National Transport Commission

Leading change

Annual Report 2019-2020

Contents

Introduction

Approval by accountable authority

Dear ministers

The Hon Michael McCormack MP
Mr Chris Steel MLA
Mr Shane Rattenbury MLA
The Hon Andrew Constance MP
The Hon Paul Toole MP
The Hon Eva Lawler MLA
The Hon Mark Bailey MP
The Hon Cameron Dick MP
The Hon Stephan Knoll MP
The Hon Michael Ferguson MP
The Hon Jacinta Allan MP
The Hon Ben Carroll MP
The Hon Rita Saffioti MLA
Mayor David O'Loughlin
The Hon Phil Twyford MP

as at 30 June 2020

I am pleased to submit the National Transport Commission's (NTC) Annual Report for the year ended 30 June 2020.

This document reports on our activities in the 2019–20 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 11 September 2020 by authorising it for print.

This Annual Report is a record of a successful year for the NTC: one in which the organisation fully delivered on its commitments to ministers, and within budget. My fellow commissioners and I wish to acknowledge the commitment and professionalism of NTC's management and staff in achieving these results in what was a very challenging year due to COVID-19.

I look forward to continuing to work with all members of the Transport and Infrastructure Council to improve transport outcomes into the future.

Carolyn Walsh
Chair

Report from the Chief Executive Officer

It has been a significant year of development and achievement for the NTC. In the last year, the NTC has more clearly shaped its program of work around the Transport and Infrastructure Council reform priorities and delivering high-value reforms. We had an ambitious program of work which we delivered across four reform portfolios – future technologies, productivity, safety and sustainability. Some of our achievements over the year were:

- Developed the National Rail Action Plan and launched straight into implementation with three joint-industry and government committees to progress actions on interoperability, harmonisation and skills and labour reform.
- Delivered a comprehensive engagement program on the review of the Heavy Vehicle National Law to inform the final recommendations of the review in 2020–21. On this review alone we've had 200 formal submissions and more than 350 informal comments on our dedicated website. This supplements several nationwide workshops, bringing together government, industry and the community to shape the next phase of the review.
- Recommended a national approach to regulating automated vehicles when they are commercially deployed on our roads. Transport ministers agreed to work towards this approach which includes a national regulator and a national law, supported by a general safety duty.
- The continued delivery, alongside these major reforms, of our regular full program of reviews and legislative amendments to ensure laws, regulations and other instruments are up-to-date and fit for purpose.
- Ongoing progress on a number of reforms across all our portfolios, including better management of driver distraction, motorised mobility devices and the transport of dangerous goods.

Underpinning our ability to deliver this work has been the progress we've made on streamlining the way we work to be more agile and collaborative: a modern and high-performing organisation.

These changes proved pivotal in our response to COVID-19 when, as a Melbourne-based agency, we had to rapidly transition to a complete remote work setting for the last quarter of the reporting year (and beyond). I have been impressed by the commitment and professionalism shown by staff during this extended period of work from home and thank each and every one for their valuable contribution. Their collective effort in making remote working a success has enabled the NTC to continue engaging with its partners to deliver a successful year's work.

I am pleased to report the organisation has continued to achieve—and in some cases exceed—all targets for the reporting year. And I extend my thanks to fellow Commissioners for their guidance and support as the NTC embraces more modern ways of working to continue delivering high-quality, valued work while leading national land transport reform.

Gillian Miles
Chief Executive Officer and Commissioner

About the NTC

Purpose and function

Who we are

Our vision: A land transport system that improves the living standards of all Australians.

The NTC leads national land transport reform in support of Australian governments to improve safety, productivity, environmental outcomes and regulatory efficiency.

We are a key contributor to the national reform agenda with accountability to the Transport and Infrastructure Council (the Council) and its advisory body, the Transport and Infrastructure Senior Officials' Committee (TISOC).

Our purpose

Our purpose as set out in the NTC Corporate Plan 2019–23 is to develop, propose, monitor, maintain and review nationally consistent reforms to improve the productivity, safety, environmental impacts and regulatory efficiency of land transport in Australia.

The primary way we achieve our purpose is through the delivery of our program of work (published in our corporate plan each year).

What we do

The NTC leads national land transport reform to advance social and economic outcomes for all Australians through an efficient, integrated and nationally consistent land transport system.

The NTC has a unique role: we were established to develop and propose nationally consistent land transport reforms. We review, maintain and amend national and model laws, and other instruments, on behalf of the Council. We lead reforms, from problem or opportunity definition, to policy, to draft law and to implementation plans and review. We contribute to achieving national reform priorities agreed by the Council.

The NTC collaborates and consults with our stakeholders to identify, design and champion regulatory and operational reforms to land transport policy and regulation that:

- support the safe and efficient movement of people, freight and services
- recognise and encourage transport innovation
- apply agreed charges for heavy vehicles
- reduce environmental impacts and regulatory burdens
- promote competitive national and international supply chains.

Enabling legislation and direction

The *National Transport Commission Act 2003* (NTC Act) and the Inter-Governmental Agreement for Regulatory and Operational Reform in Road, Rail and Intermodal Transport (the IGA) establish the NTC, our role and purpose.

The NTC Act establishes the NTC and provides it with an ongoing responsibility to develop, monitor and maintain uniform or nationally consistent regulatory and operational reforms relating to road transport, rail transport and intermodal transport. The NTC Act also provides a mechanism for the making of regulations, in accordance with the IGA.

The primary objective of the IGA is to improve transport productivity, efficiency, safety and environmental performance and regulatory efficiency in a uniform or nationally consistent manner. The IGA sets out in more detail the ongoing responsibilities and functions of the NTC to achieve this objective, including to:

- develop uniform or nationally consistent regulatory and operational arrangements for road, rail and intermodal transport
- develop road use charging principles for heavy vehicles and proposed reforms in relation to Heavy Vehicle Road Use Charges based on charging principles agreed by the Council
- monitor implementation of agreed reforms and regularly report on these to the Council
- maintain and review agreed reforms
- recommend other matters to the Council that will promote the objectives of the IGA and undertake any other responsibilities and functions that are determined by the Council.

The Council determines the NTC's four-yearly program of work and provides further direction and guidance to the NTC through its:

- Statement of Expectations for the NTC: The statement outlines the Council’s expectations concerning the operations and performance of the NTC.
- Performance Based Framework: The framework contains outputs and timing for the Council to consider and monitor the NTC’s Corporate Plan, program of work and budget each year.
- Strategic Work Programme: This programme outlines the Council’s four reform priorities and the key activities/projects to achieve these reform priorities.

Responsible ministers

The NTC is accountable to the Transport and Infrastructure Council (the Council). The Council includes Commonwealth, state and territory ministers responsible for transport and infrastructure, and the president of the Australian Local Government Association (ALGA). Members of the Council as at 30 June 2020 are:

Commonwealth

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

Australian Capital Territory

Mr Chris Steel MLA
Minister for Transport; Minister for City Services; Minister for Multicultural Affairs; Minister for Roads & Active Travel; Minister for Recycling & Waste Reduction; Minister for Tertiary Education

Mr Shane Rattenbury MLA
Minister for Climate Change and Sustainability; Minister for Corrections and Justice Health; Minister for Justice, Consumer Affairs and Road Safety, Minister for Mental Health

New South Wales

The Hon Andrew Constance MP
Minister for Transport and Roads

The Hon Paul Toole MP
Minister for Regional 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
Treasurer; Minister for Infrastructure and Planning

South Australia

The Hon Stephan Knoll MP
Minister for Transport, Infrastructure, Local Government; Minister for Planning

Tasmania

The Hon Michael Ferguson MP
Minister for Finance; Minister for Infrastructure and Transport; Minister for State Growth; Minister for Science and Technology; Leader of the House

Victoria

The Hon Jacinta Allan MP
Minister for Transport Infrastructure

The Hon Ben Carroll MP
Minister for Public Transport; Minister for Roads and Road Safety

Western Australia

The Hon Rita Saffioti MLA
Minister for Transport; Minister for Planning

Australian Local Government Association

Mayor David O'Loughlin
President

New Zealand

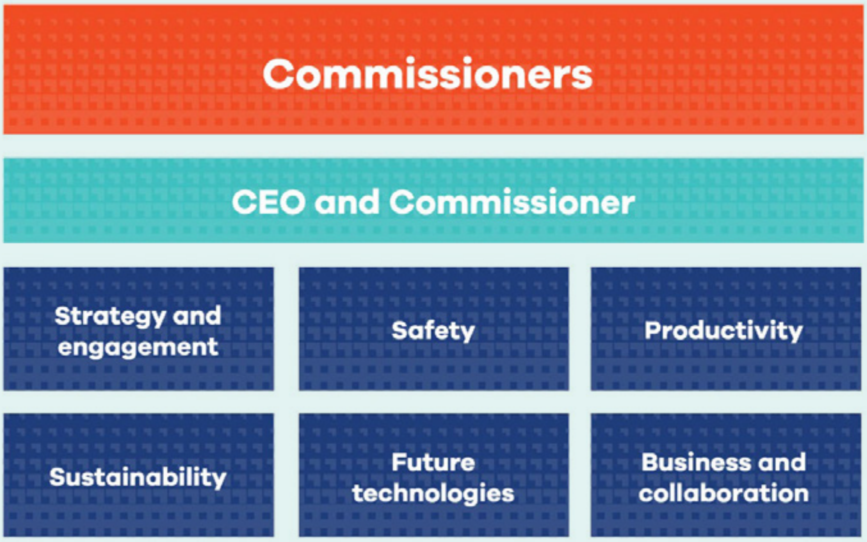
The Hon Phil Twyford MP
Minister for Economic Development and Urban Development and Transport

Governance

The organisation

Structure

The NTC is organised around six streams which align with the strategic reform priorities of the Transport and Infrastructure Council (the Council). The Commissioners are responsible for the strategic direction and governance of the NTC.



