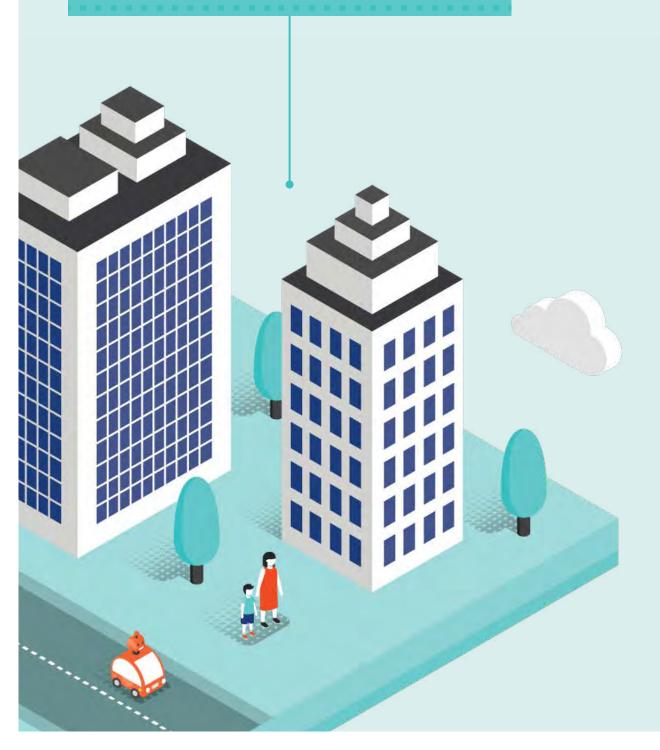


Leading change

Annual Report 2018-2019

The NTC develops nationally-consistent reforms to improve Australia's land transport laws and regulations



Letter to ministers

The Hon Michael McCormack MP

The Hon Andrew Constance MP

The Hon Jacinta Allan MP

The Hon Jaala Pulford MP

The Hon Mark Bailev MP

The Hon Cameron Dick MP

The Hon Rita Saffioti MLA

as at 30 June 2019

The Hon Stephan Knoll MP

The Hon Jeremy Rockliff MP

The Hon Eva Lawler MLA

Ms Meegan Fitzharris MLA

Mr Shane Rattenbury MLA

The Hon Phil Twyford MP

Mayor David O'Loughlin

Dear ministers

I am pleased to submit the National Transport Commission's (NTC) Annual Report for the year ended 30 June 2019.

This document reports on our activities in the 2018–19 financial year. It has been prepared in accordance with the *National Transport Commission Act 2003* (Cwlth).

Furthermore, in accordance with section 46 of the *Public Governance*, *Performance and Accountability Act 2013* (Cwlth), I confirm that I hold responsibility for preparing and providing this report to the Hon Michael McCormack MP, who is the minister responsible for the NTC.

I also confirm that I approved this report on 18 September 2019 by authorising it for print.

I would like to thank all members of the Transport and Infrastructure Council for leading national transport reform in Australia. I look forward to continuing to work with you on improving transport outcomes into the future.

Carolyn Walsh

Chair

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Report from the Chair



The 2018–19 period marked another challenging and productive year at the National Transport Commission.

I am pleased to report that the organisation exceeded all targets in its annual performance measures.

In 2018–19, the NTC completed 18 projects on time and within budget, and presented 18 sets of recommendations to the Transport and Infrastructure Council, or the Transport and Infrastructure Senior Officials' Committee on its behalf. All recommendations were agreed.

Our annual stakeholder survey also confirmed that stakeholders were satisfied with our engagement and performance, including the quality of our recommendations to Council.

The organisation also delivered another year of sound fiscal performance as detailed in the financial statements within this report.

This year marked a change of leadership for the organisation as we welcomed our new CEO, Dr Gillian Miles in April. Gillian has more than 30 years' experience in state and local government, including leadership roles at
Transport for Victoria and the
Transport Accident Commission.
Gillian's wealth of knowledge and
experience is well suited to leading
the NTC through a period of
significant change across the
land transport sector.

The Commissioners are firmly focused on the future and are committed to strengthening partnerships with governments, other agencies, industry, the private sector and the broader community to deliver national land transport reform.

I would like to thank each of the Commissioners for their dedication and expertise in guiding the NTC, and the NTC staff for their work and contribution to land transport reform.

Carolyn Walsh

Chair

Report from the **Chief Executive Officer**



The NTC advances social and economic outcomes for all **Australians** through an efficient, integrated and nationallyconsistent land transport system.

It's an ambitious aim and one we embrace every day. It's the reason why I'm proud of the work the NTC has delivered over the past 12 months, and why I'm excited about what the future holds.

It's also why I've spent most of my first months as CEO and Commissioner building a deeper understanding of our role, both in terms of delivering on our work program and in collaborating with our partners to promote national transport reform.

Delivering transformative reform, the type of which improves our living standards, is challenging, particularly at a national level. This is where the NTC's role in helping to lead national reform is pivotal, and where the capabilities of our staff in developing reform and growing strategic relationships come to the fore.

The NTC's work program is both extensive and expansive, and during the past year we've managed to achieve significant progress on our commitment to deliver an end-to-end regulatory framework for the commercial deployment of automated vehicles, while also making major inroads into the back-to-basics review of the Heavy Vehicle National Law.

In keeping with our broad land transport remit, the 2018–19 program underpinned the NTC's commitment to delivering reform across multiple modes and in the areas of safety, productivity, sustainability and future technology. Our work on developing technology-neutral

road rules for driver distraction and our ongoing work on improving the land transport of dangerous goods are evidence of this.

While I'm regularly reminded, through the work we do, of our unique mandate to deliver national land transport reform, it's also vital that we remain flexible enough to adapt to a changing world. Which is why I prioritised an internal recalibration aimed at promoting greater agility and responsiveness.

The new NTC is focused on building sustainable partnerships that are vital in guiding the broader national reform agenda. These strategic partnerships will also help to deliver true public value through complementary reforms across related sectors such as infrastructure, cities and the environment, with systems designed for humans.

I'm also pleased to report that we achieved, and exceeded in some instances, our operational and fiscal objectives during the 2018-19 period.

All of this is impossible without the significant contributions of my fellow Commissioners and staff at the NTC. With their professional and resolute commitment to national land transport reform I'm confident that the year ahead will be as successful and rewarding as the last.

Gillian Miles

CEO and Commissioner

About the NTC

The National Transport
Commission (NTC) is a
corporate body established
as a national transport
reform agency by the
National Transport
Commission Act 2003
(the NTC Act). We are funded
by the Commonwealth, state
and territory governments
and are located in Melbourne.
We employ 42 staff.

The NTC provides high quality, impartial advice and national land transport reform proposals to government through the Transport and Infrastructure Council (the Council). The Council consists of Commonwealth, state and territory ministers responsible for transport and infrastructure.

The Act and the Inter-Governmental Agreement for Regulatory and Operational Reform in Road, Rail and Intermodal Transport establish the NTC, our role and purpose.

We contribute to achieving national reform priorities agreed by the Council. The Council's current strategic reform priorities are:

- sustainable funding for transport and infrastructure
- embracing innovation and technology in transport and infrastructure
- productive and liveable cities and regions
- maximising freight productivity.

Our vision

Our land transport system improves the living standards of all Australians.

Our mission

To champion and facilitate change that improves productivity, safety and environmental outcomes, and prepares us for the future.

Our purpose

We work collaboratively with stakeholders to identify, design and champion regulatory and operational solutions to national problems affecting land transport users across Australia.

These solutions:

- allow every Australian and every product to move to their destination safely and efficiently
- support competitive and innovative national and international markets.

We do this by:

- developing, monitoring and maintaining uniform or nationally-consistent regulatory and operational arrangements for road, rail and intermodal transport, including recommending to Australia's transport ministers proposed reforms and amendments to agreed reforms
- developing proposed reforms for heavy vehicle road user charges based on charging principles agreed by Australia's transport ministers
- recommending other opportunities for Australia's transport ministers to achieve the objectives of our Inter-Governmental Agreement, that is, by identifying reforms to improve land transport productivity, safety, environmental performance and regulatory efficiency
- undertaking any other responsibilities and functions determined by Australia's transport ministers.

The primary way we achieve our purpose is through the successful delivery of our four-year Work Program which is approved annually by the Council.

How we work

The NTC's Work Program contains proposals for new reforms, approved reform projects, improvements to land transport laws, activities to monitor, review and evaluate the implementation of previously-approved reforms, and highly analytical work on heavy vehicle road user charges.

PURPOSE Develop, propose, monitor, maintain and review nationally-consistent reforms **ACTIVITIES** to improve the productivity, safety, environmental impacts and regulatory **■** Identify, research efficiency of land transport in Australia. and propose reforms **■** Develop reform implementation plans **■** Maintain reforms **IMPACT ■** Monitor and review reforms **Improved** land transport productivity, safety, environmental **OUTPUTS** outcomes and regulatory **■** Proposed efficiency reforms and amendments to existing reforms **OUTCOMES ■** Updated law packages **■** Council agreement on proposed reforms ■ Reforms adopted by jurisdictions, regulators and stakeholders **Effectiveness**



Private car ownership may decrease with availability of automated vehicles

Heavy vehicle fatigue technology may inform driving hours and safety



Consultation

The National Transport Commission provides evidence-based advice to all road, transport and infrastructure ministers in Australia. Informed by global best practice and collaboration, we work with industry, the community and governments to design and implement reforms to Australia's land transport systems.

By building mutual trust and consulting widely with stakeholders, the NTC is able to effectively identify, plan and co-design reforms.

We received 266 submissions to proposed reforms and issues papers during the reporting period.

Our annual stakeholder survey shows an overall approval rating of 7.7 out of 10 from the stakeholders we work most closely with. This is on par with the result from 2017-18, which was 7.8.

Representatives from the NTC presented at and participated in industry and government events, conferences and workshops.

In 2018–19 we launched a new NTC brand. We consulted with stakeholders in developing the logo and strapline to ensure it represented the solutions focus of the NTC.

The NTC regularly consults and collaborates with international counterparts to ensure the development of best practice and consistent policy.

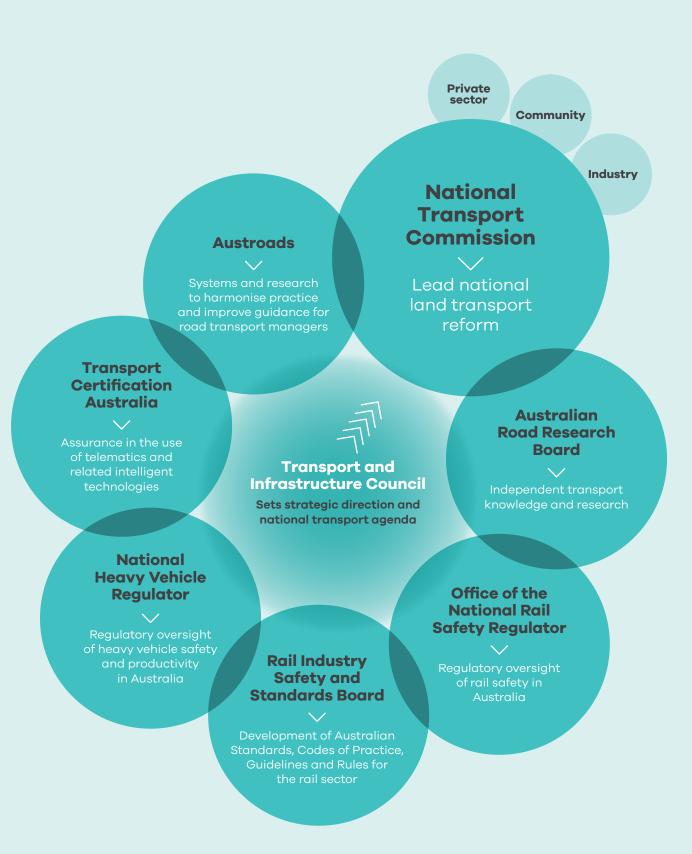
We work closely with:

- federal, state and territory governments
- the National Heavy Vehicle Regulator (NHVR)
- the Office of the National Rail Safety Regulator (ONRSR)
- the Rail Industry Safety and Standards Board (RISSB)
- Transport Certification Australia (TCA)
- Austroads
- the Australian Local Government Association (ALGA)
- the Australian Road Research Board (ARRB).

Other organisations

The NTC also regularly engages stakeholders through project-specific groups. Examples include:

- the Automated Vehicle Legislative Policy Working Group with road agencies, transport departments, and the Australia New Zealand Policing Advisory Agency (ANZPAA)
- the Remote Areas Consultative Group (RACG), which includes transport, heavy vehicle industry and road agency representatives from WA, NT, QLD and SA
- competent authorities, including work health and safety agencies, and enforcement agencies for dangerous goods
- environmental agencies
- regulatory maintenance advisory groups with representatives from the states, territories, industry and regulators
- state and territory police, and ANZPAA.



