

Roads and Maritime Services

# 2013/14 Annual Report



## Letter to the Ministers

The Hon. Duncan Gay  
Minister for Roads and Freight  
52 Martin Place  
Sydney NSW 2000

The Hon. Gladys Berejiklian  
Minister for Transport

Dear Ministers

I am pleased to submit Roads and Maritime Services' Annual Report and Financial Statements for the financial year ended 30 June 2014 for presentation to the Parliament of New South Wales. It has been prepared in accordance with the *Annual Reports (Statutory Bodies) Act 1984* and the *Public Finance and Audit Act 1983*.

Yours sincerely

A handwritten signature in black ink, appearing to read 'P. Duncan', with a long horizontal flourish extending to the right.

Peter Duncan AM  
Chief Executive  
Roads and Maritime Services



# Contents

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Letter to the Ministers	2	<b>Section 6 Work health and safety</b>	<b>23</b>
<b>Section 1 Highlights 2013–14</b>	<b>5</b>	Work health and safety performance	24
Improving our infrastructure	6	Working with industry	24
Improving safety outcomes	6	Prosecutions	24
Delivering value for money	7	Case study: Safety first for working near traffic	25
Working with industry and our stakeholders	7	<b>Section 7 Sustainability and environmental performance</b>	<b>26</b>
Improving customer services and experiences	7	Our Environment Policy	27
Recognising excellence	8	Environmental performance improvements	27
<b>Section 2 Chief Executive message</b>	<b>9</b>	Noise abatement program	27
Chief Executive message	10	Marine pollution response	27
<b>Section 3 Roads and Maritime at a glance</b>	<b>12</b>	Ensuring urban design excellence	28
Who we are	13	Case study: From highway to heritage bridges	28
We manage and maintain	13	<b>Section 8 Governance</b>	<b>29</b>
Our purpose	14	Chief Executive	30
Our vision	14	Executive framework	30
Our values	14	Audit and Risk Committee	30
Our structure	14	Risk management	30
<b>Section 4 Delivering for our customers</b>	<b>17</b>	Internal audit	31
Our Customer Charter	18	Investigations	31
Our services	18	Financial performance	31
<b>Section 5 Our people</b>	<b>20</b>	Internal Audit and Risk Management Attestation	32
Our staff profile	21		
Key achievements	21		
Culture and performance	21		
A new industrial Award	22		
Staff recognition	22		
People Matter Employee Survey 2014	22		

# Contents

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## **Section 9 Operational achievements 2013–14** **33**

Optimising the safety of our networks	34
Easing congestion and optimising the reliability and efficiency of journeys	35
Supporting the use of public transport	35
Improving our customers' experience	35
Improving road safety through heavy vehicle compliance programs	36
Improving freight journeys, productivity and safety	36
Providing the infrastructure for the future	37
Developing regional networks and infrastructure	39
Supporting Sydney's growth and development	40
Supporting an active community	40
Maintaining the safety and integrity of our assets	40
Partnering with stakeholders and industry	41

## **Section 10 Business results** **42**

Key results areas	43
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## **Section 11 Financial statements** **46**

Funding	47
Expenditure	47
Financial statements: Contents	48

## **Section 12 Appendices** **146**

## **Compliance Index** **226**

Section 1

# Highlights 2013–14

# Highlights 2013–14

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## Improving our infrastructure

- Roads and Maritime delivered a record \$3 billion capital program of work including major state-shaping projects:
  - The opening of the Hunter Expressway, linking Newcastle with the greater Hunter region.
  - The completion of the Hume Highway duplication, providing a minimum four-lane highway for more than 800 kilometres between Melbourne and Sydney.
  - Planning work for WestConnex and NorthConnex motorways, providing vital links in our metropolitan road network and improving freight access.
  - The establishment of the WestConnex Delivery Authority in November 2013.
  - The ongoing delivery of the Pacific Highway Upgrade Program, spanning 670 kilometres in total.
  - The ongoing delivery of the Princes Highway upgrade, improving access and safety for the state's South Coast.
  - The continued delivery of the Commuter Wharf Upgrade Program, with construction starting on Drummoyne and Mosman Bay wharves.
  - Ongoing delivery of vital bridge upgrade projects as part of the Bridges for the Bush Program to improve freight productivity in rural and regional areas.
- Delivered \$1.55 billion in maintenance and repair work on roads and bridges across the State, including \$432 million in Block Grants, Repair and Improvement of Roads (REPAIR) funding and forecasted natural disaster funding to local councils.

## Improving safety outcomes

- Roads and Maritime supported the introduction of the National Heavy Vehicle Regulator and the National Domestic Commercial Vessel regulatory system, delivering nationally consistent systems and improving safety on our waterway networks.
- Started work on a \$43 million upgrade to the Bells Line of Road, which will include the provision of new overtaking lanes and safety work.
- Delivered 73 Federal Black Spot projects and 72 State Black Spot projects.
- Conducted 210 speed zone reviews across NSW, resulting in 132 speed zone changes.
- Installed school-zone flashing lights to 101 schools before the start of the 2014 school year.
- In January 2014, completed preliminary safety work on Mona Vale Road following a fatal crash between Foley Street and Samuel Street in October 2013.
- Delivered the second phase of the Safer Driver Course to the community, helping younger drivers learn more about road safety and reducing their compulsory supervised driving hours.
- Worked with Transport for NSW to deliver a program of life jacket awareness initiatives across the State as part of the Boating Safety Communications and Education Strategy 2012-15, including promoting the use of life jackets at key boating areas.
- Created 18 new Boating Education Officer positions in December 2013 to help promote boating safety throughout the State.

## Delivering value for money

- Roads and Maritime achieved savings of \$245.8 million.
- Refined and finalised our organisational model to deliver greater operational and service capabilities aligned to Roads and Maritime's core accountabilities of building infrastructure, managing journeys and maintaining assets.
- Introduced an innovative new stewardship arrangement for the maintenance of the road network in the Sydney region. In November 2013, we awarded two new contracts to private sector joint ventures (adding to an existing contract already in place). This will deliver \$76.8 million of efficiency savings over the next four years.
- Started transitioning the maintenance of our Intelligent Transport Systems to the private sector, with two contracts awarded in May 2014 to maintain traffic control signals, variable message and speed signs, traffic monitoring devices, enforcement and advanced warning systems.

## Working with industry and our stakeholders

- Roads and Maritime led the development of operational policy for the road freight industry to achieve improved road safety, asset management and customer and community outcomes.
- Improved access to the road network for heavy vehicles by developing strategies to improve compliance and safety management across the road freight and logistics sector, including in-vehicle technologies and access-related transport systems.
- Worked with public utility organisations to improve planning and minimise disruption to services during project construction.

- Held a range of industry forums and workshops with key partners and agencies to strengthen networks and improve project delivery coordination.
- Partnered with local councils to deliver key boating infrastructure upgrades and key maintenance programs across the State.
- Partnered with the private sector, following an unsolicited proposal, to start planning work on NorthConnex.
- Developed new delivery models for WestConnex, NorthConnex and the Pacific Highway upgrade from Woolgoolga to Ballina to harness the capability and early involvement of the private sector.
- Chief Executive representation on external committees and boards including (the National) Transport and Infrastructure Senior Officials' Committee, Australian Road Research Board (ARRB Group), Roads Australia Board, Austroads Board and WestConnex Delivery Authority Board.
- Worked with Transport for NSW (Centre for Road Safety) and NSW Police to deliver a detailed road safety review of a section of Appin Road. As a result of the review, work has started to improve safety on this corridor.

## Improving customer services and experiences

- Roads and Maritime increased online transactions from around 5.35 million in 2012–13 to more than 5.95 million in 2013–14, by improving our customers' access to services when and where they want them.
- We played a central role in the launch of Service NSW – providing NSW customers with a 'one-stop-shop' for government services. This year we transitioned registry services and the Newcastle customer contact centre to Service NSW, enabling the successful opening of 18 new service centres.

- Built on the success of our annual contribution to major events including the Sydney to Hobart Yacht Race, New Year's Eve and Australia Day by taking part in the management of the International Fleet Review in October 2013. Hundreds of our staff volunteered to ensure the success of this event on and around Sydney Harbour and on the NSW South Coast. More than 40 warships, 16 tall ships and 8000 naval personnel from more than 20 nations participated in this week-long event to commemorate the centenary of the first entry of the Royal Australian Navy Fleet into Sydney Harbour. The event attracted hundreds of thousands of visitors and participants. The event was conducted in the safest possible environment thanks to Roads and Maritime-enforced special event conditions and navigation restrictions, including exclusion zones and speed, wash and anchoring restrictions, as well as event clearways and special public transport services.
- Improved customer access to real-time travel information services, through increased variable message signs, updates on the Roads and Maritime website and email alerts.
- Completed the rollout of the new alpha-numeric route numbering system, making it easier for motorists to navigate our roads and bringing NSW into line with other states and territories.