Staff members

The NTC has 39 employees, all based in Melbourne.

All ongoing employees for the current and previous reporting period

Reporting period	Male			Female			Total
	Full-time	Part-time	Total male	Full-time	Part-time	Total female	
2018–19	19	1	20	14	3	17	37
2019–20	**17**	**2**	**19**	**9**	**4**	**13**	**32**

All non-ongoing employees for the current and previous reporting period

Reporting period	Male			Female			Total
	Full-time	Part-time	Total male	Full-time	Part-time	Total female	
2018–19	2	1	3	2	0	2	5
2019–20	**1**	**1**	**2**	**5**	**0**	**5**	**7**

Executive remuneration

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.

Information about remuneration for key management personnel is provided in the following table. There were no personnel classified as senior executives or other highly paid staff who are not already reported as key management personnel for this reporting period.

Information about remuneration for key management personnel

		Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
Name	Position title	Base salary	Bonuses	Other benefits and allowances	Superannuation contributions	Long service leave	Other long-term benefits		
Carolyn Walsh	Chair	32,581	0	0	3,079	0	0	0	35,660
Nola Bransgrove	Deputy Chair	19,902	0	0	1,606	0	0	0	21,508
Neil Scales	Commissioner	0	0	0	0	0	0	0	0
Reece Waldock	Commissioner	10,512	0	0	998	0	0	0	11,510
Steven Kennedy	Commissioner	0	0	0	0	0	0	0	0
Gillian Miles	Chief Executive Officer and Commissioner	344,387	0	0	31,243	9,798	0	0	385,428
Michael Hopkins	Executive Leader, Strategy and Engagement	176,185	0	0	15,096	4,200	0	0	195,481
Graham Giannini	Executive Leader, business and Collaboration	195,678	0	0	17,241	7,781	0	0	220,700
Paul Davies	Executive Leader, Productivity	224,270	0	0	21,189	9,780	0	0	255,239
Marcus Burke	Executive Leader, Future Technologies	183,221	0	0	18,107	2,159	0	0	203,488
Mandi Mees	Executive Leader, Safety	194,149	0	0	17,726	7,634	0	0	219,509

		Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
Name	Position title	Base salary	Bonuses	Other benefits and allowances	Superannuation contributions	Long service leave	Other long-term benefits		
Sandra McKay	Executive Leader, Sustainability	80,511	0	0	6,587	1,921	0	0	89,019
Ron Grasso	Executive Leader, Business and Collaboration	190,779	0	0	17,397	7,700	0	0	215,946
Geoff Allan	Executive Leader, Sustainability	72,116	0	0	17,361	0	0	71,281	160,758

The Commission

The NTC is led by a Commission, including the Chief Executive Officer.

The role of the Commission

The Commission operates under the *National Transport Commission Act 2003* and the *Public Governance, Performance and Accountability Act 2013* and also works to a Statement of Expectations issued by the Council. 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 meets regularly throughout the year and maintains a watching brief over external and internal environments. The Commission has authority to determine all matters related to the NTC's policies, practices, management and operations and is also responsible for evaluating the Chief Executive Officer's performance.

NTC Commissioners

The NTC has six commissioners including the Chief Executive Officer.

Carolyn Walsh
Chair (non-executive)

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

Carolyn is a Commissioner at the Australian Transport Safety Bureau, Acting Chair of the NSW Environment Protection Authority 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.

Carolyn has a Bachelor of Economics and is a graduate of the Australian Institute of Company Directors.

Nola Bransgrove OAM
Deputy Chair (non-executive)

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

Nola was joint owner of Branstrans Pty Ltd, a long-distance family transport company based in Gippsland, Victoria for 48 years. She had an instrumental role in the development of the industry accreditation program TruckSafe and was responsible for managing multiple accreditation programs in the Branstrans business. She was awarded a Medal of the Order of Australia for services to the transport and logistics industry, women, and the community in 2012.

Nola is also Chair of Women in Supply Chain and Deputy Chair of Transport and Distribution Training, Victoria. Her past roles include 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.

Nola has a Certificate IV in Governance and Certificate IV in Training and Assessment, a Diploma of Logistics and is a Graduate of the Australian Institute of Company Directors.

Neil Scales OBE
Commissioner (non-executive)

Neil was appointed a Commissioner of the National Transport Commission on 10 September 2014.

Neil is the Director-General of Queensland's Department of Transport and Main Roads.

He is trade qualified and 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.

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. Neil is a fellow of the Vincent Fairfax Family Foundation having successfully completed a course on Ethical Leadership.

Reece Waldock AM
Commissioner (non-executive)

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 the Planning and Research Centre (PATREC), Chair of the Kimberley Port Authority (KPA), Chair of the SA Public Transport Authority (SAPTA) and a Board Member of Infrastructure Australia. Reece has wide audit committee experience including government agencies, Lifeline (WA), Kimberley Port Authority and Infrastructure Australia.

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

Gillian Miles
Chief Executive Officer and Commissioner (executive)

Gillian Miles commenced as Chief Executive Officer and Commissioner at the National Transport Commission on 1 April 2019.

With over 30 years' experience, Gillian has a strong record of achievement in public sector excellence, particularly in transport and community-focused services. As a senior executive, she has worked at national, state and local government level, advising on major reforms, policy and strategies to transform the regulatory environment and the way infrastructure and services are funded and delivered.

Gillian's leadership roles include Head of Transport for Victoria, CEO of the City of Greater Geelong, Head of Strategy and Performance at the Transport Accident Commission, and Deputy Secretary roles at the Department of Transport, Planning and Local Infrastructure (Victoria) and the Department of Planning and Community Development (Victoria).

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

Steven Kennedy PSM
Commissioner (non-executive)

Steven Kennedy was Commissioner of the National Transport Commission from 1 January 2018 to 29 August 2019 during his tenure as Secretary of the Department of Infrastructure, Regional Development and Cities.

Prior to that, Steven was a Deputy Secretary at the Department of the Prime Minister and Cabinet, where he was responsible for Innovation and Transformation and led work on the Cities Agenda, regulatory reform, public data and digital innovation.

Steven was previously a Deputy Secretary at the Department of Industry, Innovation and Science; the Department of the Environment; the former Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education; the former Department of Climate Change and Energy Efficiency, and the Head of Secretariat of the Garnaut Climate Change Review – Update 2011.

Steven held a number of positions at the Treasury including the General Manager of the Infrastructure, Competition and Consumer Division and the Domestic Economy Division. Steven began his career in the public service as a cadet at the Australian Bureau of Statistics. Prior to joining the public service, Steven trained and worked as a nurse.

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.

Development and performance

The NTC is committed to the continued professional development of its Commissioners through ongoing evaluation, education and improvement. This approach ensures that Commissioners and the CEO are equipped with the knowledge and information they need to discharge their responsibilities effectively for the benefit of the NTC and its stakeholders, and that individual and collective performance is regularly and fairly reviewed.

The performance of the Commission, its committees, individual commissioners and the Chief Executive Officer is evaluated and reviewed regularly against quantitative and/or qualitative indicators. In August 2019, a ‘Commission and CEO Performance Enhancement Policy’ was adopted to further formalise the NTC's approach to Commissioner education and performance review.

Performance reviews are undertaken every year, with the most recent report by Grant Thornton (the NTC's internal auditors) tabled at the February 2020 Commission meeting. This report found that the NTC had implemented the appropriate processes and cadence to support commissioners and management, and that overall, the Commission was working effectively and providing appropriate oversight for the NTC.

Commission meetings

During the reporting period, five commission meetings were held.