Annual performance statements

I, Carolyn Walsh, as the accountable authority of the National Transport Commission (NTC), present the NTC's 2018–19 annual performance statements as required under paragraph 39(1)(a) of the Public Governance, Performance and Accountability Act 2013 (Cwlth).

In my opinion, these statements are based on properly maintained records, accurately reflect the performance of the entity and comply with subsection 39(2) of the Act.





Outcome

Improved transport productivity, efficiency, safety and environmental performance and regulatory efficiency in Australia through developing, monitoring and maintaining nationallyconsistent regulatory and operational arrangements relating to road, rail and intermodal transport

Objective

Improving the performance of the national transport system as a whole—safer, more sustainable and productive transport system in Australia

Performance measures

Criteria

Our projects are delivered on time and within budget each financial year

Rationale

Our Work Program is delivered effectively and efficiently enabling the Council to make decisions that can improve land transport productivity, safety, regulatory efficiency and environmental outcomes

Target

At least 90%

Sources

- Portfolio Budget Statements 2018-19
- NTC Corporate Plan 2018-2022

Performance results

95% - target exceeded.

Of the 19 projects scheduled for completion in the 2018–19 financial year, 18 were completed on time and within budget.

Analysis

The NTC exceeded this performance criterion during the reporting period by achieving 95 per cent. Of the 26 projects on our Work Program, 19 were due to be completed during the year. Of these, 18 were completed on time and within budget.

The Council approves the NTC's four-year Work Program on an annual basis. The Work Program comprises projects that are aligned with the Council's priorities for land transport regulatory reform. Each project is managed and monitored to ensure it is delivered on time and within budget and scope. The Work Program included strategic analysis and advice as a project. This was subsequently moved to business as usual. As it was not managed through the project management framework it no longer had specified time and budget criteria.

Note: some reform projects may have presented recommendations to TISOC/TIC in the preceding year but were not completed until the relevant legislative amendments are enacted during this financial year.

Criteria

Recommendations from our projects are presented when due to the TISOC and/or TIC within each financial year

Rationale

Our Work Program is delivered effectively and efficiently enabling the Council to make decisions that can improve land transport productivity, safety, regulatory efficiency and environmental outcomes

Target

At least 80%

Sources

- Portfolio Budget Statements 2018-19
- NTC Corporate Plan 2018-2022

Performance results

100% - target exceeded

There were 17 projects due to present recommendations to TISOC and/or TIC in the 2018–19 financial year and 18 were delivered.

Analysis

The NTC exceeded this performance criteria as all 17 projects due to make recommendations during the year did so. There was a further set of recommendations for consequential amendments to Vehicle Standards (arising from the Road Vehicles Standards Act 2018) presented out-of-session. Therefore, 18 sets of recommendations were presented to TISOC/TIC this year.

Most of NTC's projects involve developing, maintaining or monitoring reforms to national model laws and other instruments. Many policy projects present recommendations to TISOC and/or TIC more than once throughout the lifecycle of the project.

Criteria

TIC garee to our recommendations

Rationale

Council is satisfied with the auality of evidence and supporting advice provided by the NTC enabling effective decision-making

Target

Greater than 90%

Sources

- Portfolio Budget Statements 2018-19
- NTC Corporate Plan 2018-2022

Performance results

100% - target exceeded

18 sets of project recommendations were presented in the 2018–19 financial year and all were agreed.

Analysis

The NTC exceeded this performance measure by achieving 100 per cent. Recommendations from 17 projects (plus Vehicle Standards a second time) were presented to TIC and 18 sets agreed.

Two sets of project recommendations presented during the year were agreed by TISOC on behalf of TIC. There were six matters relating to automated vehicles, heavy vehicle policy and legislation and NTC strategic planning presented to ministers in the financial year which were agreed later than 30 June 2019. This was due to the rescheduling of the Council meeting post the federal election. All recommendations were subsequently agreed by TIC and have been counted for performance measures.

Criteria

Our annual stakeholder survey shows that key stakeholders are satisfied with our engagement and performance, including the quality of our recommendations to TIC

Rationale

Our recommendations to Council are informed by quality engagement with our stakeholders

Target

A survey satisfaction rating of greater than 7 out of 10

Sources

- Portfolio Budget Statements 2018-19
- NTC Corporate Plan 2018-2022

Performance results

7.7 out of 10 - target exceeded

Analysis

The NTC conducts an annual survey of key stakeholders, which includes those in the public and private sectors. The survey seeks respondents' views on:

- the NTC's effectiveness in timely and targeted stakeholder engagement to develop evidence-based reform proposals for ministers' consideration
- the quality of our recommendations to ministers.

Results of periodic statutory review

Under section 51 of the National Transport Commission Act 2003, the NTC is subject to external review every six years to determine whether the agency is performing against targets and delivering value. The last NTC statutory review was in 2015.

Reform agenda 2018-19

The NTC champions and facilitates changes that improve productivity, safety and environmental outcomes in land transport.

Our Work Program has the following structure:

- Technology and regulatory efficiency
- Productivity, safety and environment
- Heavy vehicle pricing
- Routine and other policy-related amendments to laws
- Strategy, monitoring and review.



Symbols used throughout this section

Our reforms often deliver on more than one of our strategic objectives. The following section uses these symbols to show how our projects are linked to our objectives.



Improves transport productivity



Improves regulatory efficiency



Improves transport system safety



Improves environmental outcomes

Technology and regulatory efficiency





Motor vehicle accident injury insurance review for automated vehicles

The NTC released a discussion paper in October 2018 which examined whether there was a need to change existing compulsory motor accident injury insurance schemes with the introduction of automated vehicles.

Motor accident injury insurance (MAII) schemes across Australia differ in the ways they provide compulsory personal injury insurance cover for crashes. The discussion paper identified barriers to accessing compensation under existing MAII schemes, and sought views on whether MAII schemes or other insurance options should provide cover for injuries caused by an automated driving system.

The NTC has been working closely with states and territories and heads of motor accident insurance schemes to identify the legal and equity issues relating to automated vehicle crashes and develop options for reform. Transport ministers will consider recommendations in August 2019.

Reports released

NTC, Discussion paper: Motor accident injury insurance and automated vehicles, September 2018





Safety assurance system for automated vehicles

In November 2018, transport ministers endorsed a safety approach for approving vehicles with automated driving systems at first supply. This is a significant milestone towards the introduction of automated vehicles in Australia, and will build on the legal framework that currently exists for all new vehicles in Australia.

There will be a new self-certification approach which will include 11 safety criteria and three obligations which an automated driving system entity will provide evidence against. The legal obligations on this new entity will interact with existing legal responsibilities that apply to the vehicle manufacturer, the vehicle owner and the vehicle driver.

Ministers have also directed the NTC to undertake further work on safety arrangements for automated vehicles after first supply, when they are in-service. That is, how do we ensure safe operation of an automated vehicle, throughout its life on the road.

The NTC consulted with industry, governments, experts and the community on options for safety assurance in 2018 and received 62 submissions during its consultation process. The safety assurance approaches for first supply and in-service will be implemented

alongside a complete set of reforms to create an end-to-end regulatory framework for automated vehicles by the time they are ready for safe, commercial deployment in Australia.

Reports released

NTC, Decision RIS: Safety assurance for automated driving systems, November 2018





Changing driver laws to support automated vehicles

The project to change driver laws to support automated vehicles and establish legal obligations for automated driving system entities has become part of a wider project on in-service safety of automated vehicles (referenced above) as of November 2018.

A consultation regulation impact statement will look at the role of different parties in the in-service safety of automated vehicles. It will also examine existing regulation of these parties, whether any additional safety duties should apply, and the institutional and regulatory arrangements to support these duties.

The consultation RIS will be released in July 2019, and we will propose recommendations to transport ministers on in-service safety in May 2020.





Regulatory access to **C-ITS** and automated vehicle data

Cooperative intelligent transport systems (C-ITS) and automated vehicle technology are producing new data and information, including in-cabin image data, location and route data, and data from biometric or health sensors.

Governments will need to access automated vehicle and C-ITS information for purposes including the safety regulation of automated vehicles, optimising road networks and enforcing road laws. However, government access to personal or sensitive information generated by C-ITS and automated vehicle technology presents a privacy challenge.

The NTC released a discussion paper in 2018 which identified three categories of new privacy challenges, and outlined options to address these as they relate to automated vehicle and C-ITS technology. Academics from the University of NSW completed an independent legal research report to examine the application of Australia's existing information access framework to inform the discussion paper.

The NTC is preparing recommendations and next steps for transport ministers to consider in August 2019.

Reports released

NTC, Discussion paper: Regulating government access to C-ITS and automated vehicle data, September 2018





Implementing NTC actions from the review of regulatory telematics

The NTC is working with industry to design a best-practice model for regulatory telematics in heavy vehicles to improve safety, productivity and compliance.

Advantages of telematics technology include the ability of fleet operators to do remote monitoring, track engine hours, fuel usage, and live analytics. Drivers can use telematics for better route guidance and electronic work diaries. Regulators can use telematics to improve the efficiency of compliance and enforcement.

The NTC is co-designing a bestpractice model along with the National Heavy Vehicle Regulator, road transport agencies, the road transport industry, Transport Certification Australia and technology providers. The NTC published a research paper with these findings in July 2018. This work will now form part of the broader NTC review of the Heavy Vehicle National Law.

Reports released

NTC, Research paper: Review of best practice for heavy vehicle telematics, July 2018

Governments will need to access automated vehicle and C-ITS information for purposes including the safety regulation of automated vehicles. optimising road networks and enforcing road laws.



Productivity, safety and environment







Heavy vehicle driver fatigue data

In 2018–19, the NTC and the Cooperative Research Centre for Alertness, Safety and Productivity (Alertness CRC) released the results of a world-first study into heavy vehicle driver fatigue. The two-year scientific study evaluated alertness monitoring technology and the impacts of work shifts on driver alertness.

Researchers analysed shift start time, length and rotation, number of consecutive shifts, rest breaks and their likely impact on driver drowsiness and fatigue. The research involved a study of more than 300 heavy vehicle driver shifts both in-vehicle and in a laboratory, as well as 150,000 samples of retrospective data.

Researchers found that slow eye and eyelid movements, longer blink duration and prolonged eye closure were reliable predictors of drowsiness and fatigue. The study also confirmed the scientific link between alertness and drowsiness patterns associated with specific work shifts for heavy vehicle driving.

These findings will inform future fatigue policy as part of the NTC-led review of the Heavy Vehicle National Law (HVNL).

The Alertness CRC conducted the research as part of a wider collaboration including the NTC, the Australian Government, Transport for NSW, Austin Health, Monash University, the Institute for Breathing and Sleep and the heavy vehicle industry.

Key research findings

Greatest alertness levels can be achieved under current standard driving hours for shifts starting between 6am - 8am, including all rest breaks.

Greatest risk of an increase in drowsiness occurs:

- After 15 hours of day driving when a driver starts a shift before 9am.
- After 6–8 hours of night driving (when a driver starts a shift in the afternoon or evening).
- After 5 consecutive shifts when driving again for over 13 hours.
- When driving an early shift that starts after midnight and before 6am.
- During the first 1–2 night shifts a driver undertakes and during long night shift sequences.

- When a driver undertakes a backward shift rotation (from an evening, back to afternoon, or an afternoon back to a morning start).
- After long shift sequences of more than seven shifts.
- During nose-to-tail shifts where a seven-hour break only enables five hours of sleep - a duration previously associated with a three-fold increased risk for motor vehicle accidents.

Reports released

Alertness CRC, Summary report: Heavy Vehicle Driver Fatigue project, April 2019







Developing technology-neutral road rules of driver distraction

Driver distraction is seen as a significant road safety risk that is not as well understood as other risk factors such as drink-driving and speeding. Studies have found that a task which takes a driver's 'eyes off the road' for as little as two seconds can be particularly hazardous.

New technology-related distractions, outdated rules and a general lack of understanding from road users present significant challenges. A recent study in Australia found that drivers engage in non-driving activities every 96 seconds while behind the wheel. Distractions take our concentration off the road, which means drivers may not have time to react to hazards.

The NTC released an issues paper in December 2018 to examine this issue and a consultation regulation impact statement (RIS) in June 2019, which included four options for consideration for technologyneutral changes to the Australian Road Rules.

The Australian Road Research Board reviewed the best international research available to date on driver distraction. This work supports the NTC's efforts in stimulating discussions about driver distraction research, policy and legislative reform options.