## Recognising excellence

In 2013–14 a number of our projects received awards, an acknowledgement of the leading role we play in the delivery of infrastructure and services throughout NSW:

- *Premier's Public Sector Award for Infrastructure:* Pacific Highway - Kempsey Bypass project.
- *Sustainability Leadership Award, United Nations Association of Australia World Environment Day Awards 2013:* Pacific Highway - Kempsey Bypass project.
- *Civil Contractors Federation Earth Awards (NSW) for excellence in civil construction (Category 5: projects valued at more than \$75 million):* Pacific Highway - Kempsey Bypass project.
- *2013 National Engineering Excellence Award:* The Hunter Expressway Alliance.
- *Australian Institute of Landscape Architects NSW Awards:* The Pacific Highway Woolgoolga to Ballina upgrade and Pacific Highway Glenugie upgrade.
- *Colin Crisp Award from Engineering Heritage Australia (Highly Commended):* The Dunmore Bridge Capacity upgrade.
- *WorkCover NSW Safework Awards (Category - best solution to an identified workplace health and safety issue):* ANZAC Bridge Maintenance Project/Bridge Solutions Alliance.
- *Civil Contractors Federation Earth Awards (NSW) for Excellence in Civil Construction (Category 4: projects valued from \$20 to \$75 Million):* ANZAC Bridge Maintenance Project/Bridge Solutions Alliance.



Section 2

# Chief Executive message

# Chief Executive message

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The past financial year was one of significant achievement for Roads and Maritime. We implemented a substantial organisational reform program to drive greater operational and service capabilities to deliver on our purpose – to enable safe and efficient journeys throughout New South Wales.

These changes have delivered significant cost savings and efficiencies, as well as major state-shaping infrastructure. They have also revamped the way we serve our customers and engage with the community and other stakeholders.

We worked with Transport for NSW to deliver on our shared commitments to meet the increased demand and need for continued growth on our road, rail, bus and ferry networks.

A key focus for us has been to challenge the way we do things and how we deliver services at lower cost with greater innovation while continuing to deliver a record \$3 billion capital work program. Our success in these endeavours included savings of around \$245 million, delivering revenue that exceeded our target.

Another outcome was the successful introduction of contestability in road maintenance across Sydney, that has seen us form stronger partnerships with the private sector in delivering key services for New South Wales. In addition, we have been working with our colleagues across government to transition motor registries and some maritime services to Service NSW.

## Key achievements in 2013–14 include:

Delivering a \$3 billion capital program of work including major state-shaping projects:

- The opening of the \$1.7 billion, 40 kilometre Hunter Expressway, linking Newcastle with the greater Hunter region.
- Finalisation of the Hume Highway duplication, completing a minimum four-lane highway for more than 800 kilometres between Melbourne and Sydney.

- Ongoing delivery of the Pacific Highway upgrade program, which spans 670 kilometres, with the opening of the Woolgoolga bypass and the Herons Creek to Stills Road and Devils Pulpit upgrades.
- Starting planning work for WestConnex, a 33 kilometre motorway that will link Sydney's west and south west with the city, airport and Port Botany, including the establishment of the WestConnex Delivery Authority in November 2013.
- Supporting the NorthConnex proposal for twin nine kilometre tunnels under Pennant Hills Road.
- Opened Erskine Park Link Road to traffic, providing a vital link between the NSW Government's Western Sydney Employment Area and the M4 and M7 Motorways.
- Continued delivery of the Commuter Wharf Upgrade program, with construction completing at Drummoyne and Mosman Bay ferry wharf upgrades and planning or construction starting for Balmain East, Sydney Olympic Park, Cremorne Point, Pyrmont Bay and McMahon's Point wharves, improving Sydney's ferry service for passengers.

Engaging and interacting with more road users by:

- Supporting 15.9 million motor registry transactions, 12 million online customer visits and more than 3 million customer calls.
- Participating in more than 930 community and stakeholder meetings.
- Completing 26 million motor vehicle transactions to 5.14 million licence holders and 661,784 marine licence transactions for nearly half a million boat licence holders.

As an agency responsible for enabling safe and efficient journeys throughout NSW, we will continually evolve the road and waterway networks to meet the current and future needs and expectations of the people that rely on them. We will ensure the efficient performance of the NSW road freight network, which has a direct bearing on the competitiveness and productivity of our State and the rest of the eastern seaboard of Australia.

During 2014–15 the agency will deliver the NSW Government's record investment in public infrastructure and significant service improvements for NSW residents, businesses and visitors. We are well positioned with our new operating model, and various alliances, to deliver these projects and optimise our road and waterway networks in the year ahead.

Finally, I'd like to acknowledge the hard work and commitment to excellence demonstrated by Roads and Maritime's staff across NSW, all of whom contributed to the achievements outlined in this report. Every journey matters and their professional approach and dedication to enabling safe and efficient journeys for the people of NSW has put us in a strong position to deliver more positive outcomes in 2014–15.

A handwritten signature in black ink, appearing to read 'P. Duncan', with a long horizontal flourish extending to the right.

**Peter Duncan AM**  
**Chief Executive**

Section 3

# Roads and Maritime at a glance



# Who we are

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Roads and Maritime Services is a NSW statutory authority established on 1 November 2011 under the *Transport Legislation Amendment Act 2011*.

Roads and Maritime is a multimodal transport agency within the broader Transport cluster, known as Transport for NSW, which has responsibility for transport policy, planning and coordination functions and the oversight of infrastructure delivery and asset management.

Roads and Maritime implements initiatives to improve the movement of people by various transport modes, including public transport (bus and ferry), cycling and walking, as well as boats and motor vehicles. The agency also delivers initiatives to improve the movement of goods on the freight network by improving accessibility and infrastructure, with a focus on reliability, productivity and safety.

## We manage and maintain

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**More than 18,000km of State Roads** including 4317km of National Road Network



**Around 3000km of regional and local roads** in the unincorporated area of NSW



**44 commuter wharves**



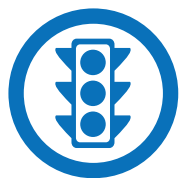
**5287 bridges**



**26 road tunnels**



**32,424km<sup>2</sup> of navigable waterways** and **2137km of coastline**



**3945 traffic signal sites** and around **12,000 other traffic facilities, systems and corridor assets**



**More than 26,000 moorings**, including **193 courtesy moorings**, and **more than 3400 maritime aids** to navigation

# Our purpose

To enable safe and efficient journeys throughout NSW.

# Our vision

To be the leader in the management and delivery of safe, efficient and high quality services and infrastructure to the community and businesses of NSW.

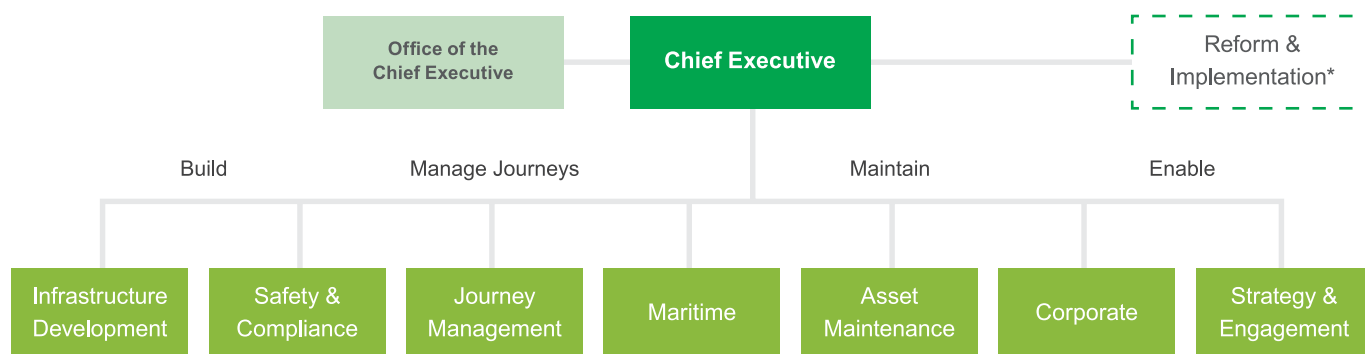
# Our values

Roads and Maritime contributes to a shared set of Transport cluster values that underpin our decisions and our behaviour when working with customers, colleagues, stakeholders and partners.

Our values are:

- **Customer focus:** We place the customer at the centre of everything we do.
- **Collaboration:** We value each other and create better outcomes by working together.
- **Solutions:** We deliver sustainable and innovative solutions to NSW's transport needs.
- **Integrity:** We take responsibility and communicate openly.
- **Safety:** We prioritise safety for our people and our customers.

# Our structure



\*Note: This is a temporary/limited duration structure.

The Roads and Maritime structure demonstrates how our core businesses will:

- Grow the road and maritime networks (Build).
- Improve services and the operation of our networks (Manage Journeys).
- Maintain roads and maritime assets (Maintain).
- Finance, plan and support current and future networks (Enable).

