.

Being new to the industry, Kathryn gained enormous insight into the 'day to day' issues facing the road freight industry. In going out to the 'field' and having frank and honest conversations with drivers, Kathryn was privy to the many sensitive issues of family life and health issues resulting from their occupation. Meeting and speaking candidly with the wives of some drivers also gave her a fresh and different perspective into the 'real life' effect their husband's jobs had on their families' lives and their personal experiences as acting as 'bookkeeper' or administrative officer for the business.

“Having the opportunity to speak in person with drivers and their wives gave me a very real and honest understanding of the challenges they face. It is imperative that all work undertaken at the NTC pays due consideration to the impact it may have on industry and the wider community”.

ORGANISATIONAL STRUCTURE



NICK DIMOPOULOS, CEO



Safety and Environment

Tim Eaton, General Manager Safety and Environment

Jeff Potter, Senior Manager Safety
Neil Wong, Senior Manager Environment
Karen Dowling, Manager Safety
Donna Soo, Senior Policy Analyst
Courtney Krause, Senior Policy Analyst
Rob De Maid, Senior Policy Analyst Safety
Lea Morgan, Policy Analyst Safety and Environment



Economics and Productivity

Meena Naidu, General Manager Economics and Productivity

George Konstandakos, Senior Manager Productivity
Matthew Clarke, Senior Manager Economics
Kristian Cook, Manager Productivity
Marcus Coleman, Manager Engineering and Productivity
Chris Egger, Senior Economist
Emily Porter, Senior Policy Analyst Economics
Jose Arredondo, Senior Policy Analyst
Julian Del Beato, Senior Policy Analyst Productivity
Tony Xu, Policy Analyst Pricing

Legislation and Compliance

Ben Piper, Chief Legislative Drafter and Counsel
Greg Deimos, Senior Manager Programs and Maintenance
Kathryn Hodges, Manager Strategy and Legal
Keith Ryan, Manager Legislation and Compliance
Ray Hassall, Manager Legislation and Compliance
John Aliferis, Legal Officer

Other staff employed during 2008/09 include:

Damian Callachor, Mark Crosher,
David Anderson, Gregory Dimopoulos,
Stephanie Haggerty, Sander Jansen,
Christopher Jones, Heather Lipscombe,
Mathew Loader, Raymond Misa, Christopher
Stephens, Pauline Sullivan, Tania Wilson,
Jacqueline Winn



Corporate

Lynne Habner, General Manager Corporate

Binh Le, Manager Finance and Human Resources
Anne Wright, Senior Operations/Research Officer
Duminda Senanayake, Finance Officer
Andrew Georgiou, Executive Assistant
Josh Puttick, Executive Assistant
Kylie Steinhardt, Executive Assistant
Natalia Cervera, Receptionist



Strategy and Communications

Paul Sullivan, General Manager Strategy and Communications

Ian Hunter, Chief Planning and Development Officer
Jerome Carslake, Manager Strategic Research and Planning
Susie Barragans, Manager IT
Alexandra Manning, Communications Officer
Lis O'Brien, Senior Communications Officer
Samantha Goh, Communications Officer

Success in delivering national transport reform is the product of committed staff and strong stakeholder engagement and relationships built on trust, understanding and commitment.



NTC ADVISORY and WORKING GROUPS

A number of advisory and working groups comprising key stakeholders provide advice on the development and implementation of national transport reform. The assistance provided by these groups is appreciated and contributions from all members who served on the various bodies during the year are acknowledged.

Transport Agency Chief Executives

The Transport Agency Chief Executives (TACE) advisory group consists of heads of transport departments and road authorities from each state and territory as well as New Zealand. A representative from local government also sits on the group.

Industry Advisory Group

The Industry Advisory Group (IAG) includes representatives of the Australian Automobile Association, Australian Trucking Association, Australasian Railway Association, National Farmers' Federation, Transport Workers' Union, Minerals Council of Australia, Ports Australia, and the Australian Logistics Council as well as vehicle manufacturers, suppliers, transport operators and the transport training industry.

Bus Industry Advisory Group

The Bus Industry Advisory Group (BIAG) is made up of representatives from state, territory and national bus associations, bus manufacturers, suppliers, operators and related industries.

Fatigue Authorities Panel

The Fatigue Authorities Panel (FAP) is made up of representatives of the fatigue authorities of the participating jurisdictions. Established by the ATC as an advisory group under the Heavy Vehicle Driver Fatigue reform, it is charged with certain functions, particularly in relation to ensuring national consistency in the approval of Advanced Fatigue Management (AFM) accreditation applications in multiple jurisdictions.

Performance Based Standards Review Panel

The Performance Based Standards Review Panel (PRP) provides a national forum for the evaluation of SMART heavy vehicle applications under the Performance Based Standards scheme. It comprises senior representatives from transport agencies. The Panel replaces the PBS Interim Review Panel as the assessing body for these applications.