The NTC will deliver a decision RIS for transport ministers' consideration in May 2020.

Reports released

NTC, Issues paper: Developing technology-neutral road rules for driver distraction, December 2018

ARRB, Driver Distraction: a review of the scientific literature, February 2019

NTC, Consultation RIS: Developing technology-neutral road rules for driver distraction, June 2019

A recent study in Australia found that drivers engage in non-driving activities every 96 seconds while behind the wheel.







Barriers to the safe use of innovative vehicles and mobility devices

Barriers in the Australian Road Rules that prevent the safe and legal use of innovative vehicles and motorised mobility devices have been investigated by the NTC this year.

Current regulations do not allow the use of innovative vehicles such as electric scooters, skateboards and unicycles on public roads and footpaths. The NTC is also reviewing the use of motorised mobility devices, such as motorised wheelchairs and mobility scooters, to determine whether current laws meet the needs of people with disabilities and mobility limitations and provide optimal public safety.

The investigation aims to find ways to encourage greater mobility and provide safe and easy access for complying innovative vehicles on Australian public infrastructure.

In 2018–19, the NTC published an issues paper to seek comments from industry, regulators, the disability services sector, state and territory governments and individuals. The NTC will then develop reform options and make policy recommendations to transport ministers in May 2020.

Reports released

NTC, Issues paper: Barriers to the safe use of innovative vehicles and motorised mobility devices, January 2019





Increased mass limits for three-axle buses

Transport ministers approved a gross mass limit increase for three-axle buses from 20 tonnes to 22 tonnes in November 2018. In recent years, bus mass has increased due to regulatory requirements to provide specific mobility, safety and environmental improvements, and the increasing weight of adult Australians and their luggage. Australia's previous limit was, on average, more than 4 tonnes lower than other countries.

The NTC commissioned Taverner Research to investigate the size of the problem and the reasons behind it. Multiple industry sources contended that the gross loaded mass of three-axle buses is likely to often exceed the current allowable limits, particularly for route services during peak times.

The NTC recommended the increase to 22 tonnes following extensive research and consultation, which will bring other states and territories in line with New South Wales' increased mass limits on three-axle buses, and international counterparts. The increase will take effect once the Heavy Vehicle (Mass, Dimension and Loading) National Regulation is amended, which is expected to be in December 2019.

Reports released

NTC, Decision RIS: Three-axle bus limits, November 2018

Taverner Research, 3-axle bus services across Australia, 2018

Representation on other boards and working parties

The NTC is a member of the following boards and working parties:

- Austroads Freight Taskforce
- Austroads Road Safety Taskforce
- Australian Transport Data Action Network
- National Drug Driving Working Group
- Victorian Road Freight Advisory Council.

Current regulations do not allow the use of innovative vehicles such as electric scooters. skateboards and unicycles on public roads and footpaths.



Heavy vehicle pricing





Forward looking cost base prototype

The NTC is continuing a research project to develop a working prototype of a forward-looking cost base (FLCB) model for setting heavy vehicle charges. The prototype model will be used to provide advice to governments under the Heavy Vehicle Road Reform project led by the Department of Infrastructure, Transport, Cities and Regional Development.

Heavy vehicle charges are set to recover the costs that heavy vehicles impose on the road network. These costs include road construction, maintenance and operations. Under the existing pay-as-you-go (PAYGO) system, these costs have been measured using a retrospective approach, based on seven years of historical data. That is, heavy vehicle charges are set to recover the reported historical expenditure of building, maintaining and operating the road network.

Other network infrastructure (for example electricity, water, telecommunications) typically uses a 'life-cycle' approach based on 'forward looking costs' to measure the costs of investments and operations.

Under this model, capital costs are recovered over the time in which assets are used and consumed.

For example, a newly commissioned 30-year asset would be paid for over the 30 years it is in service.

Recovering the costs of assets over their economic life, rather than immediately in the year they are constructed, also helps to smooth the revenue requirement, or cost base over time, especially when asset expenditure is lumpy or cyclical.

After presenting working prototypes to the Council in November 2017 and November 2018, the NTC has worked with state and territory governments, as well as the Commonwealth, to further develop, evaluate and fine-tune the prototype FLCB model. As part of this work, the NTC is addressing several technical issues and collecting additional data to enhance the prototype model.

The NTC will use this prototype model to provide an updated report to governments on how this model may perform under a range of different future scenarios. The NTC will provide this report to transport ministers in November 2019.





Heavy vehicle charges

Heavy vehicle charges consist of the Road User Charge (RUC) which applies to each litre of diesel used by heavy vehicles on public roads, and yearly registration charges that apply to powered heavy vehicles and trailers.

In November 2017, the Council agreed to freeze heavy vehicle charges at 2017–18 levels for a two-year period (2018-19 and 2019-20). This decision recognised the need for governments to continue to invest in infrastructure to support heavy vehicle productivity, and the need to provide revenue and price certainty to road management agencies and heavy vehicle operators as heavy vehicle road reform is accelerated.

As part of this decision, the regulatory component of registration charges was adjusted to reflect the revised National Heavy Vehicle Regulator budget for 2018-19 and 2019-20 to incorporate industry funding of the new National Heavy Vehicle Registration System.

Routine and other policy-related amendments to laws

The NTC is responsible for maintaining national land transport laws, model laws and administrative guidelines. We have a regular program to keep laws and regulatory instruments nationally consistent, contemporary, efficient, and aligned with their policy intent. We also update national laws and regulatory instruments to align with transport ministers' policy decisions.





Vehicle standards

The Australian Light Vehicle Standards Rules 2015 and Heavy Vehicle (Vehicle Standards) National Regulation are based on the Australian Design Rules, which are developed and administered by the Commonwealth Department of Infrastructure, Transport, Cities and Regional Development.

Both the light and heavy vehicle standards require a vehicle that is subject to the Australian Design Rules when built or imported to continue to comply with them for the life of the vehicle.

Changes approved by transport ministers in 2018-19 included amendments to align in-service vehicle standards with the new Road Vehicle Standards Act 2018 (Cwlth) to ensure their continued operation. Changes also included improved alignment of vehicle standards with the Australian Design Rules, clarification of

requirements and terminology, introduction of safety improvements and changes to the labelling requirements for hydrogen and electric powered vehicles.

Relevant publications

NTC, Consultation draft: Australian Light Vehicle Standards Rules 2018, closed August 2018

NTC, Consultation draft: Heavy Vehicle (Vehicle Standards) National Regulation, closed August 2018



Australian Defence Force Road Transport exemptions

The Australian Defence Force Road Transport Exemption Framework provides nationally-uniform exemptions for the use of Australian Defence Force (ADF) vehicles and equipment on public roads.

The Framework gives permission to ADF vehicles that are over-mass and over-dimensional to operate on approved routes, and reduces administrative burden by removing the need for the ADF to apply for special permits to operate vehicles in certain circumstances.

Specific changes included the addition of 72 new routes across the Defence Road Network, and general improvements to the Framework so that it is more user friendly and contains more detailed information about the specifics of routes.

Version 6 of the Framework was approved by transport ministers in November 2018.

Reports released

NTC, Australian Defence Force Road Transport Exemption Framework 2018, November 2018







Rail safety

The NTC is responsible for maintaining the Rail Safety National Law. In 2019, the NTC conducted a review of the definitions of 'rail safety work' and 'rail safety worker' in the RSNL. The purpose of the review was to examine the definitions and assess their alignment with the objects of the RSNL.

The April 2019 discussion paper outlined recommendations to amend the RSNI that would exclude risks to workers that are adequately addressed under Work Health and Safety legislation, and capture more directly only those rail safety workers that have a direct impact on the safety of rail operations.

Consultation on the paper was open until June 2019, and recommendations will be made to transport ministers in November 2019.

Reports released

NTC, Discussion paper: Refining the definition of rail safety work, April 2019









Heavy Vehicle National Law (HVNL)

Amendment package no.8

The NTC is responsible for maintaining the Heavy Vehicle National Law. In 2018–19, transport ministers approved amendments to harmonise the penalties and make-good provisions for vehicles that exceed the general mass limits, and to implement previously agreed ministerial policy to allow twin-steer tri-axle semitrailer combinations to have the full benefit of an increased general mass limit of 46.5 tonnes.

Fatigue requirements

The NTC looked at issues around driver fatigue when drivers are transitioning from two-up (two drivers) driving arrangements to solo driving, and practices around counting work and rest times in non-participating jurisdictions.

Fatigue is one of the key issues the NTC is looking at as part of the overall review of the HVNL, so it was considered appropriate to include both these fatiguerelated issues in the wider review of the HVNL rather than as stand-alone issues.

Loss of effluent

In 2018-19, the NTC investigated whether to recommend changes to the Heavy Vehicle National Law provisions in relation to loss of effluent.

There was strong support from industry to make allowances within the HVNL for minor, incidental and unavoidable effluent loss while transporting livestock. After discussions with states and territories, it was decided that rather than provide a legislative amendment, the National Heavy Vehicle Regulator will work with the Australian Livestock and Rural Transporters' Association and jurisdictions on education and guidance materials to manage the problem.

Transport of livestock prioritises the health and wellbeing of the livestock, and industry indicated it was difficult to contain the emission of animal effluent at times over the course of a long journey due to the more open design of livestock transport vehicles.

Reports released

NTC, Consultation report: HVNL fatigue issues, November 2018

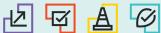
NTC, Consultation report: Loss of effluent and load restraint, November 2018

Strategy, monitoring and review











Review of the Heavy Vehicle National Law

Transport ministers asked the NTC to lead a back-to-basics review of the Heavy Vehicle National Law (HVNL) and its supporting regulations. The review aims to deliver law that will:

- improve safety for all road users
- support increased economic productivity and innovation
- simplify administration and enforcement of the law
- support the use of new technologies and methods of operation
- provide flexible, outcomefocused compliance options.

A panel of experts with expertise in productivity and experience across the transport sector has been appointed to help guide the review. The panel is chaired by Peter Harris, the recent chair of the Productivity Commission. Other panel members include Sharon Middleton, President of the South Australian Road Transport Association, Andrew Ethell, Board Member of Infrastructure Australia, Gary Mahon, CEO of Queensland Trucking Association,

Gary Liddle, Enterprise Professor of Transport at Melbourne University, and Louise Bilato, **Executive Officer of NT Road** Transport Association.

States and territories, the Commonwealth and the Australian Local Government Association are providing seniorlevel advice and guidance through the Jurisdictional Strategic Oversight Panel.

In 2019, the NTC is publishing eight issues papers and seeking feedback on what the HVNL regulates, and the way it operates. The NTC will then work with key stakeholders to develop a consultation Regulation Impact Statement, which will be released for comment in early 2020, before taking recommendations to transport ministers in November 2020.

The HVNL Review team has set up an online microsite to allow all stakeholders including members of the public to share ideas, and provide feedback and input in shaping these reforms.

Reports released

NTC, Issues paper: Risk-based approach to regulating heavy vehicles, March 2019

NTC, Issues paper: Effective fatigue management, May 2019

NTC, Issues paper: Easy access to suitable routes, June 2019

NTC, Issues paper: Safe people and practices, June 2019

Microsite: hvnlreview.ntc.gov.au











Reform implementation monitoring and reporting

The NTC's sixth National Transport Reform Implementation Monitoring Report, released in November 2018, showed improved progress towards building a uniform transport system across states and territories. The latest report shows that all participating jurisdictions implemented, or were on their way to implementing, all amendment packages to the Heavy Vehicle National Law (HVNL) and the Rail Safety National Law (RSNL) in the 2017–18 fiscal year, the quickest reform implementation in the six years since the report has been produced.

The report also shows that:

■ The applied law approach for the HVNL and RSNL leads to rapid adoption of reforms of participating jurisdictions. Applied laws are laws which are 'hosted' in one state, and other participating states pass legislation to adopt the law from the host state.

- All jurisdictions except the ACT and the NT have implemented the changes to limited quantities in the Dangerous Goods model regulations and Code. The limited quantities reforms have benefits of up to \$33 million per year in reduced compliance costs for industry.
- Most jurisdictions have implemented the 9th, 10th and 11th amendment packages for the Australian Road Rules. The 12th amendment package was only approved by transport ministers in November 2017.

The NTC produces this report each year to monitor the implementation of national transport reforms.

Reports released

NTC, Reform Implementation Monitoring Report 2018, November 2018

The applied law approach for the HVNL and **RSNL** leads to rapid adoption of reforms of participating jurisdictions.