## Build

Roads and Maritime delivers new road and maritime infrastructure to optimise the safety, efficiency and effectiveness of its networks. This involves significant design, community engagement and civil construction work, including:

- New privately-financed motorway projects and enhancements to existing motorways.
- New road and maritime capital infrastructure.
- Enhancements to road and maritime capital infrastructure.
- Replacement or rebuilding of road and maritime infrastructure, typically with realignment or relocation work.

## Manage journeys

Roads and Maritime ensures the road and waterway networks are optimised for customer journeys in the most effective and relevant way. This includes:

- Delivering solutions to maximise the efficiency of the existing road and waterway networks.
- Providing support to ensure motorists, vehicles and vessels are safe and compliant.
- Delivering solutions to execute road and maritime safety policies and regulation.
- Delivering asset protection and ongoing network operations solutions to allow for the efficient movement of people and goods.
- Managing incident response and traffic and waterways for major special events.

## Maintain

Roads and Maritime plans and delivers maintenance programs for road and maritime infrastructure to optimise safety, traffic management and asset sustainability through design, stakeholder engagement, civil construction work and the delivery of maintenance services. This includes:

- Asset maintenance planning.
- Asset information collection, analysis and distribution.
- Routine maintenance of roads, roadsides, bridges, wharves and navigational aids.
- Resurfacing, resealing, rehabilitation and repair of roads.
- Complex and minor improvement work on roads and bridges.
- Management of council grant programs, including natural disaster relief.

## Enable

The Enable areas of Roads and Maritime support every part of the agency, including customer service, financial accountability, transparency in decision-making, customer and community information, organisational values, and planning and performance accountabilities:

- The provision of customer information on projects, activities and services, and in response to inquiries.
- Local community and stakeholder engagement activities.
- Financial management, information management, information technology, human resources and Work Health and Safety support.
- Governance mechanisms to deliver efficient, effective and transparent outcomes.
- Leadership and advisory services in risk management.
- Working across government to implement Service NSW and other cluster-wide initiatives.

## The reform agenda

In 2013–14 Roads and Maritime implemented significant organisational reform to drive greater operational and service capabilities aligned to our core accountabilities.

The agenda provided the road map for the new agency and detailed how the target operating model would be achieved. This is delivering significant change for the organisation in terms of structure, capabilities and ways of working.

In 2013–14 the delivery of the reform agenda saw the implementation of organisation structures, as described above, the commencement of stewardship road maintenance contracts in the Sydney area and the start of the transition of Roads and Maritime's motor registry services to Service NSW.



Section 4

# Delivering for our customers

# Our Customer Charter

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Roads and Maritime is committed to putting our customers at the centre of everything we do. This is underpinned by our Customer Charter, which articulates our commitments.

## Our commitments

### We will listen and take action

- We will use your feedback to continually improve services.
- We will actively manage your matter from start to finish.
- We will be contactable in ways that work for you.

### We will make safety our priority

- We will work to maximise safety on our roads and waterways.
- We will provide a safe environment for the community and our staff.
- We will work to ensure vehicles and vessels are registered, licensed and operated safely.

### We will consult and collaborate

- We will consult with you regularly on projects and matters that impact you.
- We will include communities in our decision-making processes.
- We will use your insights to inform our decisions and outcomes.

### We will keep you informed

- We will provide you with information to make safe and efficient travel choices.
- We will minimise disruption to your travel through appropriate diversions and relevant information.
- We will communicate future plans for NSW roads and waterways.

## Our services

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### In 2013–14 Roads and Maritime:

- Supported 5.14 million motor vehicle licence holders, 444,141 boat licence holders and 44,985 personal watercraft licence holders.
- Registered more than 5.98 million vehicles and 231,778 recreational vessels.
- Serviced 1.36 million E-Toll customers and 1.3 million rental car customers, who record more than 117 million trips on motorways annually.
- Supported more than 12 million online customer visits to our websites.
- Completed 26 million motor vehicle transactions and around 662,000 marine safety licence transactions.
- Conducted more than 2500 survey inspections and 500 safety management system audits for commercial vessels and certification of their crews.
- Operated 106 motor registries while supporting the opening of 18 Service NSW centres, six government access centres, 29 online council agencies and 42 mobile sites that conduct driver tests, including seven that offer limited transactions.

## **We engaged with our customers and stakeholders by:**

- Preparing over 2100 media releases to communicate events, updates and Roads and Maritime achievements.
- Coordinating and delivering approximately 85 major media events.
- Hosting in excess of 4750 meetings with local residents and community stakeholders.
- Holding over 250 community information sessions.
- Delivering more than 2325 project updates to communities featuring project information and seeking the community's feedback. This included more than 175 consultation displays and exhibitions.
- Distributing over 150 community newsletters and 2000 plus letters to community stakeholders.

## **We responded to:**

- Over 5350 customer and stakeholder inquiries and more than 15,000 general inquiries (including compliments, complaints and suggestions).
- Around 1000 suburban, regional and metropolitan media inquiries.
- More than 2600 requests under the *Government Information (Public Access) Act 2009*.

Section 5

# Our people



# Our staff profile

**Table 5.1 Total effective full-time employees by category**

Year	Salaried staff	Waged staff	Casual staff	Total staff
As at 30 June 2014	5223	1051	241	6515
As at 30 June 2013	5562	1703	206	7472
As at 30 June 2012	5810	1768	95	7673
As at 30 June 2011	5744	1762	17	7523

**Table 5.2 Employment category groups**

Salaried staff	Waged
Cadets	Apprentices
Graduates	School crossing
Salaried	Waged
Senior executive staff	Waged – trainees
Trainees	

Note: Category groups exclude casual employees.

## Key achievements

In 2013–14 we:

- Worked with Transport for NSW on a new leadership framework to identify the capabilities to deliver our program of work over the next five to 10 years, and rolled out a range of training and development programs for our people.
- Implemented a performance development framework for Senior Service and Salaried Award staff.

## Culture and performance

In 2013–14, we implemented a program of initiatives designed to enable a more customer-centric culture through capability development, accountability, responsibility and leadership.

Accompanying this, we rolled out the revised Performance Development and Review Program and frameworks for assessing staff performance. Targeted at frontline leaders, the program aims to develop the capability of staff to engage in effective conversations that help set expectations, maintain relationships, lead employees and achieve desired business objectives and outcomes for our customers.

## A new industrial Award

Many of the awards and agreements covering employee entitlements and conditions expired on 30 June 2014.

Roads and Maritime has consolidated and rationalised industrial instruments covering employee entitlements and conditions. As of 1 July 2014 we will have four awards that cover all employees.

These comprise: the Roads and Maritime Services Consolidated Salaried Award 2014; Roads and Maritime Services (Wages Staff) Award; Crown Employees (Roads and Maritime Services – School Crossing Supervisors) Award; and the Crown Employees (Roads and Maritime Services – Traffic Signals) Award.

## Staff recognition

Our Celebrating Our Values Awards provide staff with an opportunity to acknowledge colleagues and teams for outstanding contributions to service delivery and for consistently demonstrating our values and key behaviours.

The Celebrating Our Values Awards provide an opportunity for us to celebrate our successes and highlight everyday examples of excellence across our organisation.

The Award recipients in 2013–14 were:

- **Collaboration Award:** Bowral Road and Tulloon Ave Junction Improvement Team from the Southern Region and Mittagong offices comprising Vince Boer, Mark Davison, Tim Beard, Matthew Waite, Brad Haynes, Narelle Cooke, Amanda Scott, Anna McNeil, Mark Clark and Danny Benedetti.
- **Safety Award:** Kyeamba Rehabilitation Contra Flow, Hume Highway, led by Margaret Sutherland and Russell Farnell.
- **Solutions Award:** This award included more than 50 people across the organisation from the Project Delivery and Communication teams.
- **Customer Focus:** The South and Princes Highway Property Acquisition Team led by Bill Healy, Brianna Royal and Roger Wall.
- **Integrity Award:** Deon Voyer and Eric Taylor from Maritime Division.

A full list of Award recipients can be found at [rms.nsw.gov.au](http://rms.nsw.gov.au).

## People Matter Employee Survey 2014

The People Matter Employee Survey allows the Public Service Commission to capture employees' perceptions of how well they think the public sector values are applied across the sector, as well as their views on, and experiences in, their workplaces.

The first survey was completed in 2012 and it created a baseline for the NSW public sector as a whole.

The second survey was carried out in May 2014. Roads and Maritime final results are to be released in October 2014. Preliminary results showed:

- Roads and Maritime scored substantially higher than 2012 on questions related to strategic leadership, change and workplace values.
- 77 per cent of staff agreed that senior managers model the values of their organisation.
- 61 per cent of staff reported that their organisation is making necessary improvements to meet future challenges.
- 91 per cent of employees believed their organisation strives to earn and sustain a high level of public trust, and 83 per cent believed their organisation supports staff to provide better services.
- 66 per cent of staff were proud to tell others they work for their organisation, with 81 per cent reporting being satisfied with their job, a substantial increase since 2012.
- Improvements across the majority of categories.

## Further information on our human resources policies and performance is provided in:

- Appendix 21: Industrial relations policy.
- Appendix 22: Workplace diversity.
- Appendix 23: Multicultural policies and services plan.
- Appendix 24: Disability action plan.