Other groups

The NTC, through invitations to attend board meetings and other more informal meetings, maintains regular liaison with the Rail Industry Safety Standards Board. This liaison ensures that regulatory reform managed by the NTC is informed of industry rail views and takes account of the development of industry codes and standards.

Other specific project groups include:

- the Transport Emissions Liaison Group, which brings together representatives from transport and environment agencies and industry groups
- the National Heavy Vehicle Safety Strategy Taskforce to coordinate implementation of the National Heavy Vehicle Safety Strategy
- a number of national maintenance groups including the Australian Road Rules Maintenance group.

National Transport Policy Working Groups

The NTC was also closely involved with working groups responsible for the development of work programs as part of the National Transport Policy Framework.

The nine working groups include:

- Economic Framework for Efficient Transportation Marketplace – New South Wales
- Infrastructure Planning and Investment - Victoria
- Capacity Constraints and Supply Chain Performance – South Australia
- Urban Congestion - Victoria
- Climate Change, Environment and Energy – Western Australia
- Safety and Security - Queensland
- Strategic Research and Technology - Tasmania
- Workforce Planning and Skills – Northern Territory
- Governance – Commonwealth

In May 2009 ATC agreed to implement the future work agenda flowing from the National Transport Policy Framework advice through a streamlined structure of subcommittees of the Standing Committee on Transport (SCOT).

The subcommittees will focus on Productivity, Safety, Environment, Security, Maritime and Network Performance.

ATC SUBMISSIONS

Number	Subject	Issued
ATC08/39	Effectiveness Review of the Australian Vehicle Standards Rules and Administrative Guideline for Pilot Vehicle Driver Accreditation Procedures	July 2008
ATC 08/40	National Driver Licensing Scheme and Heavy Vehicle Registration Scheme 2008 Amendments	September 2008
ATC 08/41	National Strategy for Rail Safety Data	October 2008
ATC 08/42	Australian Dangerous Goods Code Internet Availability	October 2008
ATC 08/66	Safe Payments Systems (to 28th meeting)	November 2008
ATC 08/67	NTC Budget 2009-10 (to 28th meeting)	November 2008
ATC 08/73	Performance Based Standards Business Rules Amendments (to 28th meeting)	November 2008
ATC 08/80	Australian Road Rules 8th Amendment Package	November 2008
ATC09/01	Recognition of Industry Developed Standards for Rail Safety	March 2009
ATC 09/03	Australian Vehicle Standards Rules 6th Amendment Package	March 2009
ATC 09/04	NTC Strategic Plan and Work Program 2009-10	May 2009
ATC 09/21	NTC Rail Freight Productivity Review	May 2009
ATC 09/27	Heavy Vehicles – Review of Performance Based Standards	May 2009
ATC 09/29	Accreditation Policy Review	June 2009
ATC 09/30	National Heavy Vehicle Enforcement Strategy Cost Benefit Analysis	June 2009



STATEMENT BY THE COMMISSIONERS

In our opinion, the attached financial statements for the year ended 30 June 2009 are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Ministers Orders made under the *Commonwealth Authorities and Companies Act 1997*.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the National Transport Commission will be able to pay its debts as and when they become due and payable.

This statement is made in accordance with a resolution of the Commissioners.



Greg Martin

Chairman

Date: 28 August 2009



Nick Dimopoulos

Chief Executive

Date: 28 August 2009

INDEPENDENT AUDITOR'S REPORT

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

Scope

I have audited the accompanying financial statements of the National Transport Commission for the year ended 30 June 2009, which comprise; a Statement by the Commissioners; Income Statement; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; and Notes to and forming part of the Financial Statements, including a Summary of Significant Accounting Policies.

The Commissioners' Responsibility for the Financial Statements

The Commissioners are responsible for the preparation and fair presentation of the financial statements in accordance with the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*, including the Australian Accounting Standards (which include the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with the Australian National Office Auditing Standards, which incorporate the Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Commission's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Commissioners, as well as the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting the audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

Auditor's Opinion

In my opinion, the financial statements of the National Transport Commission:

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*, including the Australian Accounting Standards; and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders including the National Transport Commission's financial position as at 30 June 2009 and its financial performance and cash flows for the year then ended.

Australian National Audit Office



Ron Wah

Senior Director

Delegate of the Auditor-General

Canberra

28 August 2009

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2009

		2009	2008
	Notes	\$	\$
INCOME			
Revenue			
Revenue from rendering of services	3A	8,621,164	8,586,155
Interest	3B	160,823	173,318
Rental income	3C	26,196	36,844
Other revenue	3D	171,758	402,793
Total revenue		8,979,941	9,199,110
Total Income		8,979,941	9,199,110
EXPENSES			
Employee benefits	4A	4,380,308	4,404,435
Suppliers	4B	3,326,694	3,547,054
Depreciation	4C	140,888	144,500
Write-down and impairment of assets	4D	9,882	-
Total Expenses		7,857,772	8,095,989
Surplus		1,122,169	1,103,121