Transport and Infrastructure Council members

as at 30 June 2019

Commonwealth

The Hon Michael McCormack MP
Deputy Prime Minister; Minister
for Infrastructure, Transport and
Urban Development

Australian Capital Territory

Ms Meegan Fitzharris MLA

Minister for Transport Canberra and City Services; Minister for Higher Education, Training and Research; Assistant Minister for Health

Mr Shane Rattenbury MLA

Minister for Climate Change and Sustainability; Minister for Corrections and Justice Health; Minister for Justice, Consumer Affairs and Road Safety

New South Wales

The Hon Andrew Constance MPMinister for Transport and Roads

Northern Territory

The Hon Eva Lawler MLA

Minister for Infrastructure, Planning and Logistics; Minister for Environment and Natural Resources; Minister for Climate Change

Queensland

The Hon Mark Bailey MP

Minister for Transport and Main Roads

The Hon Cameron Dick MP

Minister for State Development, Manufacturing, Infrastructure and Planning

South Australia

The Hon Stephan Knoll MP

Minister for Transport, Infrastructure, Local Government; Minister for Planning

Tasmania

The Hon Jeremy Rockliff MP

Deputy Premier; Minister for Infrastructure; Minister for Education and Training; Minister for Advanced Manufacturing and Defence Industries

Victoria

The Hon Jacinta Allan MP

Minister for Transport Infrastructure

The Hon Jaala Pulford MP

Minister for Roads, Road Safety and the TAC; Minister for Fishing and Boating

Western Australia

The Hon Rita Saffioti MLA

Minister for Transport; Minister for Planning

Australian Local Government Association

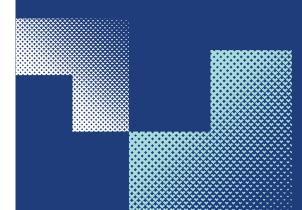
Mayor David O'Loughlin

President

New Zealand

The Hon Phil Twyford MP

Minister for Housing, Urban Development and Transport



Role of the Commission

The NTC is led by a Commission, including our Chief Executive Officer. The Commission meets regularly throughout the year.

The Commission operates under the National Transport Commission Act and the Public Governance, Performance and Accountability Act and also works to a Statement of Expectations.

The Statement of Expectations, covering the period 1 January 2017 until 31 December 2021, was signed by the then Minister for Infrastructure and Transport, the Hon Darren Chester on 20 December 2016. It is available on our website and is also reflected in our Corporate Plan.

In conjunction with the Council, the Commission is responsible for the NTC's strategic direction and performance. One of its main responsibilities is to establish a sound, risk-based system of controls to provide reasonable assurance that our objectives will be met within an acceptable degree of risk.

The Commission also maintains a watching brief over external and internal environments, and is also responsible for evaluating the Chief Executive Officer's performance.

While the Commission does not have a day-to-day management role, it has authority to determine all matters related to the NTC's policies, practices, management and operations.

Commissioners

The current Commissioners, with the exception of Gillian Miles, were appointed on 1 January 2018 for various terms as outlined below:

Ms Carolyn Walsh (Chair) - a threeyear term to 31 December 2020

Ms Nola Bransgrove OAM (Deputy Chair) - a two-year term to 31 December 2019

Dr Steven Kennedy PSM - a threeyear term to 31 December 2020

Mr Neil Scales OBE - a three-year term to 31 December 2020

Mr Reece Waldock AM - a twoyear term to 31 December 2019

NTC Chief Executive Officer and Commissioner, Dr Gillian Miles, commenced her appointment on 1 April 2019 under a five-year contract.

Commission meetings

Table 1 sets out the number of Commission meetings, Risk and Audit Committee meetings and **Governance Committee meetings** held during 2018-19, and the number of meetings each Commissioner attended.

During the reporting period, five Commission meetings, five Risk and Audit Committee meetings and one Governance Committee meeting were held.

Table 1: Attendance at Commission, Risk and Audit and Governance Committee meetings

Commissioner	Commission meetings		Risk and Audit Committee meetings		Governance Committee meetings	
	No. eligible to attend	No. attended	No. eligible to attend	No. attended	No. eligible to attend	No. attended
Carolyn Walsh (Chair)	5	5	5*	1	1	1
Nola Bransgrove (Deputy Chair)	5	5	5	5	1	1
Steven Kennedy	5	4				
Neil Scales	5	4	5	5		
Reece Waldock	5	4	5	2	1	0
Gillian Miles (CEO)	1	1	1*	1	1	1
Paul Retter (former Chief Executive)	1	1	1*	1		

^{*} By invitation

NTC Commissioners

as at 30 June 2019



Carolyn Walsh Chair

Carolyn commenced as Chair of the National Transport Commission on 1 January 2018. She has been a Commissioner since 1 January 2014.

Carolyn is currently a Commissioner at the Australian Transport Safety Bureau, and is a member of a number of NSW Government agency audit and risk committees. She also provides consultancy services in safety and risk management.

Her past roles with the NSW Government have included Chief Executive of the Independent Transport Safety and Reliability Regulator, and Executive Director, Office of the Coordinator General of Rail. She has also held several positions within the Commonwealth Department of Industry, Science and Resources.



Gillian Miles Chief Executive Officer and Commissioner

Gillian commenced at the National Transport Commission on 1 April 2019 for a period of five years. She leads reform through collaboration, with a leadership style that encourages innovation and continuous improvement to deliver the best policy outcomes.

With more than 30 years' experience in state and local government, Gillian has delivered reform projects across several portfolios including strategy and performance, policy and operations.

Gillian has fostered partnerships across government and industry, having worked in leadership roles at Transport for Victoria, City of Greater Geelong, Transport Accident Commission, Department of Transport, Planning and Local Infrastructure (Victoria), Department of Planning and Community Development (Victoria) and VicRoads.

Gillian has a Bachelor of Education, Master of Letters and Doctor of Business Administration.



Nola Bransgrove OAM Deputy Chair

Nola commenced as Deputy Chair of the National Transport Commission on 1 January 2018. She has been a Commissioner since 1 January 2014.

Nola is joint owner of Branstrans Pty Ltd, a transport company based in Gippsland Victoria and operating nationally. She had an instrumental role in the development of the industry accreditation program TruckSafe, and was awarded a Medal of the Order of Australia for services to the transport and logistics industry, women and the community in 2012.

She was a founding Director of Transport Women Australia and is also Chair of Women in Supply Chain. Her past roles include Chair of Transport & Distribution Training, Victoria, Municipal Councillor of Traralgon Shire, Commissioner of Latrobe Regional Commission, Trustee Director of Transport Industry Superannuation Fund, Councillor of Victorian Freight and Logistics Council and Director or Chair of a number of other representative organisations.



Steven Kennedy PSM Commissioner

Steven commenced as Commissioner of the National Transport Commission on 1 January 2018. He is the Secretary of the Department of Infrastructure, Transport, Cities and Regional Development, a position he has held since 18 September 2017.

Before this appointment, Steven held other senior positions including Deputy Secretary at the Department of the Prime Minister and Cabinet; Deputy Secretary at the Department of Industry, Innovation and Science; Deputy Secretary at the Department of the Environment; and the Head of Secretariat of the Garnaut Climate Change Review – Update 2011.

Steven was awarded a Public Service Medal in 2016 for outstanding public service in the area of climate change policy. Steven holds a PhD and a Masters in Economics from the Australian National University and a Bachelor of Economics (First Class Honours) from the University of Sydney.



Neil Scales OBE

Commissioner

Neil commenced as Commissioner of the National Transport Commission on 10 September 2014.

Neil is the Director-General of Queensland's Department of Transport and Main Roads which has an operating budget of more than \$6 billion, capital budget of \$3.1 billion and manages assets worth almost \$57 billion.

He not only became trade qualified but also studied for a series of work-related qualifications at Sunderland Polytechnic including ONC (Engineering), HNC (Electrical and Electronic Engineering), a BSc (Engineering), and an MSc in Control Engineering and Computing Systems. This was supplemented by qualifications in general management, a Diploma in Management Studies with Distinction, and an MBA with the Open University. He has also completed the Vincent Fairfax ethical leadership course.

In 2005, Neil received an Officer of the Most Excellent Order of the British Empire (OBE) for services to public transport. He was also awarded an honorary Fellowship from Liverpool John Moores University in 2011 for his services to the region.



Reece Waldock AM

Commissioner

Reece commenced as Commissioner of the National Transport Commission on 1 January 2018.

He has more than 35 years' experience in strategic management with expertise in organisational reform. His appointment as Director General of the Department of Transport (WA) followed a 20-year career with various state government transport agencies with 15 years as CEO. He was appointed the inaugural head of three transport agencies in May 2010 — Director General Transport, Commissioner Main Roads WA and Chief Executive Officer of the Public Transport Authority. Prior to his public sector career, Reece held a number of senior management roles with BHP.

Reece is currently Chair of Lifeline WA, Chair of the Planning and Transport Research Centre (PATREC) and a Board member of Infrastructure Australia.

He has a Master of Business and a Bachelor of Science (Metalluray with distinction), and is a Fellow of the Australian Institute of Company Directors and the Chartered Institute of Logistics and Transport.

Risk and audit committee

The Risk and Audit Committee is a committee of the NTC Commission. The Commission delegates responsibility for monitoring and reporting on risk, control and compliance to the Committee.

The Committee's main role is to independently assess the NTC's governance and risk management policies and procedures. It regularly reports back to the Commission. The Committee works to ensure that:

- major organisational risks are identified and managed with appropriate mitigation measures and reviews in place
- we comply with work health and safety and financial management government policies and legislated requirements
- mandatory government reports are accurate before being submitted to the Commission
- financial accounts are independently audited in line with legislated requirements.

During 2018-19, the Committee's members were:

- Nola Bransgrove (Chair of the Committee)
- Neil Scales
- Reece Waldock.

Other Commissioners can attend meetings either by invitation or as observers.

Risk management

Risk management is very important to the NTC. We have an established risk management framework, which provides a structured, ongoing process for the Commission, NTC management and staff to identify, assess, respond to and report on risks that could prevent us from achieving our organisational objectives. Risks are compiled in an enterprise risk register, which the Risk and Audit Committee reviews at each meeting before reporting to the Commission.

The Committee assures the Commission that there are risk mitigation plans in place for all significant enterprise risks and that all other risks are being appropriately managed. Biannually, it also reassesses all risks in the register and their controls and mitigation strategies, and reports back to the Commission.

During the 2018-19 year, we continued to manage the risks associated with our Work Program and stakeholder engagement, as well as our ICT risks, particularly cybersecurity and business continuity.

Compliance

The NTC is very focused on compliance obligations, and has a comprehensive suite of policies and procedures and supporting management processes to help ensure these obligations are met. We are in the process of implementing an internal audit function within the NTC, to be performed by an appropriately experienced and qualified external provider. This will not only strengthen our risk management capabilities, but will also provide independent oversight of and input to our compliance activities.

During 2018–19, the NTC experienced no instances of fraud or other compliance breaches.

The NTC conducts staff security awareness training regularly and has implemented strategies to mitigate against cyber security incidents in line with the Australian Government's Essential Eight mitigation strategies, including:

- virus scanning software on computers and the NTC's email and internet gateways
- multi-factor authentication for remote access
- patch management (up-to-date software)
- restricting user access to information/systems based on work purposes
- daily backup to recover data and systems.

Information management

In 2018–19 we continued our work towards becoming a contemporary digital organisation while meeting the targets for the Digital Continuity 2020 Policy related to managing information assets digitally while ensuring information is standardised and accessible in the future. Projects included:

- Establishing the inaugural records disposal authority with National Archives, providing the NTC the authority to manage the retention and destruction of NTC-specific records. Hard copies located in offsite storage have been sentenced against this authority during the 2018-19 financial year.
- Migrating from onsite IT infrastructure to an Office365/ cloud environment providing access to contemporary software, collaboration tools and enhanced system redundancy and business continuity.
- Developing a new website, the most important digital engagement channel for the NTC in achieving its reform agenda.
- Establishing a centralised information system to manage our critical business information related to policy reforms and engagement with the community and other key stakeholders.

Business planning

The NTC has a four-year Corporate Plan, Work Program and other operational plans which are updated annually. We prepare these documents with extensive input from our stakeholders and under the guidance of the Commissioners, before submitting them to the Council for approval. These plans are prepared in accordance with the National Transport Commission Act, the Public Governance, Performance and Accountability Act, and the Inter-Governmental Agreement for Regulatory and Operational Reform in Road, Rail and Intermodal Transport.

Indemnities and insurance

For the reporting period ending 30 June 2019, there were no indemnity claims made against the NTC or any of our Commissioners or officers.