Section 6

# Work health and safety

# Work health and safety

We operate according to four core safety beliefs:

- All injuries can be prevented.
- Safety first, work second.
- Everyone is responsible for safety.
- Working safely is a condition of employment.

Our goal is to create a strong safety culture by encouraging all our workers and industry partners to “stop, think and act” about safety.

## Work health and safety performance

During 2013–14 the most prevalent serious incidents categories included:

- Motor vehicle crashes (44 occurrences).
- Plant rollovers (35 occurrences).
- Utility strikes (35 occurrences).

**Table 6.1 Work health and safety performance indicators**

Performance indicator	2012–13	2013–14
Total incidents reported	4251	3545
Near misses reported*	2390	1843
Lost time injuries	160	155
All other injuries (including First Aid and no treatment)	959	904
Other incidents reported (including asset/property damage)	742	643
Number of near misses per injury	2.1	1.74
All compensable injuries (including journey claims)	334	322
Compensable workplace injuries	327	315
<b>Total claims costs (\$ million)</b>	<b>2.15</b>	<b>2.03</b>

\*Including hazard identification.

During 2013–14:

- The number of reported incidents decreased compared to the previous financial year.
- Near-miss reporting accounted for 52 per cent of reported incidents.

- Lost time injuries accounted for four per cent of incidents.
- All other injuries (including first aid and no treatment) made up a further 26 per cent of reported incidents.

Roads and Maritime continues to work on a range of initiatives to further reduce the number of incidents resulting in injury.

## Working with industry

In 2013–14 Roads and Maritime continued to invest in strengthening our work health and safety capability and enhancing our partnerships with industry. We participate in industry and regional forums with councils to strengthen safety partnerships through consultation, cooperation and coordination on key risk areas.

In 2013–14 we:

- Partnered with Fulton Hogan to establish a safety team for the Princes Highway upgrade in Gerringong. This team collaborated on all work health and safety matters for the project, with priority given to the development of a Safety Improvement Plan. This Plan drives active safety management across the Gerringong upgrade, with an emphasis on risk control, improving the safety management system and promoting a strong safety culture.
- Held the fifth Pacific Highway Work Health and Safety workshop, which was attended by a broad cross-section of WorkCover NSW, industry partners in traffic control and materials haulage, and our staff. The theme of the workshop was “working near traffic” and provided an opportunity to share solutions and agree on consistent safety standards for high risk activities.

## Prosecutions

Roads and Maritime was involved in one prosecution, resulting in a fine of \$175,000 (plus costs) on 24 December 2013 after an incident involving a worker fatality on the F3 in June 2009.



## Case study

### Safety first for working near traffic

In 2013–14 we continued to identify ways to eliminate the hazards and disruptions of working near traffic. The traditional approach is to establish traffic management plans to allow traffic to flow through our work sites while work is underway.

However, vehicles travelling through active work sites increase the risk to the workforce and the community.

In May and June 2014 we arranged a three-night closure of a section of Picton Road and a section of the Princes Highway near Bulli Tops, with supporting detours in place, so that a suite of upgrade and maintenance projects could be completed.

Extensive communication was carried out with our customers and industry partners to ensure appropriate detours were in place and clearly communicated to reduce disruptions to their journeys and business operations.

By eliminating traffic from these work sites, we:

- Made the work sites safer for our workforce and contractors.
- Were able to finish the work faster, resulting in cost savings and a reduced impact on the travelling public.

Section 7

# Sustainability and environmental performance

# Sustainability and environmental performance

Roads and Maritime supports and delivers sustainable and compliant environmental management practices and behaviours to minimise the impact of road and maritime activities on the environment.

## Our Environment Policy

All Roads and Maritime staff have a responsibility to actively contribute towards avoiding or minimising environmental impact in their day-to-day work.

Roads and Maritime has a statutory responsibility under the *NSW Environment Planning and Assessment Act 1979* to consider the impact of its activities on the environment. The Act requires the assessment of Roads and Maritime activities and different pathways for the assessment and approval/determination of capital projects. Roads and Maritime must provide evidence it has examined the potential environmental impact and how these can be avoided, minimised or offset against other benefits.

## Environmental performance improvements

In 2013–14 Roads and Maritime:

- Oversaw more than 650 inspections on 200 separate construction and maintenance projects.
- Completed environmental performance reviews on complex projects across the State, including Bullaburra East Upgrade on the Great Western Highway, Frederickton to Eungai Upgrade on the Pacific Highway and the Camden Valley Way upgrade.
- Produced an education video for staff and industry on vegetation clearing best practices, using examples from the Pacific Highway, Nambucca Heads to Urunga upgrade.
- Revised and updated our contaminated land management guidelines to meet current legislative requirements and industry practices.

## Noise abatement program

Roads and Maritime's Noise Abatement Program provides noise mitigation treatment for dwellings and noise sensitive land-uses such as schools, hospitals and churches that are exposed to high levels of road traffic noise. The Noise Abatement Program operates

in addition to extensive noise mitigation work installed as part of road upgrades across NSW.

In 2013–14 Roads and Maritime:

- Invested more than \$4 million on architectural treatments to properties and a further \$4.7 million on noise walls.
- Treated 314 houses in the Sydney region. This included acoustically treating or upgrading windows, doors and seals.
- Treated 22 properties across other parts of NSW, with a further 12 under way.
- Built new noise walls at five locations across Sydney.

## Marine pollution response

In 2013–14 Roads and Maritime:

- Removed 1923 cubic metres of rubbish from Sydney Harbour.
- Trained 81 staff in marine pollution response.
- Responded to five marine oil pollution incidents. We:
  - Monitored and oversaw salvage operations for the historic paddle steamer, the *Avoca*, at Mildura.
  - Assisted Marine Rescue to contain and extinguish a fire on board a 14 metre recreational cruiser offshore from Forster. All passengers were transferred safely and a potential pollution incident negated.
  - Organised the salvage and removal of a commercial houseboat on the Myall River, Buladelah.
  - Assisted Fire and Rescue to refloat a recreational cruiser at Coffs Harbour Marina.
  - Monitored the salvage of a 13 metre timber vessel submerged on its mooring at Blackwall Channel, Brisbane Water.

## Ensuring urban design excellence

Roads and Maritime's Centre for Urban Design provides urban design advice on projects to ensure road and maritime infrastructure fits sensitively into environments, provides good connections and quality design outcomes for customers and the community. The Centre services the Transport cluster and acts as a leader in the NSW Government sector by participating in an all-of-government urban design group, chaired by the NSW Government Architect: and producing a number of guidelines and standards for use across the government sector.

In 2013–14 we:

- Revised and re-launched the award-winning urban design policy guide, "Beyond the Pavement: Urban Design Policy, Procedures and Design Principles".
- Developed a standard pedestrian bridge design for use in built-up areas where there is little room for ramps.
- Developed an urban design guideline for the WestConnex Delivery Authority to inform the design of the motorway, ensure consistency and provide a more customer-focused, innovative and sustainable outcome.
- Continued to provide urban design guidance and advice to improve outcomes on WestConnex, NorthConnex, Pacific Highway upgrade and Princes Highway upgrade and for smaller projects, including noise walls installed as part of the Noise Abatement Program.

## Further information on our environmental performance and policies can be found in:

- Appendix 6: Threatened Species Recovery Plans.
- Appendix 7: Waste reduction, including energy consumption.
- Appendix 8: Environmental planning and assessment.
- Appendix 9: Heritage.
- Appendix 10: Biodiversity projects.

### Case study

#### From highway to heritage bridges

Many old timber bridges are classified as State Significant under the *Heritage Act 1977 (NSW)* and remain in full service today. The ongoing maintenance of these bridges can be expensive, time consuming, require a high degree of technical skill and the supply of increasingly scarce high-grade hardwood. A number of timber truss bridges have been identified for retention by a strategy endorsed by the NSW Heritage Council.

Up to 150 timber logs cleared as part of the Pacific Highway, Nambucca Heads to Urunga upgrade were recycled and made available for use in the heritage timber bridge maintenance program.

Roads and Maritime officers worked closely with timber consultants to identify trees suitable for timber before major work started on the project. The trees are required to be of a certain species to meet strength and durability requirements.

Suitable logs were transported to local mills for processing into valuable products for use in maintaining the state's timber bridges.

Section 8

# Governance

## Chief Executive

The Chief Executive of Roads and Maritime is appointed by the Secretary, Transport for NSW with the approval of the Minister for Roads and Freight. Under the governance arrangements of the *Transport Administration Act 1988*, the Chief Executive manages and controls the affairs of Roads and Maritime, subject to the control and direction of the Minister for Roads and Freight, and in accordance with any direction of Transport for NSW. The Chief Executive also has a wider role in interacting with heads of other transport agencies in NSW, across Australia and internationally. The Chief Executive is accountable to the Minister for Roads and Freight for overall agency performance.