Attendance at Commission meetings 2019–20

Commissioner	Commission no. eligible to attend	No. attended
Carolyn Walsh (Chair)	5	5
Gillian Miles (CEO)	5	5
Nola Bransgrove (Deputy Chair)	5	5
Steven Kennedy	1	1
Neil Scales	5	3
Reece Waldock	5	5

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

- major organisational risks are identified and managed with appropriate mitigation measures and reviews in place
- the NTC complies 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 2019–20, the Committee's members were:

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

Other Commissioners can attend meetings either by invitation or as observers. The terms of reference for the NTC's risk and audit committee is available on the NTC's website.[1]

Attendance at Risk and Audit Committee meetings 2019–20

Risk and Audit Committee member	Risk and Audit no. eligible to attend	No. attended
Nola Bransgrove (Deputy Chair)	5	5
Reece Waldock	5	5
Neil Scales	5	2

[1] https://www.ntc.gov.au/sites/default/files/assets/files/NTC-Risk-and-Audit-Committee-Terms-of-Reference-Dec-2019.pdf

Remuneration of each member of the Audit and Risk Committee

Member name	Total annual remuneration
Nola Bransgrove	$21,508
Reece Waldock	$11,510
Neil Scales	$0

Governance and risk management practices

Business planning

Each year the NTC publishes a corporate plan which sets out its objectives and program of work for the next four years. The corporate plan is developed with extensive input from our stakeholders and prepared under the guidance of the Commissioners, and in consultation with the Transport and Infrastructure Senior Officials' Committee (TISOC), before being submitted to the Transport and Infrastructure Council for approval. The NTC's Corporate Plan is prepared in accordance with the *National Transport Commission Act 2003,* the *Public Governance, Performance and Accountability Act 2013*, and the Inter-Governmental Agreement for Regulatory and Operational Reform in Road, Rail and Intermodal Transport.

The corporate plan is then cascaded into operational plans and projects through which the NTC's deliver on its objectives and program of work.

Risk management and compliance

Ethics and risk management

The NTC has an established risk management framework which provides a structured, ongoing process for the Commission, management and staff to identify, assess, respond to and report on risks that could prevent the NTC from achieving its 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 2019–20 year, the NTC continued to manage the risks associated with its work program and stakeholder engagement, as well as ICT risks, and business continuity. The NTC's business continuity preparedness was tested by the COVID-19 pandemic which required all staff to rapidly transition to remote working for the last quarter of the 2019–20 year. A review by an independent consultancy of the NTC's business continuity management pandemic response found that the NTC and its executive leadership team responded very well to this situation, and that as an organisation the NTC displays many of the attributes of organisational resilience including flexibility, consideration, reflection and a sense of shared responsibility and capability.

The NTC's ethics are clearly defined through its Code of Conduct which applies to all staff members. The code is reviewed periodically to align with best-practice standards and it, along with the corporate values and behaviours, sets the standard for the professional conduct expected of all staff. The code emphasises honesty, confidentiality, professionalism, diligence and the need to uphold the NTC's integrity and reputation. The NTC provides all new employees with a copy of the code and values and behaviours during the induction process, and also requires all staff to complete annual online compliance training related to the code and its principles.

Compliance

The NTC has a comprehensive suite of policies and procedures and supporting management processes to help ensure the organisation meets its compliance obligations. In 2019–20, the NTC appointed Grant Thornton as its internal auditor to strengthen the NTC's risk management capabilities and provide independent oversight of and input to its compliance activities.

During 2019–20, the NTC experienced no instances of fraud or other compliance breaches.

Indemnities and insurance

For the reporting period ending 30 June 2020, there were no indemnity claims made against the NTC or any of its Commissioners or officers.

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

Annual performance statements

Statement of preparation

I, Carolyn Walsh, as the accountable authority of the National Transport Commission (NTC), present the NTC's 2019–20 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.

Carolyn Walsh
Chair
11 September 2020

Performance results

The NTC's performance measures and targets for 2019–20 were set out at the beginning of this reporting period in the NTC's Corporate Plan and Portfolio Budget Statements.

Alignment with the NTC's Corporate Plan 2019–23

The NTC's Corporate Plan 2019–23 sets out how we will deliver on our purpose and the performance measures we will use to assess our delivery. The performance measures for 2019–20 assess efficiency, effectiveness, and how well we deliver on our purpose (our impact).

Alignment with Portfolio Budget Statements 2019–20

The Portfolio Budget Statements 2019–20 reflect the performance criteria outlined in the NTC's Corporate Plan and provide additional context around the NTC's outcome, purposes, and delivery.

- Outcome: Improved transport productivity, efficiency, safety and environmental performance and regulatory efficiency in Australia through developing, monitoring and maintaining nationally consistent regulatory and operational arrangements relating to road, rail and intermodal transport.
- Purposes:
    - Develop and propose changes to national law, model law and other related instruments and guidelines to improve transport productivity, efficiency, safety, environmental performance and regulatory efficiency.
    - Maintain and monitor those reforms agreed by the Transport and Infrastructure Council (the Council).
- Delivery: The work program is delivered consistent with key performance criteria and targets.

Efficiency

The NTC delivers its projects on time and on budget

Performance measure 1

Portion of projects completed on time and on budget

Target

> 90%

Source

- NTC Corporate Plan 2019–23
- Portfolio Budget Statements 2019–20

Results

100% – target exceeded

Analysis

There were 13 projects scheduled for completion in 2019 with all successfully completed. Each project on the NTC's Council-approved work program is managed and monitored to ensure it is delivered on time and within budget and scope. The projects completed in 2019–20 were:

- **Regulatory access to C-ITS and automated vehicle data:** the Council endorsed design principles for government access to C-ITS and automated vehicle data to guide the NTC's development of laws to regulate government access to automated vehicle data for compliance and enforcement purposes, and Austroads' development of the National Intelligent Transport Systems Architecture Framework.
- **Motor vehicle accident injury insurance review for automated vehicles:** the Council agreed in August 2019 on a national approach to insurance for automated vehicles that requires existing motor accident injury insurance schemes to provide cover for automated vehicle crash injuries.
- **The National Rail Action Plan:** in November 2019, the Council approved the National Rail Action Plan, a plan to improve the availability of skills in the rail industry, promote greater harmonisation of infrastructure and rolling stock, and greater interoperability of rail systems across Australia. The plan is being delivered by the NTC in conjunction with Commonwealth, state and territory governments and industry.
- **Carbon dioxide emissions intensity for new Australian light vehicles:** the NTC published the Carbon Dioxide Emissions Intensity for New Australian Light Vehicles 2019 report in June 2020; this report is published annually to help inform governments, fleet managers and consumers about Australia's purchasing trends and the collective impacts of our buying choices on carbon dioxide emissions intensity.
- **Rail Safety National Law:** the Council approved legislative amendments to the Rail Safety National Law in November 2019.
- **Transport of dangerous goods (the Code and model laws):** the Council approved the Australian Dangerous Goods Code 2020 and amendments to the model laws in June 2020.
- **Australian Road Rules:** the Council approved legislative amendments to the Australian Road Rules in November 2019.
- **Vehicle standards:** the Council approved legislative amendments for both light and heavy vehicle standards in November 2019.
- **3-axle bus mass limits:** in November 2018, the Council approved a gross mass limit increase for three-axle buses from 20 tonnes to 22 tonnes. The increase took effect on 10 December 2019

following approval of legislative amendments (Heavy Vehicle (Mass, Dimension and Loading) National Regulation) on 2 August 2019.

- **Economic analysis of increasing 3-axle bus mass limits:** the NTC provided additional analysis to support future reviews of 3-axle bus mass limits.
- **Reform implementation monitoring report:** the Council endorsed the National Transport Reform Implementation Monitoring Report 2019 in November 2019; this is an annual progress report to the Council on the implementation status of nationally agreed reforms.
- **Annual adjustment to heavy vehicle charges:** in November 2019 the NTC presented the Council with options for heavy vehicle charges to apply from 1 July 2020, and undertook public consultation on the governments' preference, enabling ministers to make a final decision on heavy vehicle charges for 2020–21.
- **Forward-looking cost base:** the NTC refined the forward-looking cost base prototype that uses the current asset values and future operating costs to establish a forward-looking revenue requirement (or cost base) for heavy vehicle charges.

More information on the outcomes of each of our projects can be found on the NTC website at www.ntc.gov.au.

Performance measure 2

Portion of projects presented to TISOC or the Council when due

Target

≥ 80%

Source

- NTC Corporate Plan 2019–23
- Portfolio Budget Statements 2019–20

Results

85% – target exceeded

Analysis

Many of the NTC's projects present recommendations or updates to the Council more than once throughout the life cycle of the project. There were 13 projects due to be presented to TISOC/Council in 2019. Of these, 11 were presented when due. Papers for the remaining two projects, 'developing technology-neutral road rules for driver distraction' and 'barriers to the use of more innovative vehicles' were delayed due to a strict COVID-19 agenda priority to only raise items with unanimous support. These two items had a majority but not unanimous support.