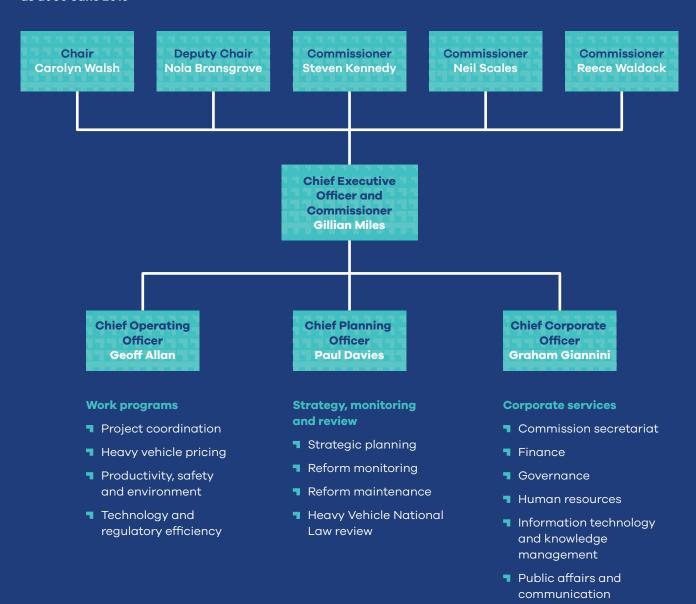
The NTC ensures adequate insurance cover is obtained each vear to cover all areas of the organisation, including professional indemnity, directors and officers, general business, travel, and workers' compensation.

Our people

The NTC's people are integral to our success. This section explains our commitment to providing a culture of performance, development, safety and fairness during the year to enable our people to operate at their best and enable our organisation to deliver on our agreed outcomes.

NTC organisational structure

as at 30 June 2019



Focusing on staff

The NTC has initiatives to help us build organisational capabilities to develop strategic reforms addressing the future challenges and opportunities of Australia's transport sector.

All our staff are based in Melbourne. We employ 22 men and 20 women. We have 35 staff members who work on a full-time basis, and seven who work part-time.

The NTC used specialist agencies for recruiting staff during the year. Our selection process involved psychometric assessments and probity background checks to help us recruit people with the best skills and fit for our organisation. We embarked on a review of recruitment processes and consulted with staff on development of a new policy and procedure for recruitment.

We also engage industry and subject matter experts on consultant or fixed-term contract arrangements to handle unique requirements for specialist skills, such as information technology, communications, records management projects or specific project knowledge.

Once on board, we ensure each staff member receives the right training on internal office systems, compliance, work health and safety, and NTC policies and procedures. We provide training to all staff in the NTC project management methodology, stakeholder engagement, and plain English training.

We continued to focus on leadership development, risk management and governance, and to promote a positive, proactive leadership culture. We also invested in coaching sessions for non-executive members of our leadership team.

Every staff member has an annual performance plan which they set with their manager, and regular informal and formal performance discussions.

In early 2019, the NTC conducted a staff survey on levels of engagement. Following the survey, staff have been participating in a series of workshops to review the survey data and identify opportunities for improvement.

In 2019 we commenced work on reviewing the capability of our people with the goal of developing a capability framework specific to the needs of the NTC. The first stage of this project has culminated in consultation with staff on capability mapping. The project will continue into early 2019–20. This framework will further enhance the NTC's learning and development program, recruitment and selection, and succession planning outcomes.

We continued to focus on leadership development, risk management and governance, and to promote a positive, proactive leadership culture.



Executive remuneration statement

NTC Executives are employed by common law agreements which are approved by the CEO and set out the core terms and conditions of employment, including remuneration. The remuneration of the NTC's CEO is determined by the Remuneration Tribunal (Remuneration and Allowances for Holders of Full-time Public Office). Key principles of the NTC's Executive

Remuneration include maintaining appropriate pay relativity to reflect the respective roles and responsibilities, fair and consistent application to ensure gender pay equity, links to individual performance, affordability and consideration of the APS Workplace Bargaining Policy.

Table 2: Senior Executive Remuneration Report

Name	Position title	Short-term benefits	Post-employment benefits	Other long- term benefits	Total remuneration
		Base salary	Superannuation contributions	Long service leave	
Gillian Miles	Chief Executive Officer and Commissioner	74,432	7,072	1,273	82,777
Paul Retter	Chief Executive Officer and Commissioner	161,293	15,323	7,519	184,135
Geoff Allan	Chief Operating Officer	278,299	26,438	4,142	308,879
Graham Giannini	Chief Corporate Officer	186,329	17,701	3,841	207,871
Paul Davies	Chief Planning Officer	218,055	20,242	6,794	245,091
Total		918,408	86,776	23,569	1,028,753

Table 3: Average Senior Executive Remuneration by Band

Remuneration Band	Number of Senior Executives		Post-employment benefits	Other long- term benefits	Total remuneration
		Average base salary	Average superannuation contributions	Average long service leave	Average total remuneration
\$0 - \$220,000	3	140,685	13,365	4,211	158,261
\$245,001 - \$270,000	1	218,055	20,242	6,794	245,091
\$295,001 - \$320,000	1	278,299	26,438	4,142	308,879

Table 4: Payments to Commissioners

Name	Position title	Short-term benefits	Post-employment benefits	Total payments
		Daily fees	Superannuation contributions	
Carolyn Walsh	Chair	42,254	4,014	46,268
Nola Bransgrove	Deputy Chair	20,992	1,994	22,986
Reece Waldock	Commissioner	18,522	1,760	20,282

Work health and safety

Providing a safe and healthy work environment is extremely important to the NTC.

During 2018-19, we continued to deliver work health and safety (WHS) programs under our WHS policy and management system, which have been designed to comply with the Work Health and Safety Act 2011 (Cwlth) and Australian Standard AS4801, and to foster a best-practice approach to WHS management.

Strategic

- A work health and safety management system which is reviewed every 12 months.
- WHS quarterly certification reports developed to the satisfaction of our Risk and Audit Committee and Commissioners.

Compliance

- Quarterly workplace safety assessments and adjustments were carried out.
- At the end of 2018–19, a biennial internal review of our WHS management system was conducted to assess the extent to which NTC's WHS-related objectives and targets have been met.

Operational

- Workstation ergonomic assessments were performed for all new employees.
- Risk assessments were completed for identified WHS hazard areas.
- Regular health and safety team meetings were held to discuss operational WHS matters.

- Workplace safety inductions for all new staff and contractor appointments were carried out on commencement.
- Our office security procedure was reviewed and tested along with the duress alarm.
- All our consultancy agreements were reviewed to ensure we have insurance certificates of currency for all consultants where necessary.

Training

- All relevant staff received training to understand their WHS duties.
- Staff WHS representatives and fire wardens were appointed and formally trained.
- We participated in emergency trial evacuation exercises for our building.
- Staff completed online compliance training in antibullying and harassment, equal employment opportunity, discrimination, privacy, fraud awareness, WHS, our Code of Conduct and notifiable data breaches.

Wellbeing

A new program of health promotion was introduced at the start of 2019. Each month, NTC staff focus on a different health and safety topic (e.g. mental health, wellbeing, first aid). They have been invited to participate in activities such as workshops and seminars or share health-related articles on the intranet.

- All staff were offered a flu vaccination as part of the annual anti-flu campaign in May 2019.
- All staff continued to have access to our comprehensive Employee Assistance Program for support as needed.

The offices and equipment have all passed work health and safety checks. Our ongoing WHS initiatives have led to a consistently safe work environment for staff and visitors to our office. There were no notifiable incidents during the year. There were no investigations undertaken by an inspector appointed under Part 9 of the Work Health and Safety Act, and we did not receive any notices under Part 10 of the Act.

Code of Conduct

The NTC Code of Conduct applies to all staff members. The code is reviewed periodically to align with best-practice standards and it, along with our corporate values and behaviours, sets the standard for the professional conduct that we expect of all staff. The code emphasises honesty, confidentiality, professionalism, diligence and the need to uphold our integrity and reputation. We provide all new employees with a copy of the code and our values and behaviours during our induction process, and also require all staff to complete annual online compliance training related to the code and its principles.



Learning and development

The NTC's learning and development program continued to focus on leadership, stakeholder engagement, strategic foresight, program and change delivery, and work health and safety.

The learning and development program involves a combination of formal and on-the-job learning. Our formal training during the year included:

- stakeholder influencing and managing conflict training for all staff
- giving and receiving feedback training
- anti-harassment, bullying and discrimination training
- providing new staff with our core capability training in personal efficiency and report writing (plain English)
- public interest disclosure training for all staff
- requiring all staff to complete online work, health and safety training.

NTC staff also had many on-thejob learning and development opportunities by participating in industry events, running and participating in stakeholder workshops and meetings, and presenting at national and international conferences.

Information and technology management

In 2018–19 the NTC implemented initiatives contained in the ICT strategy and plan, which focused on the following themes:

 implementing digital solutions that meet the needs of the NTC, our stakeholders and government mandates

- implementing systems and tools that help achieve our objectives
- improving the capability of our people through training, and improved ability to demonstrate compliance with government laws, policies and guidelines, such as the Archives Act 1983 (Cwlth) and the Public Governance, Performance and Accountability Act.

These initiatives included moving to laptops rather than fixed personal computers at workstations, replacing server hardware with cloud solutions, and implementing new or upgraded human resource and finance systems.



The perfect intersection of law and technology

This year the NTC changed the traditional 12-month university intern position to a fixed-term project assistant for a university graduate in the automated vehicle team.

Successful candidate, Flynn O'Connell, was ideally suited to the position, having recently graduated from the University of Melbourne with a law degree, following on from his Bachelor of Arts in International Studies from RMIT University.

Despite having a distinctly Irish name, Flynn was born in Australia, then grew up in France and Singapore before returning to Australia for high school. This international perspective has stood him in good stead for his work in the automated vehicle team of the NTC.

"I have a real interest in technology and the law, so this job was the perfect intersection of these two fields. Taking humans out of the driving equation is really fascinating from a legal perspective," Flynn says.

His study included coursework on the Australian Federation which has been an advantage as he looks into all the different state and territory-based laws around the role of the human driver. "I have been doing legal research for the automated vehicle team into the differences between the road rules in various Australian states and territories, as well as background information into international law and how AV regulation is developing in various jurisdictions.

"I can see that in many ways there is a little more freedom in this field as people are still coming to terms with how automated vehicles will work, so there are no set ideas on how to best approach it," he says.

Most recently, he has been helping the AV team work on the consultation Regulation Impact Statement in relation to in-service safety of automated vehicles.

An added bonus for Flynn is that the project assistant role has helped fulfil his 75 days of Practical Legal Training (PLT) under the supervision of NTC lawyer Robert Chamberlain. This is an essential requirement for the College of Law for admission as a lawyer in Australia.

In terms of the future, Flynn is also interested in spending some time in the private sector, and eventually practising as a lawyer.

"This is a great year and I am learning so much, not just in relation to the law, but also about time management, competing deadlines, meeting presentation and dealing with stakeholders. It is very different to university, which, I can honestly say after six years, is a great thing."

"Taking humans out of the driving equation is really fascinating from a legal perspective."



Financial statements

Financial statements for the period ended 30 June 2019

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Statement by the Commissioners, Chief **Executive Officer and Manager Finance**

In our opinion, the attached financial statements for the year ended 30 June 2019 comply with subsection 42(2) of the Public Governance, Performance and Accountability Act 2013 (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

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

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

Carolyn Walsh

Chair

16 August 2019

Gillian Miles

Chief Executive Officer and Commissioner

16 August 2019

Duminda Senanayake

Manager Finance

16 August 2019

Auditor's report





INDEPENDENT AUDITOR'S REPORT

To the Minister for Infrastructure, Transport and Regional Development

In my opinion, the financial statements of the National Transport Commission ('the Entity') for the year ended 30 June 2019:

- (a) comply with Australian Accounting Standards Reduced Disclosure Requirements and the Public Governance, Performance and Accountability (Financial Reporting) Rule 2015; and
- (b) present fairly the financial position of the Entity as at 30 June 2019 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following statements as at 30 June 2019 and for the year then ended:

- Statement by the Commissioners, Chief Executive and Manager Finance;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement: and
- Notes to the financial statements, comprising an overview note and other explanatory information.