## Executive framework

The Roads and Maritime executive charter, executive committee structure and committee management system were reviewed and revised during the year to ensure high levels of governance and accountability.

The executive management committee focuses on the management of the organisation in the context of business and strategic priorities for the current period. The committee also monitors current performance, particularly any issues or risks that could affect the current delivery of results and services.

The management of Roads and Maritime is also supported by a range of executive committees that monitor key organisation priorities, such as finance, human resources, Work Health and Safety and the environment. These committees typically include Directors and other senior managers from across the organisation to ensure an integrated, whole-of-agency approach.

## Audit and Risk Committee

The Audit and Risk Committee is an integral component of Roads and Maritime's governance arrangements. Its responsibilities include review and oversight of the following areas for Roads and Maritime and its controlled entities:

- Internal controls.
- Risk management.
- Corruption and fraud prevention.
- External accountability (including the financial statements).
- Applicable laws and regulations.
- Internal audit.
- External audit.

## Risk management

The Chief Executive is accountable for ensuring the strategic management of risk across Roads and Maritime and is supported in this role by the Roads and Maritime Audit and Risk Committee and Chief Audit and Risk Officer.

Roads and Maritime's Directors are responsible for managing operating risks and for maintaining oversight of project risks within their areas of responsibility. All Directors are required to report weekly to the Executive Operations Meeting on emerging issues.

The Chief Audit and Risk Officer also oversees the management and development of the enterprise-wide risk system, which is designed to ensure a common approach to risk decision making across our business.

The Chief Audit and Risk Officer provides regular reports on risk management to the Chief Executive, the Roads and Maritime Executive team, and the Audit and Risk Committee. These reports are informed by the risk assessment program delivered by a central risk services team and by the results of internal audit projects.

## Internal audit

Internal audits are used to provide independent assurance to the Chief Executive and Directors over the controls in place to manage priority risk areas.

Audits are prioritised on the basis of risk and the control environment in place to address those risks. The Annual Audit Plan is endorsed by the Audit and Risk Committee and aligns with our strategic priorities.

Key audits completed during 2013–14 included:

- Corporate online banking.
- Attendance and leave management.
- Cloud computing.
- Bus Operators Accreditation Scheme.
- School crossing supervisors administration.
- Management of skid resistance on Roads and Maritime's Roads.
- Driver and vehicle administration.
- Cyclical reviews of motor registries.

All agreed actions arising from internal audit reports are monitored and their status reported to the Audit and Risk Committee.

During the year Roads and Maritime changed its internal audit service delivery model from an in-house to an outsourced model. As part of this process, Roads and Maritime has engaged three service providers to work on a range of projects in areas such as:

- Key governance and oversight arrangements.
- Critical business systems.
- Journey information.
- Internal audit quality assurance.
- Cyclical reviews of motor registries and Service NSW Centres.

## Investigations

### Corruption and fraud prevention

In addition to the investigation of allegations of corruption or fraud, Roads and Maritime has a corruption and fraud control framework, for which the Corruption Prevention and Investigations section has oversight. This includes a range of tools, processes and initiatives aimed at minimising the risk of corrupt or fraudulent activity by staff and business partners.

Examples of actions it carries out include:

- Delivery of corruption, fraud and ethics seminars to staff across high risk business environments.
- Corruption prevention workshops for senior management.
- Provision of anti-corruption information through the Roads and Maritime intranet and other communication channels.
- Provision of expertise and advice to staff and management on a wide range of corruption risks and ethical, probity and policy issues.
- Reporting and reviewing corruption prevention issues that arise from investigations.

### Financial performance

For details of Roads and Maritime's financial performance for period 1 July 2013 to 30 June 2014, refer to the financial statements (see pages 46–145).

## Internal Audit and Risk Management Attestation

### Internal Audit and Risk Management Attestation for the 2013–2014 Financial Year for Roads and Maritime Services

I, Peter Duncan, am of the opinion that Roads and Maritime Services has internal audit and risk management processes in operation that are, in all material respects, compliant with the core requirements set out in Treasury Circular NSW TC 09/08 Internal Audit and Risk Management Policy.

I, Peter Duncan, am of the opinion that the Audit and Risk Committee for Roads and Maritime Services is constituted and operates in accordance with the independence and governance requirements of Treasury Circular NSW TC 09/08. The Chair and Members of the Audit and Risk Committee are:

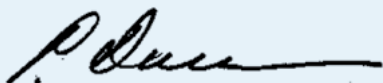
- Mr Greg Fletcher, independent chair (three-year appointment from 1 November 2011).
- Mr Allan Cook, independent member (three-year appointment from 4 December 2013).
- Mr Geoff Fogarty, Director, Infrastructure Development, internal member (three-year appointment from 1 November 2011).
- Mr Alexander Smith, independent member (three-year appointment from 15 January 2012 and resigned from the committee on 18 September 2013).

I, Peter Duncan, declare that this Internal Audit and Risk Management Statement is made on behalf of the following controlled entities (or subsidiaries):

- WestConnex Delivery Authority.

These processes provide a level of assurance that enables the senior management of Roads and Maritime to understand, manage and satisfactorily control risk exposures.

As required by the policy, I have submitted an Attestation Statement outlining compliance with the policy to Treasury on behalf of the Treasurer.



**Peter Duncan AM**  
Chief Executive



Section 9

# Operational achievements 2013–14

# Operational achievements 2013–14

Roads and Maritime has made major contributions to the state's objectives outlined in *NSW 2021 – A Plan to Make NSW Number One*, the NSW Government's Long Term Transport Masterplan, NSW Freight and Ports Strategy and Transport for NSW's strategy, *Connections*.

## Optimising the safety of our networks

This year we focused on improving road and maritime safety for the community by:

- Delivering 145 projects under the State and Federal Black Spot programs to improve road safety at identified locations and contribute to the NSW 2021 target of reducing fatalities to less than 4.3 per 100,000 population by 2016.
- Launching a new policy to allow mobile vendors to sell coffee and light refreshments in selected NSW rest areas to fill a gap in refreshment services along a number of major State corridors. Where approved by local councils, vendors are now operating across NSW on major highways.
- Participating in a review of the current and future highway service centres on the Pacific Highway.
- Creating new overtaking lanes throughout NSW, including on the Oxley Highway between the Pacific Highway and Wauchope, and five locations on the Newell Highway.
- Installing new point-to-point cameras to enforce restrictions on heavy vehicle speeding in NSW. As of 30 June 2014, 24 point-to-point lengths were operational across the State.
- Installing red light speed cameras at an additional 21 intersections across NSW, bringing the total to 126 intersections.
- Increasing mobile speed camera enforcement hours to 7000 per month, leading to crash reduction across the whole network.
- Conducting 210 speed zone reviews across NSW, resulting in 132 speed zone changes.
- Rolling out school zone flashing lights to 101 schools before the start of the 2014 school year, improving safety for children by warning motorists to slow down as they enter 40km/h school zones.
- Delivering the School Crossing Supervisor Program to provide supervisors to 701 schools across NSW.
- Delivering a program of life jacket awareness initiatives as part of the boating safety communications and education strategy 2012–15, including promoting the use of life jackets via a mobile van at key boating areas.
- Creating 18 new Boating Education Officer positions to promote boating safety.
- Delivering new and improved modular boat ramp signage to 40 priority locations across the State.
- Supporting the introduction of the National System for Domestic Commercial Vessel Safety to simplify commercial vessel safety requirements.
- Completing initial safety work on Mona Vale Road in January 2014.
- Working with Transport for NSW (Centre for Road Safety) and NSW Police to complete a detailed safety review of a section of Appin Road, and starting work on safety improvements.
- Completing key asset maintenance services to improve the smoothness, durability and skid-resistance of roads. This work included:
  - Resurfacing 4.61 per cent of the asphalt network, exceeding the target of 3.2 per cent at a lower cost than budgeted.
  - Rebuilding 1.92 per cent of the existing road pavement network, reducing costs by around six per cent.
  - Resurfacing 8.65 per cent of the sprayed seal network.

## Easing congestion and optimising the reliability and efficiency of journeys

In 2013–14 we:

- Delivered a range of travel solutions to optimise the movement of people and goods throughout our road and maritime networks. We:
- Continued to work with the Transport Management Centre to ensure consistent delivery of critical incident and event management services across NSW.
- Continued to ease congestion by delivering pinch point projects worth \$43 million. A pinch point is a location which experiences traffic congestion, causing delays and increasing travel time along a route. We delivered 12 intersection upgrades in Western Sydney under the Pinch Point Program in 2013–14.
- Championed the development and implementation of the Sydney Clearways Strategy.
- Implemented clearway extensions on Victoria Road, Rozelle in March 2014.
- Carried out studies and consultation for the remaining four priority routes including Lane Cove Road, Mona Vale Road, King Georges Road and the Princes Highway.
- Partnered with Transport for NSW, City of Sydney Council and other stakeholders to achieve the NSW Government release of the Sydney City Centre Access Strategy.

## Supporting the use of public transport

Roads and Maritime supports Transport for NSW initiatives to increase the use of public transport.