The NTC maintains, monitors and reviews land transport reforms

Performance measure 3

Routine legislative maintenance packages submitted to TISOC

Target

≥ 5 / year

Source

- NTC Corporate Plan 2019–23
- Portfolio Budget Statements 2019–20

Results

5 out of 5 – target achieved

Analysis

The NTC is responsible for the monitoring and maintenance of national laws, model laws and other instruments to ensure they remain contemporary and consistent with their policy intent. The five routine legislative maintenance packages submitted to TISOC were:

- Australian Roads Rules
- Rail Safety National Law
- Transport of dangerous goods (the Code and model laws)
- Australian Defence Force Road Transport Exemption Framework
- Vehicle standards

Performance measure 4

Reform implementation report cards provided to Council when due

Target

> 90%

Source

- NTC Corporate Plan 2019–23
- Portfolio Budget Statements 2019–20

Results

100% – target exceeded

Analysis

The National Transport Reform Implementation Monitoring Report 2019 was provided to the Council in November 2019. This document provides a progress report on the implementation status (by jurisdiction) of nationally agreed reforms.

The National Transport Reform Implementation Monitoring Report is an annual assessment provided to the Council in November of each year; 2019 was the seventh of these reports produced.

Performance measure 5

Review of national consistency of instruments we maintain

Target

≥ 5 / year

Source

- NTC Corporate Plan 2019–23
- Portfolio Budget Statements 2019–20

Results

5 – target achieved

Analysis

The NTC reviewed the following instruments for national consistency:

- Heavy Vehicle National Law
- Rail Safety National Law
- Australian Road Rules
- Australian Light Vehicle Standards Rules (ALVSRs)
- Transport of Dangerous Goods Model Regulations and the Code

The results of these reviews were published in the National Transport Reform Implementation Monitoring Report 2019.

Effectiveness

The NTC develops policy reform proposals of high value

Performance measure 6

Total Net Present Value (NPV) benefits of policy submitted to TISOC

Target

> 3-year rolling average (NPV)

Source

- NTC Corporate Plan 2019–23
- Portfolio Budget Statements 2019–20

Results

A 3-year rolling average (NPV) has not been calculated as this data has not yet been collected for a 3-year period. Analysis of the expected benefits of the policy submitted in the 2019–20 financial year has been provided below.

Analysis

The NTC submitted two policy recommendations to TISOC (and subsequently the Council) in this reporting period. These recommendations and the expected benefits from each are:

- **The introduction of an in-service safety duty for automated vehicles enforced by a national regulator:** this is expected to improve safety outcomes and bring forward the anticipated economic, social and environmental benefits of automated vehicles through reducing delay in uptake expected under existing state-based regulatory frameworks. PricewaterhouseCoopers estimated the monetised value of the net benefits indicatively at $2.9b over 20 years.
- **The National Rail Action Plan (NRAP)**: this recommended a set of actions for governments and the rail industry. These actions are to ensure Australia has the skills to build, operate and maintain the substantial pipeline of rail investments, to harmonise standards and ensure interoperability of investments in modern communication and control systems. The NRAP is expected to help deliver a safer rail system that more efficiently moves a greater volume of freight and passengers.

Case study: delivering high-value reform for the rail sector

In November 2019, the Transport and Infrastructure Council endorsed the National Rail Action Plan, developed over the previous six months by the NTC. The Plan responds to three pressing national challenges in Australia's rail sector – a shortage of skills and enough skilled workers; the challenges of multiple communications and signalling systems as well as different operating rules across the country; and the need for greater harmonisation of infrastructure and rolling stock to support local industry.

Over the next 15 years, Australia will see $155b of rail investment, predominately by governments. This includes major metropolitan projects in Brisbane, Sydney, Melbourne and Perth, as well as significant investment in the Inland Rail project, connecting Brisbane and Melbourne with an upgraded freight route. This presents an opportunity to help drive productivity improvements and reduce freight costs into the future beyond the value of the individual investments. Greater harmonisation of infrastructure, rolling stock and operating rules; signalling and communications systems that can talk to each other; and a skilled workforce with skills that can be transferred across the industry will all pave the way to a stronger rail sector in the future.

To deliver the Plan, the NTC has worked closely with three joint government and industry committees, and delivery will continue into 2021.

The NTC develops practical reform recommendations

Performance measure 7

Portion of NTC recommendations presented to Council and agreed

Target

> 90%

Source

- NTC Corporate Plan 2019–23
- Portfolio Budget Statements 2019–20

Results

100% – target exceeded

Analysis

All recommendations made to the Council in the 2019–20 financial year were agreed. The NTC submitted 12 sets of project recommendations from 10 projects.

Performance measure 8

Total NPV benefits of regulatory reforms agreed by Council

Target

> 90% of that submitted to TISOC

Source

- NTC Corporate Plan 2019–23
- Portfolio Budget Statements 2019–20

Results

100% – target exceeded

Analysis

All regulatory reforms submitted to TISOC were subsequently submitted to and agreed by Council. These reforms were to:

- Australian Roads Rules
- Rail Safety National Law
- Transport of dangerous goods (the Code and model laws)
- Australian Defence Force Road Transport Exemption Framework
- Vehicle standards

Performance measure 9

Portion of NTC regulatory amendments presented to Council with a TISOC-agreed implementation plan

Target

100%

Source

- NTC Corporate Plan 2019–23
- Portfolio Budget Statements 2019–20

Results

100% – Target achieved

Analysis

There were five regulatory amendments presented to Council. All of these included a TISOC-agreed implementation plan.

The NTC delivers on IGA

Performance measure 10

Section 51 review (in 2021) confirms the value of the NTC in meeting the objectives specified in the Inter-Governmental Agreement for Regulatory and Operational Reform in Road, Rail and Intermodal Transport (IGA)

Target

NTC recognised as highly valuable

Source

- NTC Corporate Plan 2019–23
- Portfolio Budget Statements 2019–20

Results

Not applicable – the last NTC statutory review was in 2015. The next review will be undertaken in 2021.

Deliver on our purpose

Land transport productivity relative to the broader economy

Performance measure 11

Transport contribution to industry gross value added

Target

No target (given our influence is limited)

Source

- NTC Corporate Plan 2019–23

Results

In 2015–16 (the most recent period for which data is available), transport contributed $125.3b in Gross Value Added (GVA), representing 8.1 per cent of industry GVA.

Land transport safety outcomes

Performance measure 12

Road fatalities

Target

No target (given our influence is limited)

Source

- NTC Corporate Plan 2019–23

Results

There were 1,105 road deaths in Australia in the 12 months ending June 2020.
This was a reduction on the numbers in previous years.

Performance measure 13

Road injuries

Target

No target (given our influence is limited)

Source

- NTC Corporate Plan 2019–23

Results

There were 2,917 on-road severe injuries (excludes deaths within 30 days) for the year ending 30 June 2019 (the most recent period for which data is available).

Performance measure 14

Rail fatalities

Target

No target (given our influence is limited)

Source

- NTC Corporate Plan 2019–23

Results

There were 20 rail fatalities for the year ending 30 June 2019 (the most recent period for which data is available). This represents a slight increase on previous years' numbers.

Performance measure 15

Rail injuries

Target

No target (given our influence is limited)

Source

- NTC Corporate Plan 2019–23

Results

There were 129 railway-related serious injuries for the year ending 30 June 2019 (the most recent period for which data is available). This is an increase on previous years' numbers.

Land transport environmental outcomes

Performance measure 16

Greenhouse gas emissions

Target

No target (given our influence is limited)

Source

- NTC Corporate Plan 2019–23

Results

Preliminary estimates for 2019 (the most recent period for which data is available) indicate transport sector emissions at 100.3 million tonnes (Mt) of carbon dioxide equivalent. This is a slight reduction on the previous year's numbers.

Financial statements

Auditor's report

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Audit Office

INDEPENDENT AUDITOR'S REPORT

To the Minister for Infrastructure, Transport and Regional Development

Opinion

In my opinion, the financial statements of the National Transport Commission (the Entity) for the year ended 30 June 2020:

(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 2020 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2020 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 a summary of significant accounting policies and other explanatory information.

Basis for opinion

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

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.

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38 Sydney Avenue FORREST ACT 2603
Phone (02) 6203 7300 Fax (02) 6203 7777

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Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Australian National Audit Office

Rahul Tejani

Executive Director

Delegate of the Auditor-General

Canberra

31 August 2020

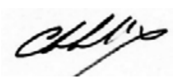
Financial statements for the period ended 30 June 2020

Statement by the Commissioners, Chief Executive and Manager Finance

In our opinion, the attached financial statements for the year ended 30 June 2020 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.

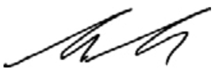
This statement is made in accordance with a resolution of the Commissioners.