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

BALANCE SHEET

FOR THE YEAR ENDED 30 JUNE 2009

	Notes	2009 \$	2008 \$
ASSETS			
Financial Assets			
Cash and cash equivalents	5A	4,341,180	3,080,290
Trade and other receivables	5B	59,755	322,568
Total financial assets		4,400,935	3,402,858
Non-Financial Assets			
Buildings – Leasehold improvements	6A	287,528	305,442
Plant and equipment	6B,C	145,270	112,044
Other non-financial assets	6D	49,214	-
Total non-financial assets		482,012	417,486
Total Assets		4,882,947	3,820,344
LIABILITIES			
Payables			
Suppliers	7A	441,536	555,718
Other payables	7B	101,433	179,150
Total payables		542,969	734,868
Provisions			
Employee provisions	8A	540,930	408,597
Total provisions		540,930	408,597
Total Liabilities		1,083,899	1,143,465
Net Assets		3,799,048	2,676,879
EQUITY			
Reserves		24,164	24,164
Retained earnings		3,774,884	2,652,715
Total Equity		3,799,048	2,676,879
Current Assets		4,400,935	3,402,858
Non-Current Assets		482,012	417,486
Current Liabilities		928,476	1,056,735
Non-Current Liabilities		155,423	86,730

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2009

	Retained Earnings		Asset Revaluation Reserves		Total Equity	
	2009	2008	2009	2008	2009	2008
	\$	\$	\$	\$	\$	\$
Opening balance						
Balance carried forward from previous period	2,652,715	1,549,594	24,164	24,164	2,676,879	1,573,758
Surplus for the period	1,122,169	1,103,121	-	-	1,122,169	1,103,121
Closing Balance as at 30 June	3,774,884	2,652,715	24,164	24,164	3,799,048	2,676,879

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

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2009

	Notes	2009	2008
		\$	\$
OPERATING ACTIVITIES			
Cash received			
Goods and Services		8,700,706	8,942,861
Interest		160,823	173,318
Net GST received		613,463	89,830
Other cash received		197,955	439,637
Total cash received		9,672,947	9,645,646
Cash used			
Employees		4,255,593	4,470,511
Suppliers		3,990,382	3,560,304
Total cash used		8,245,975	8,030,815
Net cash flows from operating activities	9	1,426,972	1,614,831
INVESTING ACTIVITIES			
Cash used			
Purchase of property, plant and equipment		166,082	13,196
Total cash used		166,082	13,196
Net cash flows (used by) investing activities		(166,082)	(13,196)
Net increase in cash held		1,260,890	1,601,635
Cash and cash equivalents at the beginning of the reporting period		3,080,290	1,478,655
Cash and cash equivalents at the end of the reporting period	5A	4,341,180	3,080,290

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

SCHEDULE OF COMMITMENTS

AS AT 30 JUNE 2009

	2009	2008
	\$	\$
BY TYPE		
Commitments Receivable		
Sublease rental income	289,032	-
Net GST receivable	(163,573)	(68,965)
Total Commitments Receivable	125,459	(68,965)
Other commitments		
Operating leases ⁱ	1,393,530	459,070
Other commitments	405,775	299,542
Total other commitments	1,799,305	758,612
Net commitments by type	1,924,764	689,647
BY MATURITY		
Commitments receivable		
Operating lease income		
One year or less	95,005	-
From one to five years	194,027	-
Total operating lease income	289,032	-
GST Receivable		
One year or less	(78,530)	(68,965)
From one to five years	(85,043)	-
Total GST receivable	(163,573)	(68,965)
Commitments payable		
Operating lease commitments		
One year or less	458,054	459,070
From one to five years	935,476	-
Total operating lease commitments	1,393,530	459,070
Other Commitments		
One year or less	405,775	299,542
Total other commitments	405,775	299,542
Net Commitments by Maturity	1,924,764	689,647

NB: Commitments are GST inclusive where relevant.

ⁱ Operating leases included are effectively non-cancellable and comprise: Leases for office accommodation.

Lease payments are subject to annual increase in accordance with upwards movements in the Consumer Price Index.

The initial periods of office accommodation leases are still current and each may be renewed for up to 3 years at the Commission's option, following a once-off adjustment of rentals to current market levels.

The current lease is due to expire May 2015.

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

Note 1: Summary of Significant Accounting Policies

1.1 Basis of Preparation of the Financial Report

The financial statements and notes are required by clause 1(b) of Schedule 1 to the *Commonwealth Authorities and Companies Act 1997* and are a general purpose financial report.

The National Transport Commission (the Commission) is dependent on contributions from the Australian Government, States and Territories to carry out its normal activities.

The financial statements and notes have been prepared in accordance with:

- Finance Minister's Orders (or FMO) or reporting periods ending on or after 1 July 2008; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial report has been prepared on an accrual basis and is in accordance with historical cost convention, except for certain assets at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial report is presented in Australian dollars and values are rounded to the nearest dollar unless otherwise specified.