Basis for opinion

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

Accountable Authority's responsibility for the financial statements

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

In preparing the financial statements, the Chair is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Chair is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

> GPO Box 707 CANBERRA ACT 2601 19 National Circuit BARTON ACT Phone (02) 6203 7300 Fax (02) 6203 7777

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Australian National Audit Office

Rahul Tejani **Audit Principal** Delegate of the Auditor-General

Canberra 16 August 2019

Statement of comprehensive income

For the period ended 30 June 2019

	Notes	2019 \$	2018 \$	Budget \$
NET COST OF SERVICES				
Expenses				
Employee benefits	2.1A	6,510,751	6,386,553	6,277,000
Suppliers	2.1B	2,698,200	3,137,976	3,524,000
Depreciation and amortisation	3.2A	231,150	360,182	160,000
Total expenses		9,440,101	9,884,711	9,961,000
Own-source Income				
Own-source revenue				
Sale of goods and rendering of services – external parties		1,253	-	-
Interest on deposits	2.2A	24,495	26,913	30,000
Total own-source revenue		25,748	26,913	30,000
Net cost of services		(9,414,353)	(9,857,798)	(9,931,000)
Revenue from government	2.2B	9,931,000	10,129,000	9,931,000
(Deficit)/Surplus attributable to the Australian Government		516,647	271,202	
OTHER COMPREHENSIVE INCOME				
Total comprehensive (deficit)/surplus		516,647	271,202	

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

Budgetary variance reporting has been included in Note 1.1

Statement of financial position

As at 30 June 2019

	Notes	2019 \$	2018 \$	Budget \$
ASSETS				
Financial assets				
Cash and cash equivalents	3.1A	2,145,879	2,034,567	2,045,000
Trade and other receivables	3.1B	608,183	624,287	624,000
Total financial assets		2,754,062	2,658,854	2,669,000
Non-financial assets				
Plant and equipment	3.2A	998,169	608,357	598,000
Prepayments		67,795	15,575	16,000
Total non-financial assets		1,065,964	623,932	614,000
Total assets		3,820,026	3,282,786	3,283,000
LIABILITIES				
Payables				
Suppliers	3.3A	444,708	471,779	472,000
Other payables	3.3B	21,784	20,134	20,000
Total payables		466,492	491,913	492,000
Provisions				
Employee provisions	4.1A	929,024	883,010	883,000
Total provisions		929,024	883,010	883,000
Total liabilities		1,395,516	1,374,923	1,375,000
Net Assets		2,424,510	1,907,863	1,908,000
EQUITY				
Reserves		119,607	119,607	119,000
Retained surplus		2,304,903	1,788,256	1,789,000
Total Equity		2,424,510	1,907,863	1,908,000

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

Budgetary variance reporting has been included in Note 1.1

Statement of changes in equity

For the period ended 30 June 2019

	Notes	2019 \$	2018 \$	Budget \$
RETAINED EARNINGS				
Opening balance				
Balance carried forward from previous period		1,788,256	1,517,054	1,789,000
Comprehensive income				
(Deficit)/Surplus for the period		516,647	271,202	-
Closing balance as at 30 June		2,304,903	1,788,256	1,789,000
ASSET REVALUATION RESERVE				
Opening balance				
Balance carried forward from previous period		119,607	119,607	119,000
Closing balance as at 30 June		119,607	119,607	119,000
TOTAL EQUITY				
Opening balance		1,907,863	1,636,661	1,908,000
Comprehensive income				
(Deficit)/Surplus for the period		516,647	271,202	-
Closing balance as at 30 June		2,424,510	1,907,863	1,908,000

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

Budgetary variance reporting has been included in Note 1.1 $\,$

Cash flow statement

For the period ended 30 June 2019

	Notes	2019 \$	2018 \$	Budget \$
OPERATING ACTIVITIES				
Cash received				
Receipts from government		9,931,000	10,129,000	9,931,000
Interest		24,495	26,913	30,000
Net GST received		27,407	-	-
Other		1,253		
Total cash received		9,984,155	10,155,913	9,961,000
Cash used				
Employees		6,340,124	6,080,306	6,277,000
Suppliers		2,911,756	3,144,844	3,524,000
Net GST paid			508	
Total cash used		9,251,880	9,225,658	9,801,000
Net cash from / (used by) operating activities		732,275	930,255	160,000
INVESTING ACTIVITIES				
Cash used				
Purchase of non-financial assets		620,963	471,877	150,000
Total cash used		620,963	471,877	150,000
Net cash from / (used by) investing activities		(620,963)	(471,877)	(150,000)
Net increase / (decrease) in cash held		111,312	458,378	10,000
Cash and cash equivalents at the beginning of the reporting period		2,034,567	1,576,189	2,035,000
Cash and cash equivalents at the end of the reporting period	3.1A	2,145,879	2,034,567	2,045,000

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

Budgetary variance reporting has been included in Note 1.1 $\,$

Notes to and forming part of the financial statements

For the period ended 30 June 2019

Overview

The National Transport Commission (the NTC) is an independent body established under Commonwealth legislation and funded jointly by the Commonwealth, states and territories. Its principal objectives are to improve transport productivity, efficiency, safety and environmental performance and regulatory efficiency in a uniform or nationally consistent manner. The principal objectives are achieved through the effective implementation (by others) of transport reforms based on nationally consistent policy and regulation developed by the NTC. The NTC is required to work with states, territories and the Commonwealth to develop implementation plans, and monitor implementation, maintain and review agreed reforms. The NTC works in co-operation with transport agencies, industry and other stakeholders and reports to the Transport and Infrastructure Council, a council of transport, infrastructure and roads ministers from all jurisdictions.

The continued existence of the NTC in its present form and with its present programs is dependent on the NTC's periodic review (in accordance with NTC Act) and on continued funding by the Commonwealth, state and territories.

Basis of preparation of the financial statements

The financial statements are general purpose financial statements and are required by section 42 of the Public Governance, Performance and Accountability Act 2013. The financial statements have been prepared in

- 🔻 Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 (FRR) for; and
- Australian Accounting Standards and Interpretations Reduced Disclosure Requirements issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars and values are rounded to the nearest dollar unless otherwise specified.

Unless an alternative treatment is specifically required by an accounting standard or the FRR, assets and liabilities are recognised in the statement of financial position when, and only when, it is probable that future economic benefits will flow to the NTC or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under executor contracts 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 Statement of Comprehensive Income when, and only when, the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

New accounting standards

Adoption of New Australian Accounting Standard Requirements

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

Taxation

The NTC 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.

Events after the reporting period

There were no events subsequent to the reporting period that have or will materially affect the ongoing structure and financial activities of the NTC.

Note 1.1: Budgetary Variance Reporting

Note		Budget variances commentary
2.1A	Employee benefits	The variance in employee benefits are due to lesser number of staff vacancies than forecasted.
2.1B	Suppliers expense	Underspend in consultancies is the main contributor for the variance in supplier expenses. This variance is reflected in the surplus.
3.2A	Depreciation and amortisation Plant & equipment	Increase in asset acquisitions.
	Prepayments	The variance is due to the annual licence fee for the Finance, HR & Payroll system.

For the period ended 30 June 2019

Note 2.1: Expenses

	2019 \$	2018 \$
Note 2.1A: Employee benefits		
Wages and salaries	5,985,219	5,883,135
Superannuation:		
Defined contribution plans	525,532	503,418
Total employee benefits	6,510,751	6,386,553
Accounting policy Please refer note 4.1		
Note 2.1B: Suppliers		
Goods and services supplied or rendered		
Consultants	1,215,066	1,539,838
Travel	369,568	420,376
IT services	225,710	202,557
Communications	130,634	159,365
Printing	9,789	66,050
Conferences	27,149	42,696
Meetings	25,508	23,317
Other	99,969	127,243
Total goods and services supplied or rendered	2,103,393	2,581,442
Goods and services supplied in connection with		
Provision of goods – external parties	888,327	1,041,604
Rendering of services – external parties	1,215,066	1,539,838
Total goods and services	2,103,393	2,581,442
Other suppliers		
Operating lease rentals in connection with		
External parties:		
Minimum lease payments	562,011	523,595
Auditor's remuneration	23,500	23,500
Workers' compensation expenses	9,296	9,439
Total other suppliers	594,807	556,534
Total suppliers	2,698,200	3,137,976

Leasing commitments

The National Transport Commission, in its capacity as lessee, has commitments on their current lease for office premises until 31 May 2029.

	2019 \$	2018 \$
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within 1 year	591,121	569,755
Between 1 to 5 years	2,594,622	2,500,841
More than 5 years	2,870,972	3,555,874
Total operating lease commitments	6,056,715	6,626,470

Accounting policy

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

Note 2.2: Own-Source Revenue

Note 2.2A: Interest

Interest from deposits	24,495	26,913
Total interest	24,495	26,913
Note 2.2B: Revenue from government		
Federal Government contribution approved by Transport and Infrastructure Council – related entities	3,476,000	3,400,000
State and Territory Government contributions approved by Transport and Infrastructure Council – external parties	6,455,000	6,315,000
Federal Government contribution for fatigue research project		414,000
Total Revenue from Government	9,931,000	10,129,000

Accounting policy

Revenue from government

Government Contributions are recognised as revenue from government when the entity gains control of the contribution, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned. Contributions receivable are recognised at their nominal amounts.

Funding received or receivable from non-corporate Commonwealth entities (appropriated to the non-corporate Commonwealth entity as a corporate Commonwealth entity payment item for payment to the NTC) is recognised as revenue from government unless they are in the nature of an equity injection or a loan.

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 the end of the reporting period.

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

Notes to and forming part of the financial statements

For the period ended June 2019

Note 3.1: Financial Assets

	2019 \$	2018 \$
Note 3.1A: Cash and cash equivalents		
Cash on hand or on deposit	2,145,879	2,034,567
Total cash and cash equivalents	2,145,879	2,034,567

Accounting policy

Cash is recognised at its nominal amount. Cash and cash equivalents include:

- demand 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.

Note 3.1B: Trade and other receivables

Goods and services receivables in connection with:

Trade debtors	547,000	535,000
Total trade debtors	547,000	535,000
Other receivables:		
Interest receivable	1,550	2,248
GST receivable from the Australian Taxation Office	59,633	87,039
Total other receivables	61,183	89,287
Total goods and services receivables	608,183	624,287
Receivables are expected to be recovered in:		
No more than 12 months	608,183	624,287
Total trade and other receivables (net)	608,183	624,287
Receivables are aged as follows:		
Not past due	608,183	624,287

Accounting policy

Please refer note 5.1

Standard credit terms for trade receivables is 30 days.

Note 3.2: Non-Financial Assets

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

	Plant & equipment \$	Total \$
As at 1 July 2018		
Gross book value	1,239,373	1,239,373
Accumulated depreciation	(631,016)	(631,016)
Total as at 1 July 2018	608,357	608,357
Additions:		
by purchase	620,962	620,962
Depreciation expense	(231,150)	(231,150)
Total as at 30 June 2019	998,169	998,169
Total as at 30 June 2019 represented by:		
Gross book value	1,860,335	1,860,335
Accumulated depreciation	(862,166)	(862,166)
Total as at 30 June 2019	998,169	998,169

Notes to and forming part of the financial statements

For the period ended June 2019

Accounting policy

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. 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. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

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

Following initial recognition at cost, leasehold improvements, plant and equipment were 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 in surplus/deficit. Revaluation decrements for a class of assets are recognised directly in surplus/deficit 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 NTC 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:

	2019	2018
Leasehold improvements	Not applicable	Not applicable
Plant and equipment	2 to 9 years	2 to 9 years

Impairment

All assets were assessed for impairment at 30 June 2019. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs 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 NTC were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Note 3.3: Payables

	2019 \$	2018 \$
Note 3.3A: Suppliers		
Trade creditors and accruals	444,708	471,779
Total suppliers	444,708	471,779
Supplier payables expected to be settled:		
No more than 12 months – external parties	444,708	471,779
Total suppliers	444,708	471,779
Settlement was usually made within 30 days.		
Note 3.3B: Other payables		
Other	21,784	20,134
Total other payables	21,784	20,134
Other payables expected to be settled		
No more than 12 months	21,784	20,134
Total other payables	21,784	20,134

Accounting policy

Suppliers and other payables are recognised at amortised cost. Liabilities are recognised to the extent of the goods and services received.

Note 4.1: Employee Provisions

	2019 \$	2018 \$
Note 4.1A: Employee provisions		
Leave	929,024	883,010
Total employee provisions	929,024	883,010

Notes to and forming part of the financial statements

For the period ended June 2019

Accounting policy

Liabilities for 'short-term employee benefits' (as defined in AASB 119 *Employee Benefits*) and termination benefits due within twelve months of the end of reporting period 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.

Other long-term employee benefits are measure as net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

Leave

The liability for employee benefits includes provision for annual leave and long service leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the NTC's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined by reference to staff members' years of service at the NTC. 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 NTC to employee superannuation funds and are charged as expenses when incurred.

The liability for superannuation recognised at 30 June 2019 represents outstanding contributions for the final month of the year.

Note 4.2: Key Management Personnel Remuneration

Key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the National Transport Commission. The National Transport Commission has determined the key management personnel to be the Chief Executive Officer and the Executive Officers. Key management personnel remuneration is reported in the table below.