Carolyn Walsh

Chair

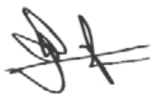
28 August 2020



Gillian Miles

Chief Executive Officer and Commissioner

28 August 2020



Duminda Senanayake

Manager Finance

28 August 2020

Statement of comprehensive income

FOR THE PERIOD ENDED 30 JUNE 2020

	Notes	**2020** **$**	2019 $	Budget $
NET COST OF SERVICES				
Expenses				
Employee benefits	2.1A	**7,030,115**	6,510,751	6,506,000
Suppliers	2.1B	**2,290,414**	2,698,200	2,864,000
Finance costs	2.1C	**69,513**	-	69,000
Depreciation and amortisation	3.2A	**744,013**	231,150	676,000
Total expenses		**10,134,055**	9,440,101	10,115,000
Own-source Income				
Own-source revenue				
Sale of goods and rendering of services – external parties		**-**	1,253	-
Interest on deposits	2.2A	**4,961**	24,495	15,000
Total own-source revenue		**4,961**	25,748	15,000
Net cost of services		**(10,129,094)**	(9,414,353)	(10,100,000)
Revenue from Government	2.2B	**10,100,000**	9,931,000	10,100,000
(Deficit)/Surplus attributable to the Australian Government		**(29,094)**	516,647	-
OTHER COMPREHENSIVE INCOME				
Total comprehensive (deficit)/surplus		**(29,094)**	516,647	-

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

Budget Variances Commentary

Change of policy for recognition of prior service, termination payments for senior staff and less vacancies during the year resulted in increased employee benefits. Changes to the operating model due to COVID-19 has contributed to reduced supplier expenses. Low interest rates have reduced the interest income.

Statement of financial position

AS AT 30 JUNE 2020

	Notes	2020 $	2019 $	Budget $
ASSETS				
Financial assets				
Cash and cash equivalents	3.1A	**2,505,539**	2,145,879	1,912,000
Trade and other receivables	3.1B	**33,888**	608,183	609,000
Total financial assets		**2,539,427**	2,754,062	2,521,000
Non-financial assets[1]				
Buildings	3.2A	**3,337,043**	-	3,337,000
Leasehold Improvements	3.2A	**238,153**	-	240,000
Plant and equipment	3.2A	**992,021**	998,169	1,094,000
Prepayments		**62,034**	67,795	68,000
Total non-financial assets		**4,629,251**	1,065,964	4,739,000
Total assets		**7,168,678**	3,820,026	7,260,000
LIABILITIES				
Payables				
Suppliers	3.3A	**184,556**	444,708	445,000
Other payables	3.3B	**21,784**	21,784	22,000
Total payables		**206,340**	466,492	467,000
Provisions				
Employee provisions	4.1A	**1,128,101**	929,024	929,000
Total provisions		**1,128,101**	929,024	929,000
Interest bearing liabilities				
Lease liability		**3,438,821**	-	3,439,000
Total interest bearing liabilities		**3,438,821**	-	3,439,000
Total liabilities		**4,773,262**	1,395,516	4,835,000
Net Assets		**2,395,416**	2,424,510	2,425,000
EQUITY				
Reserves		**-**	119,607	119,000
Retained surplus		**2,395,416**	2,304,903	2,306,000
Total Equity		**2,395,416**	2,424,510	2,425,000

1. Right-of-use assets are included in the Buildings line item.

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

Budget Variances Commentary

A provision was made in the budget for outstanding annual funding contributions as per previous years. However, all funding contributions were received before the end of the period. This resulted in lower trade and other receivables and higher cash balances. The policy for recognition of prior service was amended to include service with Commonwealth and the States. This resulted in increased employee provisions.

Statement of changes in equity

FOR THE PERIOD ENDED 30 JUNE 2020

	Notes	2020 $	2019 $	Budget $
RETAINED EARNINGS				
Opening balance				
Balance carried forward from previous period		**2,304,903**	1,788,256	2,304,903
Comprehensive income				
(Deficit)/Surplus for the period		**(29,094)**	516,647	-
Transfers between equity component		**119,607**	-	
Closing balance as at 30 June		**2,395,416**	2,304,903	2,304,903
ASSET REVALUATION RESERVE				
Opening balance				
Balance carried forward from previous period		**119,607**	119,607	119,000
Transfers between equity component		**(119,607)**	-	
Closing balance as at 30 June		**-**	119,607	119,000
TOTAL EQUITY				
Opening balance		**2,424,510**	1,907,863	2,424,510
Comprehensive income				
(Deficit)/Surplus for the period		**(29,094)**	516,647	-
Closing balance as at 30 June		**2,395,416**	2,424,510	2,424,510

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

Cash flow statement

FOR THE PERIOD ENDED 30 JUNE 2020

	Notes	**2020** **$**	2019 $	Budget $
OPERATING ACTIVITIES				
Cash received				
Receipts from Government		**10,647,000**	9,931,000	10,100,000
Interest		**6,267**	24,495	15,000
Net GST received		**25,989**	27,407	
Other		**-**	1,253	
Total cash received		**10,679,256**	9,984,155	10,115,000
Cash used				
Employees		**6,688,091**	6,340,124	6,506,000
Suppliers		**2,687,752**	2,911,756	2,864,000
Interest payments on lease liabilities		**69,513**	-	69,000
Total cash used		**9,445,356**	9,251,880	9,439,000
Net cash from / (used by) operating activities		**1,233,900**	732,275	676,000
INVESTING ACTIVITIES				
Cash used				
Purchase of non-financial assets		**550,012**	620,963	586,000
Total cash used		**550,012**	620,963	586,000
Net cash from / (used by) investing activities		**(550,012)**	(620,963)	(586,000)
FINANCING ACTIVITIES				
Cash Used				
Principal payments of lease liabilities		**324,228**	-	324,000
Total cash used		**324,228**	-	324,000
Net cash from / (used by) investing activities		**(324,228)**	-	(324,000)
Net increase / (decrease) in cash held		**359,660**	111,312	(234,000)
Cash and cash equivalents at the beginning of the reporting period		**2,145,879**	2,034,567	2,146,000
Cash and cash equivalents at the end of the reporting period	3.1A	**2,505,539**	2,145,879	1,912,000

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

Budget Variances Commentary

Amounts receivable from prior year was received this year resulting in increase in receipts. Change of policy for recognition of prior service resulted in increased employee benefits. Changes to the operating model due to COVID-19 has contributed to reduced supplier expenses.

Notes to and forming part of the financial statements

FOR THE PERIOD ENDED JUNE 2020

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 accordance with:

- 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.

Standard/ Interpretation	Nature of change in accounting policy, transitional provisions, and adjustment to financial statements
AASB 15 *Revenue from Contracts with Customers /* AASB 2016-8 *Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities* and AASB 1058 *Income of Not-For-Profit Entities*	AASB 15, AASB 2016-8 and AASB 1058 became effective 1 July 2019. AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including AASB 118 *Revenue,* AASB 111 *Construction Contracts* and Interpretation 13 *Customer Loyalty Programmes*. The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. AASB 1058 is relevant in circumstances where AASB 15 does not apply. AASB 1058 replaces most of the not-for-profit (NFP) provisions of AASB 1004 *Contributions and applies to transactions where the consideration to acquire an asset is significantly less than fair value principally to enable the entity to further its objectives, and where volunteer services are received*. The details of the changes in accounting policies, transitional provisions and adjustments are disclosed below and in the relevant notes to the financial statements.
AASB 16 *Leases*	AASB 16 became effective on 1 July 2019. This new standard has replaced AASB 117 Leases, Interpretation 4 Determining whether an Arrangement contains a Lease, Interpretation 115 Operating Leases—Incentives and Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. AASB 16 provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, together with options to exclude leases where the lease term is 12 months or less, or where the underlying asset is of low value. AASB 16 substantially carries forward the lessor accounting in AASB 117, with the distinction between operating leases and finance leases being retained. The details of the changes in accounting policies, transitional provisions and adjustments are disclosed below and in the relevant notes to the financial statements.

Application of AASB 15 Revenue from Contracts with Customers / AASB 1058 Income of Not-For-Profit Entities
The NTC adopted AASB 15 and AASB 1058 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 July 2019. Accordingly, the comparative information is presented as previously reported under the various applicable AASBs and related interpretations.

Under the new income recognition model, the NTC will first determine whether an enforceable agreement exists and whether the promises to transfer goods or services to the customer are 'sufficiently specific'. If an enforceable agreement exists and the promises are 'sufficiently specific' (to a transaction or part of a transaction), the NTC applies the general AASB 15 principles to determine the appropriate revenue recognition. If these criteria are not met, the NTC shall consider whether AASB 1058 applies.

In relation to AASB 15, the NTC elected to apply the new standard to all new and uncompleted contracts from the date of initial application. The NTC aggregated the effect of all the contract modifications that occur before the date of initial application.

In terms of AASB 1058, the NTC is required to recognise volunteer services at fair value if those services would have been purchased if not provided voluntarily, and the fair value of those services can be measured reliably.
There were no transactions in 2019-20 financial year where the NTC acquires or receives an asset (including cash) in exchange for no and significantly less than fair value consideration.

There was no impact on the NTC on transition.

Application of AASB 16 Leases
The NTC adopted AASB 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 July 2019. Accordingly, the comparative information presented for 2019 is not restated, that is, it is presented as previously reported under AASB 117 and related interpretations.