Unless an alternative treatment is specifically required by an Accounting Standard or the FMO, assets and liabilities are recognised in the balance sheet when and only when it is probable that future economic benefits will flow to the Commission and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under agreements equally proportionately unperformed are not recognised unless required by an accounting standard.

Unless alternative treatment is specifically required by an accounting standard, income and expenses are recognised in the income statement when, and only when, the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

1.2 Significant Accounting Judgements and Estimates

In the process of applying the accounting policies listed in this note, the Commission has made the following judgements that have the most significant impact on the amounts recorded in the financial statements:

- The fair value of leasehold improvements has been taken to be the market value of similar leasehold improvements as determined by an independent valuer.

No accounting assumptions or estimates have been identified that have a risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

1.3 Adoption of new Australian Accounting Standard requirements

No accounting standard has been adopted earlier than the application date as stated in the standard.

Future Australian Accounting Standard requirements

New standards, amendments to standards or interpretations have been issued by the Australian Accounting Standards Board but are effective for future reporting periods. It is estimated that the impact of adopting these pronouncements when effective will have no material financial impact on future reporting periods.

1.4 Revenue

Revenue from the sale of goods 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.

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

- The amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- The probable economic benefits with the transaction will flow to the Commission.

Service revenues are Government contributions approved by the Australian Transport Council and other Government project funding. Revenues are recognised as revenue to the extent that they have been received or when it is highly probable that amounts are likely to be received.

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at balance date. Allowances made when collectability of the debt is no longer probable.

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

1.5 Gains

Sale of Assets

Gains from disposal of non-current assets is recognised when control of the asset has passed to the buyer.

1.6 Employee Benefits

Liabilities for services rendered by employees are recognised at the reporting date to the extent that they have not been settled.

Liabilities for 'short-term employee benefits' (as defined in AASB 119) and termination benefits due within twelve months of balance date are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

All other employee benefit liabilities are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the Commission is estimated to be less than the annual entitlement for sick leave.

The liability for long service leave has been determined by reference to staff members years of service at the Commission. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Superannuation

Contributions are made by the Commission to an employee superannuation fund and are charged as expenses when incurred.

The liability for superannuation recognised at 30 June 2009 represents outstanding contributions for the final fortnight of the year.

1.7 Leases

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of leased non-current assets. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

Where a non-current asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight line basis which is representative of the pattern of benefits derived from the leased assets.

1.8 Cash and cash equivalents

Cash and cash equivalents includes notes and coins held and any deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Cash is recognised at its nominal amount.

1.9 Financial assets

The Commission classifies its financial assets in the following categories:

- loans and receivables'
- held-to-maturity investments;
- financial assets at fair value through profit or loss; and
- available-for-sale financial assets.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. The Commission only holds financial assets that fall within the 'loans and receivables' category.

Financial assets are recognised and derecognised upon trade date.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis except for financial assets at fair value through profit or loss.

Loans and receivables

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non current assets. Receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

Impairment of financial assets

Financial assets are assessed for impairment at each balance date.

Financial assets held at amortised cost - if there is objective evidence that an impairment loss has been incurred for loans and receivables or held to maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the income statement.

Available for sale financial assets - If there is objective evidence that an impairment loss on an available for sale financial asset has been incurred, the amount of the difference between its cost, less principal repayments and amortisation, and its current fair value, less any impairment loss previously recognised in expenses, is transferred from equity to the Income Statement.

Available for sale financial assets (held at cost) - If there is objective evidence that an impairment loss has been incurred the amount of the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate for similar assets.

1.10 Financial Liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities are recognised and derecognised upon 'trade date'.

Supplier and other payables

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

1.11 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the balance sheet but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are reported when settlement is probable but not virtually certain and contingent liabilities are recognised when settlement is greater than remote.

The Commission has no contingent liabilities or assets for the year ended 30 June 2009.

1.12 Acquisition of Assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

1.13 Leasehold Improvements, Plant and Equipment

Asset Recognition Threshold

Purchases of leasehold improvements, plant and equipment are recognised initially at cost in the balance sheet, except for purchases costing less than \$1,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Revaluations

Fair values for each class of asset are determined as shown below:

Asset Class	Fair value measured at
Leasehold improvements	Depreciated replacement cost
Plant and equipment	Market selling price

Following initial recognition at cost, leasehold improvement, plant and equipment are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised through operating result. Revaluation decrements for a class of assets are recognised directly through operating result except to the extent that they reverse a previous revaluation increment for that class.

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

Depreciation

Depreciable leasehold improvements, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the Commission using, in all cases, the straight line method of depreciation.

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

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

	2009	2008
Leasehold improvements	Lease term	Lease term
Plant and equipment	2 to 9 years	2 to 9 years

Impairment

All assets were assessed for impairment at 30 June 2009. Where indications of impairment exist, an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

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

1.14 Taxation

The Commission is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

Note 2: Events after the Balance Sheet Date

There were no events subsequent to the balance sheet date that have or will materially affect the ongoing structure and financial activities of the Commission.