Name	Position	Term as key management personnel
Gillian Miles	Chief Executive Officer and Commissioner	Part-year - Appointed 1/04/2019
Paul Retter	Chief Executive Officer and Commissioner	Part-year - Ended on 29/10/2018
Geoff Allan	Chief Operating Officer	Full year
Graham Giannini	Chief Corporate Officer	Full year
Paul Davies	Chief Planning Officer	Full year

	2019 \$	2018 \$
Short-term employee benefits	918,408	895,453
Post-employment benefits	59,737	81,391
Total key management personnel remuneration expenses	978,145	976,844

The total number of key management personnel included in the above table is 4 (2018:4). There were no termination benefits paid.

Note 4.3: Related Party Disclosures

Related party relationships:

The National Transport Commission is an Australian Government controlled entity. Related parties to NTC are the Commissioners, Key Management Personnel including the Executive and other Australian Government entities.

Transactions with related parties:

Given the breadth of government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. Such transactions include the payment or refund of taxes, receipt of paid parental leave payments or higher education loans. These transactions have not been separately disclosed in this note.

Other than the transactions with the government sector mentioned above, there were no related party transactions during the year.

Note 5.1: Financial Instruments

	2019 \$	2018 \$
Note 5.1A Categories of financial instruments		
Financial assets		
Loans and receivables		
Cash and cash equivalents	2,145,879	2,034,567
Receivables for goods and services	547,000	537,248
Carrying amount of financial assets		2,571,815
Financial liabilities		
Suppliers payable	444,708	471,779
Other payables	21,784	20,134
Carrying amount of financial liabilities	466,492	491,913

Accounting policy

Financial assets

With the implementation of AASB 9 Financial Instruments for the first time in 2019, the NTC classifies its financial assets measured at amortised cost.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Financial assets are recognised and derecognised upon trade date.

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.

Notes to and forming part of the financial statements

For the period ended June 2019

Accounting policy (continued...)

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'receivables'. 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 the end of each reporting period based on Expected Credit Losses.

Financial assets held at amortised cost - if there is objective evidence that an impairment loss has been incurred for receivables, 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 Statement of Comprehensive Income.

Financial liabilities

Financial liabilities are classified as other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Other financial liabilities are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

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

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 disclosed when settlement is probable but not virtually certain, and contingent liabilities are recognised when settlement is greater than remote.

The NTC has no contingent liabilities, assets or any significant contingencies for the year ended 30 June 2019 (2018: Nil).

	2019 \$	2018 \$
Note 5.1B Net gains or losses on financial assets		
Cash and cash equivalents		
Interest revenue (Note 2.2A)	24,495	26,913
Net gain from cash and cash equivalents	24,495	26,913
Net gain from financial assets	24,495	26,913

	Fair value 2019 \$	Fair value 2018 \$
Note 5.1C Fair value of financial instruments		
Financial assets		
Cash and cash equivalents	2,145,879	2,034,567
Receivables for goods and services	547,000	537,248
Total	2,692,879	2,571,815
Financial liabilities		
Suppliers payable	444,708	471,779
Other payables	21,784	20,134
Total	466,492	491,913

Note 5.2: Fair Value Measurements

The following tables provide an analysis of assets and liabilities that are measured at fair value.

Note 5.2A: Fair value measurements, valuation techniques and inputs used

	2019 \$	2018 \$	Valuation technique	Level	Inputs used	Range (weighted average)
Non-financial assets						
Plant and equipment	998,169	608,357	Depreciated replacement cost	3	Independent research	Useful life
Total non-financial assets	998,169	608,357				
Total fair value measurements of assets in the statement of financial position	998,169	608,357				

Recurring and non-recurring Level 3 fair value measurements – valuation processes

Leasehold improvements and plant and equipment are held at fair value. When leasehold improvements and plant and equipment are specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using the depreciated replacement cost method. There were no changes in valuation techniques throughout the period to 30 June 2019.

Recurring Level 3 fair value measurements – sensitivity of inputs

A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.

Appendices

Appendix A: Report under the Freedom of Information Act 1982 (Cwlth)

Freedom of information requests during 2018-19

No requests for documents were made under the Freedom of Information Act 1982 during the period 1 July 2018 to 30 June 2019.

Information required by the Freedom of Information Act

The information that the NTC is required to publish under Part 2 of the Freedom of Information Act can be found on our website ntc.gov.au.

Freedom of information enquiries

All enquiries concerning access to documents under the Freedom of Information Act should be directed to:

FOI Contact Officer

National Transport Commission Level 3/600 Bourke Street Melbourne Vic 3000

Phone: 03 9236 5000

Email: enquiries@ntc.gov.au

Appendix B: Report under the Commonwealth Electoral Act 1918 (Cwlth)

Payments

The NTC did not make any payments to market research agencies, advertising agencies, polling organisations, direct mail organisations or media advertising organisations of more than \$10,000 during 2018-19.

Appendix C: Report under the Environment Protection and Biodiversity Conservation Act 1999 (Cwlth)

The NTC is committed to developing reforms that uphold the principles of ecologically sustainable development, as detailed in section 516A of the **Environment Protection and Biodiversity** Conservation Act.

Our mission is to develop reforms that deliver safe, efficient and sustainable transport for Australia. The impacts of all our reforms are objectively assessed against our policy objectives, one of which is to protect the environment.

Environmental performance

We are committed to reducing the impact of our office operations on the environment through actions such as the following

- recycling paper, plastic, bottles and toner cartridges
- recycling unwanted computer equipment such as monitors, hard drives, cabling and keyboards
- installing equipment that has energy-saving features, such as laptops (which are more energyefficient than desktop computers), photocopiers and printers
- ensuring double-sided printing is the default setting on all printers
- encouraging staff to use public transport by offering discounted yearly tickets
- motion sensors are connected to all lights which switch off automatically when there is no one within the range of the sensor.

- encouraging staff to use teleconferencing where possible to avoid unnecessary road or air travel
- providing a battery recycling program for staff
- installing paper recycling bins at workstations
- providing additional recycling bins around the office
- using only energy and water-efficient appliances across the workplace
- installing blinds and tinting windows to reduce the demand on air-conditioning systems.

We have also entered into a green lease program along with our building manager, AMP Capital. This aims to implement improvements towards providing a greener and more energy efficient environment for all building occupants.

We will continue to monitor our environmental impact and make changes as required.

Table 5: NTC Environmental statistics

Electricity	2018–19	2017–18
Total electricity used (kilowatt hours)	58,905	62,316
Green energy source (per cent)	25	25
Total greenhouse gas emissions (tonnes)	104	110
Air travel*	2018–19	2017–18
Domestic flights (kilometres)	453,104	640,511
International flights (kilometres)	43,569	166,553
Total greenhouse gas emissions (tonnes)	94	251
Other	2018–19	2017–18
Total estimated copy paper used (reams)	300	470
Total water consumption (litres per person)	12,550	12,550
Total greenhouse gas emissions (tonnes)	198	361

^{*} Air travel information is supplied by the NTC's travel provider

Appendix D: Reports released during 2018–19

Report title	Date
Australian Code for the Transport of Dangerous Goods by Road and Rail – edition 7.6	September 2018
Regulating government access to C-ITS and automated vehicle data – discussion paper	September 2018
Motor accident injury insurance and automated vehicles – discussion paper	October 2018
NTC Annual Report 2018	October 2018
Australian Defence Force Road Transport Exemption Framework 2018	November 2018
Three-axle bus limit – decision RIS	November 2018
HVNL fatigue issues – consultation report	November 2018
Loss of effluent and load restraint – consultation report	November 2018
National guidelines for implementing future IAP schemes	November 2018
Review of best practice for heavy vehicle telematics – research paper	November 2018
National Transport Reform Implementation Monitoring Report 2018	November 2018
Safety assurance for automated driving systems – decision RIS	November 2018
Developing technology-neutral road rules for driver distractions – issues paper	December 2018
Barriers to the safe use of innovative vehicles and motorised mobility devices – issues paper	January 2019
Risk-based approach to regulating heavy vehicles – issues paper	March 2019
Refining the definition of rail safety work – discussion paper	April 2019
Heavy Vehicle Driver Fatigue project – summary report	April 2019
Effective fatigue management – issues paper	May 2019
Developing technology-neutral road rules for driver distraction – consultation RIS	June 2019
Easy access to suitable routes – issues paper	June 2019
Safe people and practices – issues paper	June 2019

Appendix E: Annual adjustment of heavy vehicle charges

The NTC is responsible for calculating annual heavy vehicle charges, which are a combination of annual registration and fuel-based road user charges (RUC).

Every few years this involves a determination. This is when we review the base charges for all heavy vehicle types and recommend a new set of base charges to the Transport and Infrastructure Council.

In the years between determinations, we apply an annual adjustment formula to heavy vehicle charges to adjust them by a common percentage, known as the annual adjustment factor.

The annual adjustment formula is approved by the Council and is contained within the Heavy Vehicle Charges Model Law. The annual adjustment allows revenue from heavy vehicle charges to keep pace with changes in heavy vehicle fleet use and with governments' road spending programs.

Annual adjustments apply automatically unless the Council directly approves heavy vehicle charges, either as the outcome of a determination, or for other reasons. The Council directly approved heavy vehicle charges to apply from 2016–17 to 2019–20 which means that the annual adjustment does not apply in these years.

Changes to the annual adjustment method and reporting

The current annual adjustment method, contained in the Heavy Vehicle Charges Model Law, was approved by the Council on 6 November 2015.

The method uses parameters from the pay-as-you-go (PAYGO) model to establish the cost base for the annual adjustment rather than using assumed changes in road use and expenditure, which are less precise. This adjustment formula and the updated Heavy Vehicle Charges Model Law now require us to report new expenditure, road use and cost allocation data in our annual report. This data is included in the tables within this appendix.



Table E1: Allocable arterial and local road expenditure for the 2020-21 annual adjustment (\$ million)

Allocable roa	d expenditure (\$m)	Α	rterial road	İsa		Local roads	;	Total
Expenditure category code	Expenditure category description	Urban	Rural	Arterial roads total	Urban	Rural	Local roads total	Roads
А	Servicing and operating expenses	508.66	389.39	898.05	154.14	90.90	245.04	1,143.09
B1	Routine maintenance	185.06	488.57	673.62	56.96	126.89	183.85	857.47
B2	Periodic surface maintenance of sealed roads	255.90	485.78	741.68	57.78	98.97	156.75	898.42
С	Bridge maintenance and rehabilitation	149.10	150.21	299.31	41.74	33.67	75.41	374.72
D	Road rehabilitation	293.63	645.19	938.82	94.06	177.68	271.75	1,210.56
E	Low-cost safety and traffic improvements	935.83	598.99	1,534.83	213.49	106.71	320.20	1,855.03
F1	Pavement improvements	1,240.77	1,357.81	2,598.57	151.31	273.74	425.05	3,023.62
F2	Bridge improvements	617.66	459.94	1,077.60	83.12	132.78	215.90	1,293.50
F3	Land acquisition, earthworks, other extensions /improvement expenditure	2,802.65	1,499.18	4,301.84	350.96	460.86	811.83	5,113.66
G1	Corporate services	407.61	361.31	768.92	-	-	-	768.92
		7,396.87	6,436.37	13,833.23	1,203.57	1,502.20	2,705.77	16,539.00

a Victoria has advised that the data provided to the NTC is interim data for the 2018–19 financial year. The use of the term interim road expenditure data has been a deliberate decision reflecting the fact that whilst the dataset does not as yet cover the full ambit of Victoria's road expenditure and will need to be updated in the future, PAYGO data tables do reflect the accurate categorisation of the available road expenditure into the various PAYGO expenditure sub categories, and this data can be used by the NTC for the estimation of Heavy Vehicle Charges.

The allocable arterial and local road expenditure data in Table E1 allows for the calculation, if required, of the revised adjusted base cost for the 2020–21 charges.

The expenditure estimates are separated into arterial and local, urban and rural road expenditure, and into a range of expenditure categories.

The PAYGO model only includes expenditure that is related to heavy vehicle road use to determine the heavy vehicle charges cost base (known as allocable expenditure). The expenditure estimates exclude 75 per cent of urban local road expenditure and 50 per cent of rural local road expenditure because these proportions relate to the provision of access

and amenity services, which is recovered through local government rates and developer contributions.

Road expenditure shown in Table E1 is averaged over seven years using the exponential moving average method (EMA7).

State and territory road authorities provide us with the most recently available arterial road expenditure data in accordance with the agreed expenditure reporting categories. The Australian Bureau of Statistics (ABS) provides the most recent estimates of local council spending on roads from unpublished government finance statistics.