The NTC elected to apply the practical expedient to not reassess whether a contract is or contains a lease at the date of initial application. Contracts entered into before the transition date that were not identified as leases under AASB117 were not reassessed. The definition of a lease under AASB 16 was applied only to contracts entered into or changed on or after 1 July 2019.

On adoption of AASB 16, the NTC recognised right-of-use assets and lease liabilities in relation to leases of office space, which had previously been classified as an operating lease.

The lease liabilities were measured at the present value of the remaining lease payments, discounted using NTC's incremental borrowing rate as at 1 July 2019. NTC's incremental borrowing rate is the rate at which a similar borrowing could be obtained from an independent creditor under comparable terms and conditions. The weighted-average rate applied was 2.06%.

The right-of-use office space was measured as an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The following table reconciles the Departmental minimum lease commitments disclosed in the entity's 30 June 2019 annual financial statements to the amount of lease liabilities recognised on 1 July 2019:

Minimum operating lease commitment as at 30 June 2019	6,056,715
Less outgoings	1,592,401
Less incentives	371,294
Less effect of discounting using the incremental borrowing rate	329,971
Lease liabilities recognised at 1 July 2019	3,763,049

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 2.1: Expenses

	2020 $	2019 $
Note 2.1A: Employee benefits		
Wages and salaries	**6,488,544**	5,985,219
Superannuation:		
Defined contribution plans	**541,571**	525,532
Total employee benefits	**7,030,115**	6,510,751

Accounting Policy

Please refer note 4.1

	2020 $	2019 $
Note 2.1B: Suppliers		
Goods and services supplied or rendered		
Consultants	**1,213,172**	1,215,066
Travel	**200,192**	369,568
IT services	**338,115**	235,800
Communications	**139,638**	130,634
Printing	**10,258**	9,789
Conferences	**19,118**	27,149
Meetings	**27,427**	25,508
Insurance	**13,000**	13,949
Office supplies	**10,490**	9.393
Other	**95,844**	66,537
Total goods and services supplied or rendered	**2,067,255**	2,103,393
Goods and services supplied in connection with		
Provision of goods – external parties	**854,083**	888,327
Rendering of services – external parties	**1,213,172**	1,215,066
Total goods and services	**2,067,255**	2,103,393
Other suppliers		
Operating lease rentals[1]	**189,759**	562,011
Auditor's remuneration	**23,500**	23,500
Workers' compensation expenses	**9,900**	9,296
Total other suppliers	**223,159**	594,807
Total suppliers	**2,290,414**	2,698,200

1. NTC has applied AASB 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under AASB 117.

The above lease disclosure should be read in conjunction with the accompanying notes 2.1C and 3.2A

Note 2.1C: Finance Costs

Interest payments on lease liabilities[1]	**69,513**	-
Total Finance Costs	**69,513**	-

1. NTC has applied AASB 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under AASB 117.

The above lease disclosure should be read in conjunction with the accompanying notes 2.1B and 3.2A

Note 2.2: Own-Source Revenue

	2020 **$**	2019 $
Note 2.2A: Interest		
Interest from deposits	**4,961**	24,495
Total interest	**4,961**	24,495

Accounting Policy

Interest revenue is recognised using the effective interest method.

Note 2.2B: Revenue from government

Federal Government contribution approved by Transport and Infrastructure Council – related entities	**3,535,000**	3,476,000
State and Territory Government contributions approved by Transport and Infrastructure Council – external parties	**6,565,000**	6,455,000
Total Revenue from Government	**10,100,000**	9,931,000

Accounting Policy

Revenue from Government
Amounts appropriated for departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when the entity gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned. Appropriations receivable are recognised at their nominal amounts. 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 this entity) is recognised as Revenue from Government by the corporate Commonwealth entity unless the funding is in the nature of an equity injection or a loan.

Note 3.1: Financial Assets

	2020 $	2019 $
Note 3.1A: Cash and cash equivalents		
Cash on hand or on deposit	**2,505,539**	2,145,879
Total cash and cash equivalents	**2,505,539**	2,145,879

Accounting Policy

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

- cash on hand, and
- 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
Total trade debtors	**-**	547,000
Other receivables:		
Interest receivable	**244**	1,550
GST receivable from the Australian Taxation Office	**33,644**	59,633
Total other receivables	**33,888**	61,183
Total goods and services receivables	**33,888**	608,183
Receivables are expected to be recovered in:		
No more than 12 months	**33,888**	608,183
Total trade and other receivables (net)	**33,888**	608,183
Receivables are aged as follows:		
Not past due	**33,888**	608,183

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 $	Leasehold Improvements $	Buildings $	Total $
As at 1 July 2019				
Gross book value	1,860,335	-	-	1,860,335
Accumulated depreciation	(862,166)	-	-	(862,166)
Total as at 1 July 2019	998,169	-	-	998,169
Recognition of right of use asset on initial application of AASB 16			3,763,049	3,763,049
Adjusted total as at 1 July 2019	998,169	-	3,763,049	4,761,218
Additions:				
by purchase	**309,393**	**240,618**	**-**	**550,011**
Depreciation expense	**(315,541)**	**(2,465)**	**(426,006)**	**(744,012)**
Asset write-downs:				
Cost	**574,224**	**-**	**-**	**574,224**
Accumulated depreciation	**(574,224)**	**-**	**-**	**(574,224)**
Total as at 30 June 2020	**992,021**	**238,153**	**3,337,043**	**4,567,217**
Total as at 30 June 2020 represented by:				
Gross book value	**1,595,505**	**240,618**	**3,763,049**	**5,599,172**
Accumulated depreciation	**(603,484)**	**(2,465)**	**(426,006)**	**(1,031,955)**
Total as at 30 June 2020	**992,021**	**238,153**	**3,337,043**	**4,567,217**
Carrying amount of right-of-use assets			**3,337,043**	

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.

Lease Right of Use (ROU) Asset
Leased ROU assets are capitalised at the commencement date of the lease and comprise of the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received. These assets are accounted for by Commonwealth leases as separate assts classes to corresponding assets owned outright but included in the same column as where the corresponding underlying assets would be presented if they were owned.
On initial adoption of AASB 16 the NTC has adjusted the ROU assets at the date of initial application by the amount of any provision for onerous leases recognising immediately before the date of initial application. Following initial application, an impairment review is undertaken for any right of use lease asset that shows indicators of impairment and an impairment loss is recognised against any right of use lease asset that is impaired. Lease ROU assets continue to be measured at cost after initial recognition in NTC financial statements.

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.
The nature of NTC's assets which are plant and equipment, leasehold improvements and Right-of-use assets are not impacted by COVID-19.

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:

	2020	2019
Leasehold improvements	Lease term	Not applicable
Plant and equipment	**2 to 9 years**	2 to 9 years

Impairment
All assets were assessed for impairment at 30 June 2020. 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

	2020	2019
	$	$
<u>Note 3.3A: Suppliers</u>		
Trade creditors and accruals	**184,556**	444,708
Total suppliers	**184,556**	444,708
Supplier payables expected to be settled:		
No more than 12 months – external parties	**184,556**	444,708
Total suppliers	**184,556**	444,708

Settlement was usually made within 30 days.

	2020	2019
<u>Note 3.3B: Other payables</u>		
Other	**21,784**	21,784
Total other payables	**21,784**	21,784
Other payables expected to be settled		
No more than 12 months	**21,784**	21,784
Total other payables	**21,784**	21,784

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

	2020 $	2019 $
Note 4.1A: Employee provisions		
Leave	**1,128,101**	929,024
Total employee provisions	**1,128,101**	929,024

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 2020 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 and the Executive Leaders. Key management personnel remuneration is reported in the table below.

Name	Position	Term as Key Management Personnel
Carolyn Walsh	Chair	Full year
Nola Bransgrove	Deputy Chair	Full year
Neil Scales	Commissioner	Full year
Reece Waldock	Commissioner	Full year
Steven Kennedy	Commissioner	Part-year – Ended 29/08/2019
Gillian Miles	Chief Executive Officer and Commissioner	Full year
Michael Hopkins	Executive Leader, Strategy and Engagement	Part-year – Appointed 22/10/2019
Graham Giannini	Executive Leader, Business and Collaboration	Full year
Sandra McKay	Executive Leader, Sustainability	Part-year – Appointed 24/02/2020
Paul Davies	Executive Leader, Productivity	Full year
Marcus Burke	Executive Leader, Future Technologies	Full year
Mandi Mees	Executive Leader, Safety	Full year
Ron Grasso	Executive Leader, Business and Collaboration	Full year
Geoff Allan	Executive Leader, Sustainability	Part-year – Ended 07/10/2019

	2020 $	2019 $
Short-term employee benefits	**1,724,292**	1,000,176
Post-employment benefits	**167,629**	67,505
Other long-term employee benefits	**51,044**	-
Termination benefits	**71,281**	-
Total key management personnel remuneration expenses	**2,014,246**	1,067,681

The total number of key management personnel that are included in the above table are 14 (2019 :9)

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

	2020 $	2019 $
5.1A Categories of financial instruments		
Financial Assets		
Loans and receivables		
Cash and cash equivalents	**2,505,539**	2,145,879
Receivables for goods and services	**-**	547,000
Carrying amount of financial assets	**2,505,539**	2,692,879
Financial Liabilities		
Suppliers payable	**184,556**	444,708
Other payables	**21,784**	21,784
Carrying amount of financial liabilities	**206,340**	466,492

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.