Note 3: Income

	2009	2008
Revenue	\$	\$
Note 3A: Sale of goods and rendering of services		
Federal Government contribution approved by Australian Transport Council - related parties	2,743,000	2,651,000
State and Territory Government contributions approved by Australian Transport Council - external parties	5,095,000	4,841,000
Government Revenue based on specific project funding - related parties	783,164	1,094,155
Total sale of goods and rendering of services	8,621,164	8,586,155
Note 3B: Interest		
Deposits	160,823	173,318
Total interest	160,823	173,318
Note 3C: Rental income		
Operating lease:		
Sub-lease	26,196	36,844
Total rental income	26,196	36,844
Note 3D: Other revenue		
Australian Dangerous Goods Code	136,263	402,793
Other revenue	35,495	-
Total other revenue	171,758	402,793

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

Note 4: Expenses

	2009	2008
	\$	\$
Note 4A: Employee benefits		
Wages and salaries	3,916,952	3,971,976
Superannuation:		
Defined contribution plans	331,023	317,344
Leave and other entitlements	132,333	115,115
Total employee benefits	4,380,308	4,404,435
Note 4B: Suppliers		
Provision of goods - external parties	905,470	1,300,173
Rendering of services - external parties	1,949,184	1,804,837
Operating lease rentals:		
Minimum lease payments	466,274	434,098
Workers compensation premiums	5,766	7,946
Total supplier expenses	3,326,694	3,547,054
Note 4C: Depreciation		
Depreciation:		
Plant & equipment	57,062	68,520
Buildings		
Lease-hold improvements	83,826	75,980
Total depreciation	140,888	144,500
Note 4D: Write-down and impairment of assets		
Impairment of plant and equipment	9,882	-
Total write-down and impairment of assets	9,882	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

Note 5: Financial Assets

	2009	2008
	\$	\$
Note 5A: Cash and cash equivalents		
Cash on hand or on deposit	500	552
Deposits	4,340,680	3,079,738
Total cash and cash equivalents	<u>4,341,180</u>	<u>3,080,290</u>

Note 5B: Trade and other receivables

Goods and services – external parties	30,515	124,795
GST receivable from the Australian Taxation Office	29,240	197,773
Total trade and other receivables	<u>59,755</u>	<u>322,568</u>

Receivables are represented by:

Current	59,755	322,568
Non-current	-	-
Total trade and other receivables	<u>59,755</u>	<u>322,568</u>

Receivables are aged as follows:

Not overdue	59,755	321,661
Overdue by:		
Less than 30 days	-	-
30 to 60 days	-	-
61 to 90 days	-	-
More than 90 days	-	907
Total receivables	<u>59,755</u>	<u>322,568</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

Note 6: Non-Financial Assets

	2009	2008
	\$	\$
Note 6A: Buildings – Leasehold improvements		
Leasehold improvements		
– fair value	597,774	531,862
– accumulated depreciation	(310,246)	(226,420)
Total buildings and leasehold improvements (non-current)	287,528	305,442

No indicators of impairment were found for leasehold improvements

Note 6B: Plant and equipment

Plant and equipment:		
– gross carrying value (at fair value)	313,474	273,614
– accumulated depreciation	(168,204)	(161,570)
Total plant and equipment (non-current)	145,270	112,044

No valuation was carried out during the year.

No indicators of impairment were found for plant and equipment.

Note 6C: Analysis of leasehold improvements, plant and equipment

TABLE A – Reconciliation of the opening and closing balances of plant and equipment (2008-09)

Item	Buildings - Leasehold Improvements	Other Plant & Equipment	Total
	\$	\$	\$
As at 1 July 2008			
Gross book value	531,862	274,716	806,578
Accumulated depreciation	(226,420)	(162,672)	(389,092)
Net book value 1 July 2008	305,442	112,044	417,486
Additions:			
by purchase	65,912	100,170	166,082
Depreciation	(83,826)	(57,062)	(140,888)
Disposals:			
Other disposals	-	(9,882)	(9,882)
Net book value 30 June 2008	287,527	145,269	432,798
Net book value as of 30 June 2009 represented by:			
Gross book value	597,774	313,474	911,248
Accumulated depreciation	(310,246)	(168,204)	(478,450)
	287,528	145,270	432,798

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

TABLE A - Reconciliation of the opening and closing balances of plant and equipment (2007-08)

Item	Buildings - Leasehold Improvements	Other Plant & Equipment	Total
	\$	\$	\$
As at 1 July 2007			
Gross book value	531,862	261,520	793,382
Accumulated depreciation	(150,260)	(94,332)	(244,592)
Net book value 1 July 2007	381,602	167,188	548,790
Additions:			
by purchase	-	13,196	13,196
Depreciation	(76,160)	(68,340)	(144,500)
Net book value 30 June 2008	305,442	112,044	417,486
Net book value as of 30 June 2008 represented by:			
Gross book value	531,862	274,716	806,578
Accumulated depreciation	(226,420)	(162,672)	(389,092)
	<u>305,442</u>	<u>112,044</u>	<u>417,486</u>

Note 6D: Other non-financial assets

	2009	2008
	\$	\$
Prepayments	49,214	-
Total other non-financial assets	49,214	-

All other non-financial assets are current assets.