In 2013–14 we:

- Started work on Drummoyne and Mosman Bay ferry wharf upgrades, improving Sydney's ferry service for passengers. Planning or construction also started for Balmain East, Sydney Olympic Park, Cremorne Point, Pyrmont Bay and McMahon's Point wharves. The new wharves are part of the NSW Government's \$770 million Transport Access Program.
- Partnered with Transport for NSW to operate and develop strategic bus corridors across

the Sydney metropolitan area, improving the reliability of bus services and reducing bus journey times. We completed three bus priority infrastructure improvement projects this year, providing continuous bus lanes and bus priority at traffic lights.

- Operated 57 bus priority enforcement cameras. The cameras were operational 99.3 per cent of the time in 2013–14, helping ensure appropriate and compliant use of bus lanes.
- Regulated road-based public transport services (buses, taxis and hire cars) to ensure the safety and reliability of services and protection from fraud.
- Regulated commercial vessels, including the licensing and vessel compliance of Sydney Harbour ferry service operators.
- Developed a consistent accreditation model for all third-party schemes, including (but not limited to) buses, taxis, hire cars, tow trucks, inspection vehicles, modified vehicles and livestock loading programs.
- Developed new mechanisms and tools to manage bus safety in NSW in consultation with Bus NSW and Transport for NSW.

## Improving our customers' experience

In 2013–14 we:

- Delivered real-time information as part of the rollout of the Roads and Maritime Travel Time Information Service Management Plan, including new variable message signs at six new locations on the M1 Pacific Motorway.
- Provided new online maps and improved information for customers on:
  - The movement of livestock.
  - Congestion avoidance.
  - Rest areas and driver reviver stops.
  - Access information for restricted access vehicles.
  - Boat ramps and their availability.
- Completed a pilot and started the implementation of personalised email alerts for hazards on defined journeys via the Live Traffic website.

- Completed the rollout of the new alpha-numeric route numbering system, updating 63 routes and installing more than 11,000 cover plates. This helps customers to navigate our road network and brings NSW into line with other states and territories.
- Continued to reform and improve registration and licensing processes for our customers, including:
  - Introducing new processes for aquatic licences and recreational vessel registration.
  - Contracting third-party providers to deliver classroom and practical training to learner and provisional drivers, improving their understanding of road safety and reducing their compulsory supervised driving hours.
  - Working with Transport for NSW to rollout a program to align boat trailer, vessel and vehicle registration expiry dates.
  - Improving the online account process, enabling customers to complete multiple transactions, while only validating and authenticating their details once.
  - Combining online demerit points and driving record requests into a single transaction.
  - Launching a mobile site, which complemented the NSW Rego iPhone app, to allow customers using smartphones to complete a registration renewal or free registration check on their mobile phone.

### Improving road safety through heavy vehicle compliance programs

NSW has the toughest and most active heavy vehicle enforcement regime in Australia. All NSW-registered heavy vehicles are checked for compliance during annual registration. The NSW compliance and enforcement program includes:

- 285 heavy vehicle regulation inspectors.
- Eight heavy vehicle checking stations.
- A fleet of more than 100 compliance vehicles equipped with improved technology to assist with compliance activities.
- 27 Safe-T-Cam cameras at 24 locations in NSW linked to 13 Safe-T-Cam sites in South Australia.
- 24 point-to-point camera sites.

- Around 200 fixed roadside inspection sites.
- Joint taskforce compliance inspection operations as required.

In 2013–14 we:

- Used satellite-tracking information gathered as part of the Intelligent Access Program to target non-compliant operators for education and enforcement action.
- Supported the introduction of new legislation for overheight and overlength vehicles causing damage to our assets and causing congestion.
- Upgraded heavy vehicle signage and warning facilities to support changed fine and vehicle deregistration legislation.
- Established the Road Freight Industry Council Overheight Vehicles Working Group and hosted its first meeting in September 2013, developing a program of work to address emerging issues such as the demand for the movement of oversize and overmass vehicles on the NSW road network.

### Improving freight journeys, productivity and safety

The freight industry is a key driver of productivity and economic growth. Roads and Maritime is responsible for improving infrastructure and delivering programs to improve freight efficiency and safety.

In 2013–14 we:

- Displayed the preferred options for the removal of the rail level crossing on General Holmes Drive and the widening of Joyce Drive between O’Riordan Street to Mill Pond Road. This improvement work east of the Airport will reduce congestion caused by freight and passenger vehicles, improving traffic flow and access to the airport, Port Botany and in the future, the WestConnex motorway.
- Continued to deliver the Bridges for the Bush Program, which involves the replacement and upgrade of key State-owned bridges in regional areas. This year we:
  - Completed the replacement of the Timber Truss Bridge over Crookwell River at James Park on Main Road 54.

- Started construction of Tulladunna Bridge approaches, near Wee Waa and Bemboka River Bridge, near Bega.
- Achieved preconstruction approvals for Kapooka Bridge, near Wagga Wagga.
- Completed the concept design for the Tabulam Bridge over the Clarence River.
- Advanced the concept design for Gunnedah Bridge.
- Facilitated and supported the introduction of the National Heavy Vehicle Regulator and *National Heavy Vehicle Law*, bringing business and safety benefits, including expected economic benefits of up to \$12.4 billion over the next 12 years.
- Assisted Transport for NSW to develop and implement a Grain Harvest Management Scheme for the 2013–14 NSW grain harvest. Fifty-six local councils participated in the scheme, which enhanced transport productivity during harvest seasons by providing eligible heavy vehicles with increased mass limits.
- Continued to work with local councils to gain acceptance of the NSW Livestock Loading Scheme, which provides increased mass limits for livestock loads and was established to enhance productivity and protects jobs in the NSW meat and livestock industry. As at 30 June 2014, 21 local councils were participating in the scheme.
- Introduced the requirement for a Transport Management Plan for “high risk” oversize and/or overmass movements. The plan will describe how an oversize and/or overmass vehicle will safely travel in NSW, reducing the impact on other road users and road infrastructure.
- Delivered six heavy vehicle rest area upgrades and 15 livestock initiative projects valued at \$12.6 million under the Heavy Vehicle Safety and Productivity Program.

## Providing the infrastructure for the future

Several major infrastructure projects were in planning and construction in 2013–14. A full list of projects is provided in Appendix 3: Major work.

Key infrastructure projects for 2013–14 included:

- **WestConnex**, which is Australia’s largest urban road infrastructure project. It will provide a crucial missing link in Sydney’s motorway network, connecting Sydney’s west and south west to the city, airport and port. The 33 kilometre motorway includes about 14 kilometres of surface roads and up to 19 kilometres of tunnels.

In 2013–14 we:

- The M4 Widening, M4 East, and King Georges Road Interchange Upgrade planning applications were lodged.
- The concept designs for the M4 Widening and M4 East were displayed for community comment.
- Issues reports for the M4 Widening and M4 East were published, responding to community feedback.
- Preparation of the Environmental Impact Statement for the M4 Widening and M4 East started.

For more information about WestConnex, see Appendix 30.

- **NorthConnex:** The proposed NorthConnex motorway will provide twin nine kilometre tunnels linking the M1 Pacific Motorway at Wahroonga to the Hills M2 Motorway at West Pennant Hills. The link will provide an important route for freight traffic and better connectivity within NSW to reduce congestion and improve traffic flow along Pennant Hills Road. The project is expected to remove up to 5000 trucks and heavy vehicles per day from Pennant Hills Road.

In 2013–14 we:

- Prepared the Environmental Impact Statement ahead of its public display from 15 July 2014.
- Continued to consult impacted property owners, businesses and the local community.