Receivables
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 2020. (2019: Nil)

	2020	2019
	$	$

5.1B Net gains or losses on financial assets

	2020 $	2019 $
Cash and cash equivalents		
Interest revenue (Note 2.2A)	**4,961**	24,495
Net gain from cash and cash equivalents	**4,961**	24,495
Net gain from financial assets	**4,961**	24,495

5.1C Fair value of financial instruments

FINANCIAL ASSETS	**Fair value 2020 $**	Fair value 2019 $
Cash and cash equivalents	**2,505,539**	2,145,879
Receivables for goods and services	**-**	547,000
Total	**2,505,539**	2,692,879
FINANCIAL LIABILITIES		
Suppliers payable	**184,556**	444,708
Other payables	**21,784**	21,784
Total	**206,340**	466,492

Appendices

Appendix A: Report under the *Work Health and Safety Act 2011*

Providing a safe and healthy work environment

During 2019–20, the NTC continued to deliver work health and safety (WHS) programs under its WHS policy and management system, which have been designed to comply with the *Work Health and Safety Act 2011* (Cwlth) and Australian Standard AS4804, 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 the NTC's Risk and Audit Committee and Commissioners.

Compliance

- Quarterly workplace safety assessments were carried out.
- For the year 2019–20, a biennial external review of the NTC's WHS management system was conducted to assess the extent to which the organisation's WHS-related targets were met. The review found that overall the NTC is meeting its targets and that safety is well managed.

Operational

- Workstation ergonomic assessments were performed for all new employees prior to employees commencing remote working due to COVID-19. No new employees commenced at the NTC from the start of remote working in March to the end of June 2020.
- Workplace safety inductions for all new staff and contractor appointments were carried out on commencement.
- Risk assessments were completed for identified WHS hazard areas.
- Regular health and safety team meetings were held to discuss operational WHS matters. These continued remotely once the NTC moved to remote working.

Training

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

COVID-19 response and recovery

- The NTC provided regular updates on COVID-19 and consulted with staff during the response. The NTC followed guidance from the Chief Medical Officers (Commonwealth and Victoria), the Australian Public Service Commission, the Department of Infrastructure, Transport, Regional Development and Communications, Safe Work Australia, and Comcare.

- All staff commenced working completely from home in March 2020, supported by current working from home plans and checklists, and suitable equipment to ensure continued connection with the organisation and colleagues.
- A preparatory COVID-safe plan for returning to the office was developed along with workplace risk assessments. Control measures included installation of hand sanitiser stations, signage and social distancing processes. However, due to the renewed direction from the Victorian Government to continue remote working if possible, the plan for return to the office was not activated by the end of 2019–20.

Health and wellbeing programs

- A Wellbeing Action Plan was developed and implemented from April 2020 onwards. The NTC identified mental health and wellbeing as a strategic priority in March, in anticipation of the uncertainty associated with pandemic restrictions across Australia. Activities included extra contact by the employee assistance program provider, fortnightly staff pulse checks to foster connectedness, training managers to identify and respond to mental health issues, and facilitating increased online one-on-one and team meetings to gauge employee wellbeing.
- All staff were offered a flu vaccination as part of the annual campaign in May 2020. This program was implemented remotely.
- All staff continued to have remote access to the NTC's comprehensive Employee Assistance Program as needed.

The NTC's office and equipment have all passed relevant work health and safety checks. The organisation's ongoing WHS initiatives have led to a consistently safe work environment for staff and visitors to its 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 the NTC did not receive any notices under Part 10 of the Act.

Appendix B: Report under the *Commonwealth Electoral Act 1918*

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 2019–20.

Appendix C: Report under the *Environment Protection and Biodiversity Conservation Act 1999*

Environmental performance

The NTC is committed to reducing the impact of office operations on the environment through actions such as:

- 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 energy efficient 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 tinted windows to reduce the demand on air-conditioning systems.

The NTC has also entered into a green lease program along with its building manager, AMP Capital. This program aims to implement improvements to provide a greener and more energy efficient environment for all building occupants.

The NTC will continue to monitor its environmental impact and make changes as required.

NTC environmental statistics

Usage	**2019–20**	2018–19
Electricity		
Total electricity used (kilowatt hours)	**40,846**	58,905
Green energy source (per cent)	**60**	25
Total greenhouse gas emissions (tonnes)	**44**	104
Air travel*		
Domestic flights (kilometres)	**358,701**	453,104
International flights (kilometres)	**50,783**	43,569
Total greenhouse gas emissions (tonnes)	**38**	94
Other		
Total estimated copy paper used (reams)	**200**	300
Total water consumption (litres per person)	**9,225**	12,550
Total greenhouse gas emissions (tonnes)	**82**	198

Appendix D: Annual adjustment of heavy vehicle charges

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 the NTC reviews the base charges for all heavy vehicle types and recommends a new set of base charges to the Transport and Infrastructure Council (the Council).

In the years between determinations, the NTC applies 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 2020–21 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. There have been a number of small amendments since then to ensure the mechanism applies as intended.

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 the NTC to report new expenditure, road use and cost allocation data in its annual report. This data is included in the tables within this appendix.

Table D1: Allocable arterial and local road expenditure for the 2021–22 annual adjustment ($ million)

Allocable road expenditure ($m)		Arterial roads			Local roads			Total
Expenditure category code	**Expenditure category description**	**Urban**	**Rural**	**Arterial roads total**	**Urban**	**Rural**	**Local roads total**	**Roads**
A	Servicing and operating expenses	536.56	404.83	941.39	156.20	92.75	248.95	1,190.34
B1	Routine maintenance	181.08	497.13	678.20	58.20	126.64	184.84	863.04
B2	Periodic surface maintenance of sealed roads	222.75	492.09	714.84	61.05	107.09	168.13	882.98
C	Bridge maintenance and rehabilitation	153.55	181.45	335.00	43.58	36.11	79.69	414.69
D	Road rehabilitation	261.29	735.54	996.82	92.28	173.37	265.65	1,262.47
E	Low-cost safety and traffic improvements	896.72	637.33	1,534.05	228.31	122.37	350.68	1,884.73
F1	Pavement improvements	1,122.64	1,491.11	2,613.75	162.55	335.31	497.86	3,111.61
F2	Bridge improvements	652.33	459.43	1,111.77	86.26	145.70	231.96	1,343.73
F3	Land acquisition, earthworks, other extensions /improvement expenditure	3,234.17	1,358.53	4,592.71	404.38	471.36	875.74	5,468.44
G1	Corporate services	429.33	381.44	810.77	-	-	-	810.77
		7,690.43	**6,638.87**	**14,329.30**	**1,292.80**	**1,610.69**	**2,903.50**	**17,232.79**

The allocable arterial and local road expenditure data in Table D1 allows for the calculation, if required, of the revised adjusted base cost for the 2021–22 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 D1 is averaged over seven years using the exponential moving average method (EMA7).

State and territory road authorities provide the NTC 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 D2: Cost allocation rules

Expenditure category code	Expenditure category description	VKT	PCU-kms	ESA-kms	AGM-kms
A	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%
C	Bridge maintenance and rehabilitation	67%	0%	0%	33%
D	Road rehabilitation	55%	0%	45%	0%
E	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%

Table D2 shows the cost allocation rules (or proportions) used in the PAYGO model.

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 D3: Road usage parameters, 2019–20

		Total all vehicles	Total heavy vehicles only	Total heavy vehicle share
VKT	**Total**	254,286,157,724	16,956,772,543	6.7%
	Arterial	162,966,447,828	13,443,048,661	8.2%
	Local	91,319,709,896	3,513,723,883	3.8%
PCU-kms	**Total**	284,664,883,775	47,251,405,688	16.6%
	Arterial	188,255,949,371	38,673,685,170	20.5%
	Local	96,408,934,404	8,577,720,518	8.9%
ESA-kms	**Total**	36,739,627,048	34,322,641,308	93.4%
	Arterial	29,610,113,372	28,087,294,626	94.9%
	Local	7,129,513,676	6,235,346,682	87.5%
AGM-kms	**Total**	584,783,157,109	469,913,797,716	80.4%
	Arterial	471,058,794,317	398,673,438,389	84.6%
	Local	113,724,362,792	71,240,359,327	62.6%

Table D3 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 under 'cost allocation rules.' 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 D3 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 D1. The heavy vehicle cost base is determined using the road usage data from Table D3, combined with the cost allocation rules in Table D2 and the expenditure data from Table D1.