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

Note 7: Payables

	2009	2008
	\$	\$
Note 7A: Suppliers		
Trade creditors	441,536	555,718
Total supplier payables	<u>441,536</u>	<u>555,718</u>
Supplier payables are represented by:		
Current	441,536	555,718
Total supplier payables	<u>441,536</u>	<u>555,718</u>

Settlement is usually made net 30 days.

Note 7B: Other payables

Other	21,393	102,675
Employee payables	80,040	76,475
Total Other Payables (current)	<u>101,433</u>	<u>179,150</u>

Note 8: Provisions

	2009	2008
	\$	\$
Note 8A: Employee provisions		
Leave	540,930	408,597
Total employee provisions	<u>540,930</u>	<u>408,597</u>
Employee provisions are represented by:		
Current	385,507	321,867
Non-current	155,423	86,730
Total employee provisions	<u>540,930</u>	<u>408,597</u>

The classification of current employee provisions includes amounts for which there is not an unconditional right to defer settlement by one year, hence in the case of employee provisions the above classification does not represent the amount expected to be settled within one year of reporting date. Employee provisions expected to be settled in twelve months from the reporting date are \$385,507 (2008: \$321,867), and in excess of one year \$ 155,423 (2008: \$86,730).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

Note 9: Cash flow reconciliation

	2009	2008
	\$	\$
Reconciliation of cash and cash equivalents as per balance sheet to cash flow statement		
Report cash and cash equivalents as per:		
Cash flow statement	4,341,180	3,080,290
Balance sheet	4,341,180	3,080,290
Difference	<u>-</u>	<u>-</u>
Reconciliation of operating result to net cash from operating activities:		
Operating result	1,122,169	1,103,121
Depreciation	140,888	144,500
Net write-down of non-financial assets	9,882	-
(Increase) / decrease in net receivables	264,613	(25,337)
(Increase) / decrease in prepayments	(49,214)	37,824
Increase / (decrease) in employee provisions	132,333	(56,824)
Increase / (decrease) in supplier payables	(114,182)	406,373
Increase / (decrease) in prepayments received	-	5,175
Increase / (decrease) in other payables	(79,517)	-
Net cash from operating activities	<u>1,426,972</u>	<u>1,614,832</u>

Note 10: Commissioners Remuneration

	2009	2008
The number of Commissioners of the Commission included in these figures are shown below in the relevant remuneration bands:		
\$ Nil - \$ 14,999	3	5
\$ 15,000 - \$ 29,999	3	1
\$ 60,000 - \$ 74,999	1	-
\$ 165,000 - \$ 179,999	-	1
Total number of Commissioners of the Commission	<u>7</u>	<u>7</u>
Total remuneration received or due and receivable by Commissioners of the Commission	\$ 172,816	\$236,780

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

Note 11: Related Party Disclosures

There were no related party transactions during the year.

Note 12: Executive Remuneration

The number of senior executives who received or were due to receive total remuneration of \$130,000 or more:

	2009	2008
\$130 000 to \$144 999	4	4
\$145 000 to \$159 999	2	1
\$160 000 to \$174 999	2	-
\$205 000 to \$224 999	1	1
\$245,000 to \$264,999	-	1
\$265,000 to \$284,999	1	-
Total	10	7

The aggregate amount of total remuneration of senior executives shown above. **\$1,672,288** \$1,195,654

The aggregate amount of separation and redundancy/termination benefit payments during the year to executives shown above. **\$ Nil** \$40,455

Note 13: Remuneration of Auditors

	2009	2008
	\$	\$
Financial statement audit services provided to the Commission.		
The fair value of the services provided was:	13,500	13,200
	13,500	13,200

No other services were provided by the Auditor-General.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

Note 14: Average Staffing Levels

	2009	2008
The average staffing levels for the Commission during the year were:	38	37

Note 15: Financial Instruments

	2009	2008
	\$	\$

15A Categories of financial instruments

Financial Assets

Loans and receivables

Cash and cash equivalents	4,341,180	3,080,290
Receivables for goods and services	30,515	124,795

Carrying amount of financial assets	4,371,695	3,205,085
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Financial Liabilities

Suppliers Payable

441,536	555,718
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Carrying amount of financial liabilities	441,536	555,718
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15B Net income and expense from financial assets

Loans and Receivables

Interest revenue (Note 3B)	160,823	173,318
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Net gain from loans and receivables	160,823	173,318
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Net gain from financial assets	160,823	173,318
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15C Fair value of financial instruments

	Carrying amount 2009	Fair value 2009	Carrying amount 2008	Fair value 2008
	\$	\$	\$	\$
FINANCIAL ASSETS				
Cash at bank	4,341,180	4,341,180	3,080,290	3,080,290
Receivables for goods and services	30,515	30,515	124,795	124,795
Total	4,371,695	4,371,695	3,205,085	3,205,085

FINANCIAL LIABILITIES

Trade creditors	441,536	441,536	555,718	555,718
Total	441,536	441,536	555,718	555,718

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

15D Credit risk

Credit risk is the risk of financial loss as a result of failure by a client or counterpart to meet its contractual obligations. The finance department is responsible for the analysis and monitoring of its credit risk exposure. All credit exposures are monitored regularly against allowed limits. To mitigate credit risk, letters of credit and terms of trade are introduced where appropriate.