- **Hunter Expressway:** The \$1.7 billion, 40 kilometre Hunter Expressway opened to traffic on 22 March 2014, delivering the Hunter region's largest road infrastructure project. The expressway links the M1 Pacific Motorway, near Seahampton and the New England Highway, west of Branxton, cutting travel times by up to 28 minutes between Newcastle and the Hunter region. Preliminary traffic data shows around 20,000 vehicles per day using the Hunter Expressway on weekdays and weekends.
- **Hume Highway:** This 800 kilometre highway links the nation's two largest state capitals, Sydney and Melbourne. The final project in the duplication of the highway to provide two lanes in each direction between Sydney and Melbourne was opened to traffic in August 2013. The program created an estimated 80,000 jobs in NSW during construction. The completed highway provides a safer and more efficient trip for travellers and road freight between Sydney and Melbourne. In addition, the construction of 26 major bypasses in NSW has removed large trucks from local roads and towns, reducing noise and other traffic impact on local communities.
- **Pacific Highway upgrade:** This program of work will provide motorists and the freight industry with a divided, four-lane carriageway between Hexham and the Queensland border. At the end of 2013–14, of the 670 kilometres of highway between Hexham and Queensland:
  - 381 kilometres was a four-lane divided road.
  - 80 kilometres was being built.
  - A further 57 kilometres was ready for construction and had a contract awarded or a preferred contractor announced.
  - We continued to prepare for major work on the remaining 155 kilometres of highway upgrade.
 In 2013–14 we:
  - Completed construction of the Herons Creek to Stills Road and Devils Pulpit upgrades.
  - Started construction on the Frederickton to Eungai, Nambucca Heads to Urunga and Woolgoolga to Ballina upgrades.
- Awarded contracts for the Kundabung to Kempsey and Oxley Highway to Kundabung upgrades.
- Reached agreement on the final conditions of approval for the Woolgoolga to Ballina project with the Department of Planning and Environment. The project is being considered by the Commonwealth for approval in 2014–15.
- Developed a new and innovative delivery model for the Woolgoolga to Ballina upgrade project, allowing us to better harness the capabilities of the private sector.
- **M1 Princes Motorway/Princes Highway upgrade:** The M1 and Princes Highway is the major inter-regional transport corridor that connects the South Coast of NSW with Sydney. In 2013–14 we:
  - Opened the Bega Bypass, delivering faster, safer and smoother driving conditions for motorists and taking heavy vehicles out of the Bega CBD, improving safety for all road users.
  - Opened the four-lane updated highway at South Nowra, improving traffic flow for motorists.
  - Recommended a preferred corridor for a new Shoalhaven River Bridge at Nowra following planning and detailed community consultation.
  - Continued construction of the \$329 million Gerringong upgrade, with completion due in 2015.
  - Awarded the design and construct contract for the \$580 million Foxground and Berry Bypass.
  - Completed a review of options for a bypass of Park Rail.
- **Great Western Highway:** This highway serves as a key freight route between Sydney and central NSW, as well as being a popular tourist route. The Great Western Highway upgrade involves widening the highway to four lanes between Emu Plains and Katoomba together with safety improvements between Katoomba and Lithgow. In 2013–14 we:
  - Finished the majority of work between Woodford to Hazelbrook.



- Continued construction of the final two sections between Bullaburra and Wentworth Falls.
- Invited tenders for the construction of the Forty Bends upgrade, near Lithgow.
- Determined the environmental impact assessment for safety work in Hartley Valley.
- Displayed the environmental impact assessment for safety work in Mount Victoria village.
- Awarded the contract for the Great Western Highway upgrade at Kelso.
- **M2 Motorway:** The enhancements from Windsor Road to Lane Cove Road were opened to traffic in August 2013, reducing congestion in peak periods and improving access to major growth areas. Construction of the new Lane Cove Road on-ramp to the M2 Motorway started in November 2013 and will be completed in 2014–15.
- Displayed the concept design for the additional crossing over the Clarence River at Grafton for community comment.
- Supported 66 boating infrastructure projects in regional NSW through the Better Boating Program, totalling \$5.045 million.
- Progressed planning for the upgrade of the Coffs Harbour boat ramp and Palm Beach ferry wharf in collaboration with local council and boating stakeholders.

### Central Coast roads

In 2013–14 we:

- Opened the Central Coast Highway upgrade between Matcham Road and Ocean View Drive to traffic in August 2013, improving traffic flow and delivering major intersection improvements and upgraded facilities for pedestrians and cyclists.
- Started construction on:
  - Central Coast Highway, Brisbane Water Drive and Manns Road intersection reconstruction project.
  - A new intersection on Sparks Road to service the Warnervale town centre.
- Awarded the contract for the detailed design of the Pacific Highway, Wyong Road intersection upgrade.
- Awarded design contracts for Pacific Highway, Wyong town centre and the M1 Pacific Motorway widening, Kariong interchange to Somersby interchange.
- Completed the environmental impact assessment determination for the Wyong Road, Enterprise Drive intersection upgrade.

## Developing regional networks and infrastructure

In addition to the opening of the Hunter Expressway and ongoing work on the Pacific Highway, Great Western Highway and Princes Highway upgrade programs in regional NSW. In 2013–14 Roads and Maritime:

- Opened the Shortland to Sandgate section of the Newcastle Inner City Bypass, providing improved access between the developing western parts of Newcastle, regional produce markets and the Port of Newcastle.
- Started construction on the final stage of the Nelson Bay Road upgrade between Bobs Farm and Anna Bay.
- Released the preferred option for the Cormorant Road, Industrial Drive to Stockton Bridge project in Newcastle; the New England Highway, Bolivia Hill upgrade; and the New England Highway, Scone bypass and rail level crossing removal.
- Invited tenders for option assessment for the rail underpass widening project on the New England Highway at Gowrie Gates.

## Supporting Sydney's growth and development

Roads and Maritime delivers critical infrastructure to support the growth and development of Sydney, including accommodating the population expansion occurring in Sydney's major growth centres.

In 2013–14 we:

- Opened the Erskine Park Link Road to traffic, providing a vital link between the NSW Government's Western Sydney Employment Area and the M4 and M7 Motorways.
- Established a new program office to deliver the Western Sydney Infrastructure Program following the NSW and Federal Governments' announcement of \$3.5 billion, 10-year program of road upgrades to support a new airport at Badgerys Creek.
- Commenced planning for a package of work to support the development of the new Northern Beaches Hospital, including a full consultation program.
- Continued work on Camden Valley Way, Bringelly Road to Oran Park Drive.
- Invited construction tenders for Bringelly Road, Camden Valley Way to King Street.
- Determined the environment impact assessments for upgrade of sections of Richmond Road and Schofields Road.
- Awarded construction contracts for upgrades and extensions to sections of Richmond Road, Schofields Road and Narellan Road.
- Awarded design contracts for the upgrade of sections of The Northern Road.

## Supporting an active community

Roads and Maritime is committed to making provisions for bicycles in all new major road infrastructure and maintenance work. This is in line with the NSW Government State Plan, which is dedicated to decreasing car dependence and improving the environment in NSW.

In 2013–14 we:

- Allocated \$5.41 million to support 72 boating infrastructure initiatives across NSW, including 66 in regional areas, as part of the Better Boating Program.
- Started planning for the delivery of additional maritime recreational boating infrastructure in partnership with local councils and boating stakeholders.
- Worked with local regional councils to provide funding on a 50:50 basis for 126 local bicycle network projects, resulting in the delivery of more than 46 kilometres of new cycleways in regional areas.
- Delivered more than 16.2 kilometres of strategic cycleways in Sydney and carried out planning and design for projects in future years.
- Delivered 182 pedestrian projects at a total cost of \$13.4 million.
- Carried out community and stakeholder consultation on behalf of Transport for NSW for key projects under the Sydney City Centre Access Strategy, including the Sydney City Centre Bus Infrastructure and cycleways on Castlereagh, Park and Liverpool streets.
- Started work on the Heathcote Pedestrian Bridge and started planning and consultation for the Albert "Tibby" Cotter footbridge over Anzac Parade, Moore Park.

## Maintaining the safety and integrity of our assets

In 2013–14 the NSW Government allocated \$1.55 billion to the maintenance and repair of roads and bridges across the State. This funding is for repairing potholes, upgrading the road surface, removing graffiti from road signs, tidying vegetation near roads and completing minor improvement projects to make the roads safer and more durable.

This allocation also included nearly \$432 million to councils for Block Grants, Repair and Improvement of Roads (REPAIR) funding and natural disaster recovery work.



## In 2013–14 Roads and Maritime:

- Completed structural inspections on 2268 bridges, exceeding our target by 18.
- Completed 30 major bridge repairs with a further 11 projects in progress.
- Replaced seven bridges and five bridge-sized culverts (concrete drains).
- Completed the structural upgrade work on the ANZAC Bridge ahead of schedule, providing an improved asset for the 100,000 vehicles and pedestrians and cyclists that use the bridge each day.
- Repainted sections of the Sydney Harbour Bridge. 928 square metres were painted in June 2014 alone, the best production rate ever achieved.
- Renovated key ancillary systems on Sydney Harbour Bridge, including lane changing devices, which are crucial to the effective operation of the bridge.
- Completed 15,000 kilometres of line marking.
- Remediated 48 high risk slopes.
- Resurfaced the equivalent of 3173 lane kilometres of bitumen sprayed seal surface and 627 lane kilometres of asphalt surfaced roads across the State.
- Rebuilt 1.92 per cent of the existing road network or the equivalent of 1065 lane kilometres.
- Replaced or upgraded 98 drainage structures.
- Reviewed the stability of 580 road cuttings and embankments.
- Carried out targeted risk assessments on 2482 culverts.
- Performed regular inspections of more than 100 maritime structures located in Sydney, Newcastle and Port Kembla harbours, together with necessary maintenance work.
- Performed a feasibility study and created an action plan to implement more efficient light technologies at Roads and Maritime-managed lighthouses to reduce our energy usage and maintenance costs.

## Partnering with stakeholders and industry

Roads and Maritime provides grants to local councils under a number of programs. In 2013–14 we:

- Provided \$140.1 million to councils under the Block Grant Program for the general management and maintenance of Regional Roads.
- Provided a further \$27.8 million through the REPAIR Program, for councils to complete major rehabilitation and development work on Regional Roads on a 50:50 funding basis.
- Participated in the Audit Office of NSW's independent performance audit of Regional Road funding. The final report was tabled in Parliament on 9 May 2014.
- Delivered a \$156.4 million program of work to address the effects of previous natural disasters throughout NSW.
- Started a review of natural disaster funding and administration arrangements for roads in consultation with NSW Treasury and other stakeholders.