Table D4: Calculation of revenue for the 2021–22 annual adjustment

Estimated total fuel use by heavy vehicles in litres	Estimated roads component heavy vehicle registration revenue excluding trailers ($)	Estimated roads component heavy trailer registration revenue ($)
7,385,294,638	1,052,455,495	407,382,025

The data in Table D4 allows for the calculation, if required, of the annual adjustment factor for the 2021–22 charges. Table D4 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 D5: Road construction and maintenance expenditure, 2019–20 ($ million)

	Expenditure Category	ACT	NSW	NT	QLD	SA	TAS	VIC	WA	TOTAL
A	**Servicing and operating expenses**	34	267	29	194	52	5	216	187	984
B	**Road pavement and shoulder maintenance**									
B1	Routine maintenance	0	207	19	171	44	38	79	125	683
B2	Periodic surface maintenance of sealed roads	14	149	0	180	5	13	243	82	686
C	**Bridge maintenance and rehabilitation**	2	97	2	117	8	2	93	49	370
D	**Road rehabilitation**	0	417	1	258	86	18	154	122	1,056
E	**Low-cost safety and traffic improvements**	15	731	1	339	42	13	270	116	1,527
F	**Asset extension / improvements**									
F1	Pavement improvements	39	1,166	57	588	105	148	140	375	2,619
F2	Bridge improvements	5	361	39	222	40	13	319	147	1,145
F3	Land acquisition, earthworks, other extensions / improvement expenditure	9	1,935	56	1,001	395	15	1,037	426	4,873
G	**Other miscellaneous activities**									
G1	Corporate services	4	319	10	231	14	10	174	90	852
G2	Heavy vehicle regulatory costs	0	86	3	0	2	0	55	12	157
G3	Vehicle registration	10	150	8	0	34	0	133	99	433
G4	Driver licensing	1	139	6	0	20	0	76	55	298
G5	Loan servicing	0	0	0	0	0	0	79	0	79
	Totals	**134**	**6,023**	**231**	**3,302**	**845**	**274**	**3,067**	**1,884**	**15,761**

	Expenditure Category	ACT	NSW	NT	QLD	SA	TAS	VIC	WA	TOTAL
H	**Other road-related payments**									
H1	Financial assistance to councils for work on council managed arterials	0	292	1	0	1	0	0	148	442
H2	Payments to councils for contract work on state managed roads	0	220	0	253	2	0	1	0	476
H3	Spending on local access roads in unincorporated areas	0	2	2	0	0	0	0	1	5
H4	Direct spending on council managed local access roads	0	89	0	0	71	4	89	122	376
H5	Any other direct state spending on local access roads	0	0	71	85	0	0	0	1	157

Table D5 provides road construction and maintenance expenditure for 2019–20. These estimates exclude Commonwealth road expenditure under the Natural Disaster Relief and Recovery Arrangements and any insurance-related expenditure approved by transport ministers.

The NTC is required to report the road construction and maintenance expenditures contained in Table D5 under Clause 5.1(j) of the Inter-Governmental Agreement for Regulatory and Operational Reform in Road, Rail and Intermodal Transport.

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

Appendix E: Glossary and acronyms

ADF
Australian Defence Force.

ADS
Automated driving system.

AGM-kms
Average gross mass kilometres. A measure of the general impact of a load on the road.

ALGA
Australian Local Government Association.

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

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.

AV
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.

CO_2 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.

Council
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.

COVID-19
The coronavirus disease that started a global pandemic in early 2020.

ESA-kms
Equivalent standard axle kilometres. A measure of pavement wear.

GVA
Gross Value Added.

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

IGA
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.

MAII
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.

NPV
Net Present Value.

NRAP
National Rail Action Plan.

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.

PCU-kms
Passenger car equivalent kilometres. A measure of the relative space a vehicle type occupies on the road.

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.

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

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

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.

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.

VKT
Vehicle kilometres travelled.

WHS
Work health and safety.

Appendix F: List of Annual Report requirements

The following table shows how this report complies with the list of requirements to be included in a corporate Commonwealth entity's annual report (as set out in Schedule 2A of the *Public Governance, Performance and Accountability Rule 2014*).

PGPA Rule Reference	Part of Report	Description	Requirement
17BE	Contents of annual report		
17BE(a)	Enabling legislation and direction	Details of the legislation establishing the body.	Mandatory
17BE(b)(i)	Purpose and function	A summary of the objects and functions of the entity as set out in legislation.	Mandatory
17BE(b)(ii)	Purpose and function	The purposes of the entity as included in the entity's corporate plan for the reporting period.	Mandatory
17BE(c)	Responsible ministers	The names of the persons holding the position of responsible Minister or responsible Ministers during the reporting period, and the titles of those responsible Ministers.	Mandatory
17BE(d)	N/A	Directions given to the entity by the Minister under an Act or instrument during the reporting period.	If applicable, mandatory
17BE(e)	N/A	Any government policy order that applied in relation to the entity during the reporting period under section 22 of the Act.	If applicable, mandatory
17BE(f)	N/A	Particulars of non-compliance with: (a) a direction given to the entity by the Minister under an Act or instrument during the reporting period; or (b) a government policy order that applied in relation to the entity during the reporting period under section 22 of the Act.	If applicable, mandatory
17BE(g)	Annual performance statements	Annual performance statements in accordance with paragraph 39(1)(b) of the Act and section 16F of the rule.	Mandatory
17BE(h), 17BE(i)	N/A	A statement of significant issues reported to the Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with finance law and action taken to remedy non-compliance.	If applicable, mandatory
17BE(j)	The Commission	Information on the accountable authority, or each member of the accountable authority, of the entity during the reporting period.	Mandatory
17BE(k)	Structure	Outline of the organisational structure of the entity (including any subsidiaries of the entity).	Mandatory
17BE(ka)	Staff members	Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: (a) statistics on full-time employees; (b) statistics on part-time employees; (c) statistics on gender; (d) statistics on staff location.	Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
17BE(l)	Staff members	Outline of the location (whether or not in Australia) of major activities or facilities of the entity.	Mandatory
17BE(m)	Governance	Information relating to the main corporate governance practices used by the entity during the reporting period.	Mandatory
17BE(n), 17BE(o)	N/A	For transactions with a related Commonwealth entity or related company where the value of the transaction, or if there is more than one transaction, the aggregate of those transactions, is more than $10,000 (inclusive of GST): (a) the decision making process undertaken by the accountable authority to approve the entity paying for a good or service from, or providing a grant to, the related Commonwealth entity or related company; and (b) the value of the transaction, or if there is more than one transaction, the number of transactions and the aggregate of value of the transactions.	If applicable, mandatory
17BE(p)	N/A	Any significant activities and changes that affected the operation or structure of the entity during the reporting period.	If applicable, mandatory
17BE(q)	N/A	Particulars of judicial decisions or decisions of administrative tribunals that may have a significant effect on the operations of the entity.	If applicable, mandatory
17BE(r)	N/A	Particulars of any reports on the entity given by: (a) the Auditor-General (other than a report under section 43 of the Act); or (b) a Parliamentary Committee; or (c) the Commonwealth Ombudsman; or (d) the Office of the Australian Information Commissioner.	If applicable, mandatory
17BE(s)	N/A	An explanation of information not obtained from a subsidiary of the entity and the effect of not having the information on the annual report.	If applicable, mandatory
17BE(t)	Risk management and compliance	Details of any indemnity that applied during the reporting period to the accountable authority, any member of the accountable authority or officer of the entity against a liability (including premiums paid, or agreed to be paid, for insurance against the authority, member or officer's liability for legal costs).	If applicable, mandatory
17BE(taa)	The Commission	The following information about the audit committee for the entity: (a) a direct electronic address of the charter determining the functions of the audit committee; (b) the name of each member of the audit committee; (c) the qualifications, knowledge, skills or experience of each member of the audit committee;	Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
		(d) information about each member's attendance at meetings of the audit committee; (e) the remuneration of each member of the audit committee.	
17BE(ta)	Executive remuneration	Information about executive remuneration.	Mandatory
17BF	Disclosure requirements for government business enterprises		
17BF(1)(a)(i)	N/A	An assessment of significant changes in the entity's overall financial structure and financial conditions.	If applicable, mandatory
17BF(1)(a)(ii)	N/A	An assessment of any events or risks that could cause financial information that is reported not to be indicative of future operations or financial conditions.	If applicable, mandatory
17BF(1)(b)	N/A	Information on dividends paid or recommended.	If applicable, mandatory
17BF(1)(c)	N/A	Details of any community service obligations the government business enterprise has including: (a) an outline of actions taken to fulfil those obligations; and (b) an assessment of the cost of fulfilling those obligations.	If applicable, mandatory
17BF(2)	N/A	A statement regarding the exclusion of information on the grounds that the information is commercially sensitive and would be likely to result in unreasonable commercial prejudice to the government business enterprise.	If applicable, mandatory

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