The average credit period for trade receivables is 30 days. The Commission holds no collateral to mitigate against credit risk.

Credit risk of financial instruments not past due or individually determined as impaired.

	Not Past Due Nor Impaired	Not Past Due Nor Impaired	Past due or impaired	Past due or impaired
	2009	2008	2009	2008
	\$	\$	\$	\$
Receivables for goods and services	30,515	123,888	-	907
Total	30,515	123,888	-	907

Ageing of financial assets that are past due but not impaired for 2009

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
Receivables for goods and services	-	-	-	-	-
Total	-	-	-	-	-

Ageing of financial assets that are past due but not impaired for 2008

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
Receivables for goods and services	-	-	-	907	907
Total	-	-	-	907	907

15E Liquidity risk

Liquidity risk is the risk that the Commission is unable to meet its financial obligations as they fall due, which could arise due to mismatches in cash flows. Funding and liquidity management is performed by the finance department on a weekly basis and regular reports are provided to management and Commissioners. Payments take place once a week, which ensures all suppliers are paid within the established terms of trade. The average credit period for supplier payments is 30-60 days.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

Maturities for financial liabilities 2009

	On demand 2009 \$	within 1 year 2009 \$	2 to 5 years 2009 \$	> 5 years 2009 \$	Total 2009 \$
Suppliers Payable	441,536	-	-	-	441,536
Total	441,536	-	-	-	441,536

	On demand 2008 \$	within 1 year 2008 \$	2 to 5 years 2008 \$	> 5 years 2008 \$	Total 2008 \$
Suppliers Payable	555,718	-	-	-	555,718
Total	555,718	-	-	-	555,718

15F Market risk

The Commission is not exposed to currency risk or other price risk.

The method used to arrive at the possible change of 75 basis points was based on both statistical and non statistical analysis. The statistical analysis has been based on the cash rate for the past five years issued by the Reserve Bank of Australia (RBA) as the underlying dataset. This information is then revised and adjusted for reasonableness under the current economic circumstances. 75 basis points is considered reasonable because it is reasonably possible that there will be greater volatility compared to that which has been experienced in recent years, however, not to the extent of the extraordinary volatility experienced in 2008-09.

Risk to which the Commission was exposed 2009

Risk variable	Change in risk variable %	Effect on		
		Profit and loss 2009 \$'000	Equity 2009 \$'000	
Interest rate risk	Interest rate	0.75	35,555	-
Interest rate risk	Interest rate	-0.75	(35,555)	-

Risk to which the Commission was exposed 2008

Risk variable	Change in risk variable %	Effect on		
		Profit and loss 2008 \$'000	Equity 2008 \$'000	
Interest rate risk	Interest rate	1.00	24,938	-
Interest rate risk	Interest rate	-1.00	(24,938)	-