Table E2: Cost allocation rules

Expenditure category code	Expenditure category description	УКТ	PCU-kms	ESA-kms	AGM-kms
Α	Servicing and operating expenses	100%	0%	0%	0%
B1	Routine maintenance	24%	38%	0%	38%
B2	Periodic surface maintenance of sealed roads	30%	10%	0%	60%
С	Bridge maintenance and rehabilitation	67%	0%	0%	33%
D	Road rehabilitation	55%	0%	45%	0%
Е	Low-cost safety and traffic improvements	80%	20%	0%	0%
F1	Pavement improvements	55%	0%	45%	0%
F2	Bridge improvements	85%	15%	0%	0%
F3	Land acquisition, earthworks, other extensions / improvement expenditure	90%	10%	0%	0%
G1	Corporate services	100%	0%	0%	0%

The PAYGO model has four allocators that are used to apportion road expenditure across the vehicle fleet to determine the share of costs the heavy vehicle industry should pay. The allocators are:

- VKT (vehicle kilometres travelled)
- PCU-kms (passenger car equivalent kilometres) – a measure of the relative space a vehicle type occupies on the road
- ESA-kms (equivalent standard axle kilometres) - a measure of pavement wear
- AGM-kms (average gross mass kilometres) – a measure of the general impact of a load on the road.

Table E2 shows the cost allocation rules (or proportions) used in the PAYGO model.

Table E3: Road usage parameters, 2018-19

		Total all vehicles	Total heavy vehicles only	Total heavy vehicle share
VKT	Total	253,331,615,661	16,917,588,921	6.7%
	Arterial	162,355,332,680	13,408,631,120	8.3%
	Local	90,976,282,982	3,508,957,801	3.9%
PCU-kms	Total	283,612,349,102	47,114,540,748	16.6%
	Arterial	187,559,471,283	38,554,122,594	20.6%
	Local	96,052,877,819	8,560,418,154	8.9%
ESA-kms	Total	36,573,539,138	34,173,667,821	93.4%
	Arterial	29,475,995,440	27,963,959,216	94.9%
	Local	7,097,543,698	6,209,708,605	87.5%
AGM-kms	Total	581,173,371,865	467,588,517,267	80.5%
	Arterial	468,236,928,878	396,660,876,342	84.7%
	Local	112,936,442,987	70,927,640,925	62.8%

Table E3 shows the road usage values used in the PAYGO model. The four road use allocators are VKT, PCU-kms, ESA-kms and AGM-kms, as summarised in the four dot points on page 63. Values are provided for arterial and local roads and as totals. They are also split between the total vehicle fleet and heavy vehicles only.

The road usage values in Table E3 use seven years of available data from the ABS Survey of Motor Vehicle Use (SMVU). This data is averaged using the same EMA7 method used for Table E1. The heavy vehicle cost base is determined using the road usage data from Table E3, combined with the cost allocation rules in Table E2 and the expenditure data from Table E1.

Table E4: Calculation of revenue for the 2020–21 annual adjustment

Estimated roads component heavy trailer registration revenue (\$)		Estimated total fuel use by heavy vehicles in litres
397,154,957	1,032,975,677	7,379,492,630

The data in Table E4 allows for the calculation, if required, of the annual adjustment factor for the 2020–21 charges. Table E4 shows the estimated heavy vehicle fuel use and registration revenue for heavy vehicles and heavy trailers. Fuel revenue can be calculated by multiplying the heavy vehicle fuel

use reported here by the current RUC. Fuel use is estimated using the EMA7 method. The estimated vehicle and trailer revenue figures are based on average jurisdiction registered fleet data in the latest financial year.

Table E5: Road construction and maintenance expenditure, 2018–19 (\$ million)

	Expenditure Category	ACT	NSW	NT	QLD	SA	TAS	VICª	WA	TOTAL
Α	Servicing and operating expenses	36	240	31	185	52	5	214	171	934
В	Road pavement and shoulder maintenance									
B1	Routine maintenance	1	220	41	154	40	35	66	128	684
B2	Periodic surface maintenance of sealed roads	16	138	2	201	6	20	301	115	800
С	Bridge maintenance and rehabilitation	1	83	3	92	4	5	81	51	320
D	Road rehabilitation	0	315	8	287	55	4	159	99	928
E	Low-cost safety and traffic improvements	9	876	3	337	40	10	377	129	1,780
F	Asset extension/improvements									
F1	Pavement improvements	67	1,468	138	716	182	145	317	333	3,366
F2	Bridge improvements	2	256	27	117	85	11	355	190	1,043
F3	Land acquisition, earthworks, other extensions / improvement expenditure	2	1,755	7	1,199	242	25	628	432	4,290
G	Other miscellaneous activities									
G1	Corporate services	6	321	5	214	12	13	114	83	768
G2	Heavy vehicle regulatory costs	1	68	3	0	2	0	64	13	151
G3	Vehicle registration	8	25	8	0	36	8	147	91	324
G4	Driver licensing	1	27	6	0	18	6	74	51	183
G5	Loan servicing	0	0	0	9	0	0	81	0	90
	Totals	150	5,792	283	3,511	774	286	2,978	1,886	15,660
Н	Other road-related payments									
H1	Financial assistance to councils for work on council managed arterials	0	308	11	0	0	0	0	134	453
H2	Payments to councils for contract work on state managed roads	0	207	0	231	2	12	5	0	458
НЗ	Spending on local access roads in unincorporated areas	0	3	6	0	0	0	0	1	10
H4	Direct spending on council managed local access roads	0	113	0	0	41	0	64	99	317
H5	Any other direct state spending on local access roads	0	0	26	77	0	0	0	1	104

a Victoria has advised that the data provided to the NTC is interim data for the 2018–19 financial year. The use of the term interim road expenditure data has been a deliberate decision reflecting the fact that whilst the dataset does not as yet cover the full ambit of Victoria's road expenditure and will need to be updated in the future, PAYGO data tables do reflect the accurate categorisation of the available road expenditure into the various PAYGO expenditure sub categories, and this data can be used by the NTC for the estimation of Heavy Vehicle Charges.

Table E5 provides road construction and maintenance expenditure for 2018–19. These estimates exclude Commonwealth road expenditure under the Natural Disaster Relief and Recovery Arrangements and any insurance-related expenditure approved by transport ministers.

We are required to report the road construction and maintenance expenditures contained in Table E5 under Clause 5.1(j) of the Inter-Governmental Agreement for Regulatory and Operational Reform in Road, Rail and Intermodal Transport.

We obtained this data from state and territory road agencies to use in calculating the annual adjustment for heavy vehicle charges.

Glossary and acronyms

ADF

Australian Defence Force.

Automated driving system.

Alertness CRC

The Cooperative Research Centre for Alertness, Safety and Productivity.

ARR

Australian Road Rules. A national set of rules that apply to vehicle drivers, passengers, cyclists and pedestrians.

ARRB

Australian Road Research Board. A member-based organisation representing Australia's federal, state and local government transport and road bodies and the New Zealand Transport Agency.

ATA

Australian Trucking Association. A national organisation that represents trucking operators from across Australia.

Australian Defence Force Road Transport Exemption Framework

A framework that provides nationally uniform exemptions for the use of ADF vehicles and equipment on public roads.

Australian Light Vehicle Standards Rules

A model law that sets standards that vehicles must comply with to be driven on roads and road-related areas.

Austroads

The association of Australasian road transport and traffic agencies.

Automated vehicle. A road or rail vehicle that is partially or fully automated, meaning some or all of the driving task can be handled by the vehicle and not a human driver.

Carbon emissions intensity

In respect of a motorised vehicle: grams of carbon dioxide (CO₂) emitted per kilometre (g/km) travelled.

C-ITS

Cooperative Intelligent Transport Systems. Emerging technologies that enable vehicles and surrounding infrastructure to exchange information about the location, speed and direction of other road users also using C-ITS.

COAG

Council of Australian Governments. It initiates, develops and monitors the implementation of policy reforms of national significance that require cooperative action by Australian governments.

CO, emissions

Carbon dioxide emissions. In respect of a motorised vehicle: the discharge of carbon dioxide, formed as part of the process of catalytic conversion within the engine.

DITCRD

Department of Infrastructure, Transport, Cities and Regional Development. The federal government department responsible for the design and implementation of the Australian Government's infrastructure, transport and regional development policies and programs.

HVNL

Heavy Vehicle National Law. A law to underpin the NHVR and which consolidates existing legislation to achieve national consistency.

IAG

Industry Advisory Group. In respect of the NTC: A forum that brings together road or rail industry stakeholders on a regular basis to discuss progress on NTC projects and share insights on industry issues.

Inter-Governmental Agreement. In respect of the NTC: an agreement between the Australian states, territories and the Commonwealth Government relating to the establishment and role of the NTC to progress regulation and operational reform for road, rail and intermodal transport.

Intermodal transport

The use of more than one mode of transport for a journey. For the NTC it refers to transportation of freight in a container using multiple modes of transport, being rail, truck or ship without the freight being handled in the change of modes.

LCV

Light commercial vehicle. A light vehicle which is also registered as a commercial vehicle.

Motor accident injury insurance. MAII schemes promote compulsory personal injury insurance cover for motor vehicle crashes.

National Reform Implementation Monitoring Report

A report prepared by the NTC annually to report on the progress of transport reforms agreed upon by Australia's transport ministers.

NHVR

National Heavy Vehicle Regulator. The NHVR administers one set of laws for heavy vehicles under the HVNL.

NTC

National Transport Commission. The statutory authority that develops and submits reform recommendations to the Transport and Infrastructure Council for approval.

ONRSR

Office of the National Rail Safety Regulator. Established in 2012 to encourage and enforce safe railway operations and to promote and improve national rail safety.

PAYGO

Pay-as-you-go. In respect of heavy vehicle charging in Australia: the methodology used to calculate heavy vehicle registration and road user charges.

RIS

Regulation impact statement. A RIS is required for all regulatory proposals that are likely to have an impact on business or the not-for-profit sector.

Rail Industry Safety and Standards Board. A not-for-profit company responsible for the development and management of rail industry standards, rules, codes of practice and guidelines, all of which have national application.

RSNL

Rail Safety National Law. A nationally-consistent rail safety law, administered by the ONRSR.

Road User Charge. A charge by the federal government on diesel used by heavy vehicles on public roads. Also known as the fuel charge.

TCA

Transport Certification Australia. A national government body which provides assurance through the provision of services in the use of telematics and related intelligent technologies.

Three-axle buses

Buses traditionally used for long-distance regional charter and scheduled coach travel, and increasingly also for metro timetabled services due to greater passenger capacity.

TIC

Transport and Infrastructure Council. A council of Commonwealth, state, territory and New Zealand ministers, and the Australian Local Government Association, with responsibility for transport and infrastructure issues.

TISOC

Transport and Infrastructure Senior Officials' Committee. A committee that provides support and advice to ministers on the Transport and Infrastructure Council. Its membership comprises the chief executive officers of state and territory transport and/or infrastructure departments, the Australian Local Government Association and the NTC.

WHS

Work health and safety.

Compliance index

Table 3 shows how this report complies with the Public Governance, Performance and Accountability Amendment (Corporate Commonwealth Entity Annual Reporting) Rule 2016, issued by the Minister for Finance on 5 May 2016.

Table 3: Requirements for Annual Reports under PGPA Act

Requirement	Page
Approval by the NTC's accountable authority, including signature, date, details and responsibility statement	2
Details of legislation establishing the NTC	6
Summary of the NTC's objects and functions as set out in its establishing legislation	6
The NTC's purpose as included in our corporate plan for the reporting period	6
Names and titles of responsible ministers	2, 26
Ministerial directions under an Act or instrument	None
Government policy orders that applied to the NTC	None
Annual performance statements	12–14
Statement of any significant issue relating to non-compliance with the finance law	N/A
The names, qualifications, experience and position of each member of the NTC's accountable authority	28-29
The number of meetings each accountable authority member attended	27
Organisational structure	32
Location of major activities and facilities	Back cover
Corporate governance practices	26-31
Decision-making process undertaken if the accountable authority made any decisions under 17BE(n) of the rule	N/A
Significant activities and changes affecting the organisation	N/A
Judicial or administrative tribunal decisions that could significantly affect the NTC	None
Details of any reports on the entity by a committee of either or both houses of Parliament	N/A
Subsidiary information that was not obtained for the report	N/A – the NTC does not have any subsidiaries
Indemnities and insurance premiums for officers and accountable authority members	31
Disclosure requirements for government business enterprises under 17BF of the rule	N/A
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Corporate plan

Our Corporate Plan sets out the objectives, strategy and Work Program that NTC will pursue to achieve our strategic plan's priorities over the next four years. It states our purpose and explains the environment we operate within, and our planned performance, capabilities and risk management.