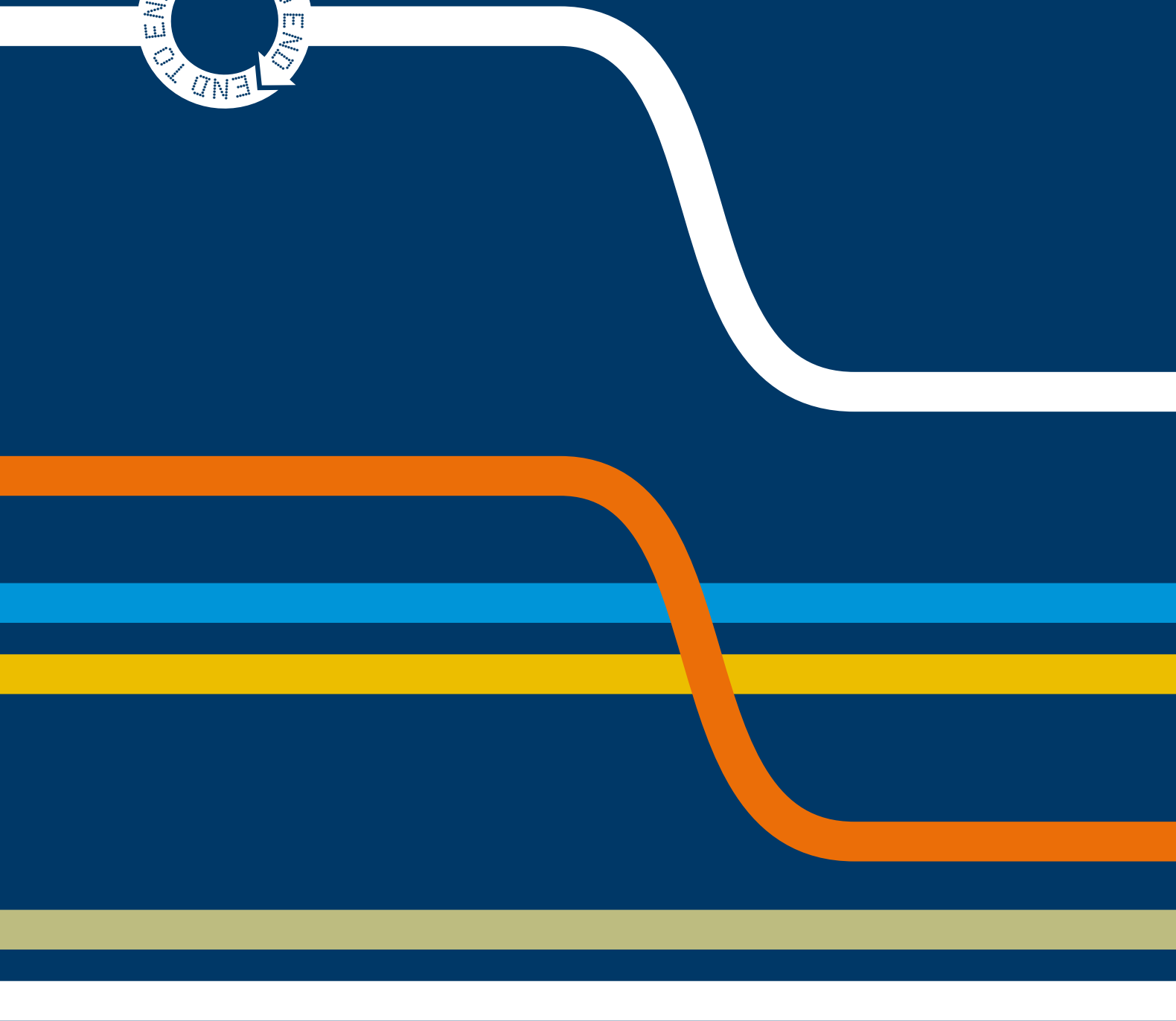
Note 16: Compensation and Debt Relief

No payments were made during the reporting period. (2008: No payments made)

LIST OF ACRONYMS AND REPORTS

ABS	Australian Bureau of Statistics	IAG	Industry Advisory Group
ADG	Australian Dangerous Goods	IAP	Intelligence Access Program
AMSA	Australian Maritime Safety Authority	JRTC	Joint Transport Research Centre
ARR	Australian Road Rules	KPI	Key Performance Indicator
ATC	Australian Transport Council	NHVAS	National Heavy Vehicle Accreditation Scheme
BIAG	Bus Industry Advisory Group	NRSS	National Road Safety Strategy
CAG	Core Advisory Group	NRTC	National Road Transport Commission
CEDA	Committee for Economic Development of Australia	NTC	National Transport Commission
COAG	Council of Australian Governments	PATREC	Planning and Transport Research Centre of Western Australia
CPI	Consumer Price Index	PBS	Performance Based Standards
FAP	Fatigue Authorities Panel	PRP	Performance Based Standards Review Panel
GHG	Greenhouse Gas	RIS	Regulatory Impact Statement
GRSF	Global Road Safety Facility	SCOT	Standing Committee on Transport
HML	Higher Mass Limits	TACE	Transport Agency Chief Executives

TITLE	ISBN	PREPARED BY	DATE
Freight in a Carbon-Constrained Economy	1 921168 89 7	National Transport Commission	July 2008
Transport of Dangerous Goods by Road or Rail – Competent Authorities Panel	1 921168 97 8	National Transport Commission	August 2008
Rail Productivity Review Issues Paper	1 921168 90 0	National Transport Commission	August 2008
Australian Vehicle Standards Rules Amendment Package 2008 - RIS	NIL	National Transport Commission	August 2008
Effectiveness Review of the Australian Vehicle Standards Rules and Administrative Guideline for Pilot and Escort Vehicle Driver Accreditation Procedures	NIL	National Transport Commission	October 2008
Performance Based Standards Discussion Paper	1 921168 99 4	National Transport Commission	January 2009
National Strategy for Rail Safety Data	1 921168 86 2	National Transport Commission	March 2009
Supply Chain Pilots Draft Position Paper	Nil	National Transport Commission	March 2009
Freight Rail Productivity Review Draft Position Paper	Nil	National Transport Commission	March 2009
2009 Heavy Vehicle Road User Charge Annual Adjustment Consultation Document	978 1 921604 01 0	National Transport Commission	April 2009
Heavy Vehicle Road Transport Charges 2009 Annual Adjustment to Registration Charges	NIL	National Transport Commission	April 2009
NTC Strategic Plan 2009-10 to 2011-12	978 1 921604 00 3	National Transport Commission	May 2009



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