In addition to our grants programs, this year Roads and Maritime partnered with Marine Compliance Taskforce agencies to implement key reforms, including agency co-location trials, sharing enforcement powers for minor offences (like fishing and boat licence checks) and developing common vessel procurement maintenance processes.

Section 10

# Business results

# Key results areas

Transport for NSW has a set of six result areas, to ensure the cluster is delivering against overarching objectives. These are:

- **Travel:** The door to door movement of people and goods is efficient and reliable.
- **Asset:** Transport infrastructure meets acceptable standards.
- **Access:** The accessibility of transport is aligned with the needs of the community and the economy.
- **Safety:** The safety and security of the transport system is maximised.
- **Environment:** The impact of transport on the environment is minimised.
- **Business:** Effective governance is in place to deliver our results.

Roads and Maritime aligns our strategy and delivery with these results areas and we measure our effectiveness against a set of key performance indicators married to these result areas. Our performance against these indicators is provided in the following tables.

Measure	2009–10	2010–11	2011–12	2012–13	2013–14 target	2013–14 actual
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**Table 10.1. Customer**

Roads and Maritime's website users per million <sup>(i)</sup>	27.5	25.8	24.6	28.1	N/A	12.2
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(i) RTA only data for 2007–11. Actual as at 30 June 2014 is a combination of Roads and Maritime (Road Projects and GEARED young drivers website) and NSW Maritime website users.

**Table 10.2. Travel**

Traffic volumes on Sydney key routes <sup>(i)</sup> (%) AM peak	-	1.25	2.84	2.50 (am) <sup>(ii)</sup>	-	1.62
Traffic volumes on Sydney key routes <sup>(i)</sup> (%) PM peak	-	1.99	1.77	2.03 (pm) <sup>(ii)</sup>	-	0.74
Average travel speed on Sydney key routes (am/pm) [km/h]	-	-	-	38.92 km/h (am) 37.06 km/h (pm)	-	38.8 (am) 36.33 (pm)
Average travel time on Sydney key routes (am/pm) [min:sec] <sup>(iii)</sup>	-	-	-	1 min 32 sec (am) 1 min 37 sec (pm)	-	1 min 33 sec (am) 1 min 40 sec (pm)
Reliability on Sydney key routes (%) <sup>(iv)</sup>	-	-	-	9.4 (am) 9.9 (pm)	-	10.1 (am) 10.9 (pm)
Benefit of development program (\$million)	\$4220	\$5920	\$4475	\$4720	\$4200	\$4018
Major road work completed within 10% of planned duration (%)	91.4	96	89.6	72.5	90	99.5

(i) Change in vehicle volumes per hour from previous year.

(ii) Change in 2012–13 figures reflect change in methodology.

(iii) Average travel time taken to drive one kilometre.

(iv) Percent of days with travel time that is more than 20% longer than a typical journey.

Measure	2009–10	2010–11	2011–12	2012–13	2013–14 target	2013–14 actual
<b>Table 10. 3. Asset</b>						
NSW State Roads meeting national road smoothness standards (% smooth travel)	91.5	91.2	91.1	91.3 <sup>(i)</sup>	91.6	92.6
Urban State Roads meeting national road smoothness standards – Urban (% smooth travel)	90.3	90.0	89.6	89.9 <sup>(i)</sup>	90.3	92.6
Rural State Roads meeting national road smoothness standards (% smooth travel)	93.4	93.2	93.5	93.6 <sup>(i)</sup>	93.7	93.7
Rebuilding of existing State Road pavements – Maintain plus Build contribution (% of roads rebuilt)	1.60	1.51	1.55	1.10	1.70	1.92
Resurfacing of sprayed bitumen sealed surfaces (% of sprayed sealed surfaces resealed)	10.90	9.59	8.50	9.32	8.50	8.65
Resurfacing of asphalt surfaces (% of asphalt surfaces renewed)	4.10	3.18	3.50	3.42	3.20	4.61
Number of bridges on State Roads limiting legal usage due to structural condition	0	0	1	1	N/A	1

(i) Data for road smoothness and pavement cracking was not collected during the 2012–13 period, therefore estimates are provided.

<b>Table 10. 4. Access</b>						
State Road network available to Higher Mass Limit Vehicles (%)	95.16	97.59	94.17	95.95	97.5	97.97
Sydney Harbour commuter wharves compliant with disability standard for Accessible Public Transport (%) <sup>(i)</sup>	29	33	37	43	N/A	52

(i) Please note that an increase in the compliance figure from 2012–13 was due to three wharves (Balmain West, Bayview Park and Birkenhead Point) being removed from the Sydney Ferries network.

<b>Table 10. 5. Safety</b>						
Operational uptime status of cameras (%)						
• Fixed Digital Speed Camera	95	94.5	94.7	97.9	94.5	96.7
• Red Light Speed Camera	98	96.3	93.9	96.3	94.5	97.4
• Point to Point Camera	N/A	N/A	93.5	94.7	94.5	95.2
• Bus Lane Camera	96	99.2	99.1	98.6	94.5	99.3
Mobile speed enforcement hours delivered against program targets (%)	N/A	N/A	99.5	98	94.5	110
Boating safety compliance rate:						
• Recreational vessels including personal watercraft	89.0	92.8	90.8	90.8	90	90.8
• Commercial vessels	88.3	91.6	93.9	93.1	90	92.6
Heavy Vehicle Inspection Scheme: number of inspections	102,461	103,622	106,104	104,669	N/A	90,358

Measure	2009–10	2010–11	2011–12	2012–13	2013–14 target	2013–14 actual
<b>Table 10. 6. Environment</b>						
Number of Environmental Penalty Notices issued to Roads and Maritime	1	4	2	0	N/A	0
Number of Non-Compliances with environment protection licences held by Roads and Maritime	21	14	5	9	N/A	6
Waste removed from Sydney Harbour (cubic metres)	2778	2284	2689	2259	N/A	1,923
Roads and Maritime's total greenhouse gas emissions from direct consumption (tonnes CO <sub>2</sub> - equivalent)	65,446	67,779	141,073	165,205	N/A	(i)
Roads and Maritime's total office energy consumption (GJ)	65,446	67,779	N/A	61,468	N/A	(i)

(i) There is a 12 month lag in reporting annual greenhouse emission and energy use data. Current data is for the period 2012–13.

<b>Table 10. 7. Business</b>						
Roads and Maritime Lost Time Injury Frequency Rate (LTIFR)	–	–	–	11.64	10.48	13.65
Roads and Maritime Medical Treatment Injury Frequency Rate (MTIFR)	–	–	–	13.96	12.56	15.26
Roads and Maritime WHS liability workplace claims cost (\$ million)	–	–	1.1	2.15	N/A	2.03
Roads and Maritime separation rate of staff (%)	–	–	3.23	7.76	N/A	12.37

Section 11

# Financial statements

# Financial overview

## Funding

Roads and Maritime-sourced revenue primarily came from Sydney Harbour Bridge and Tunnel tolls, rental income, external commercial services, fees for services provided, special number plate sales, advertising, maritime services and E-tag revenue.

State funding includes motor vehicle weight taxes and direct cash allocations, Housing Acceleration Fund (HAF), Hunter Infrastructure Investment Fund (HIIF) and Rentstart NSW.

Federal funding was provided under the Nation Building Program and the Building Australia Fund. Non-cash revenue has been excluded.

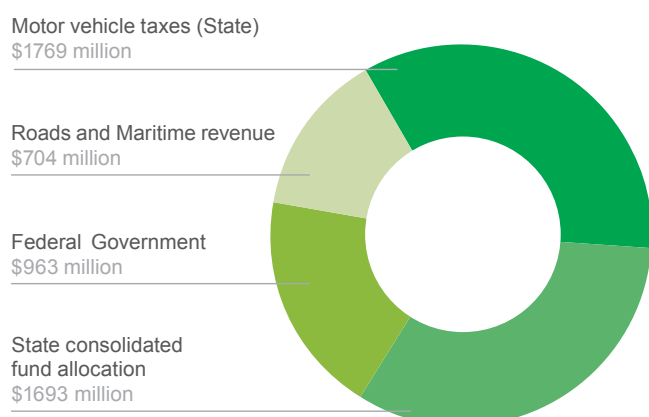
## Expenditure

Expenditure consisted of operational expenses (excluding non-cash items) incurred to achieve Roads and Maritime transport objectives, and capital investment to enhance the value of the road network and maritime related assets.

**Table 11.1 Roads and Maritime funding sources**

Funding	(\$'m) July 2013–June 2014
Motor vehicle taxes (State)	1769
State consolidated fund allocation	1693
<b>State Government</b>	<b>3462</b>
Federal Government	963
Roads and Maritime revenue	704
<b>Total</b>	<b>5129</b>

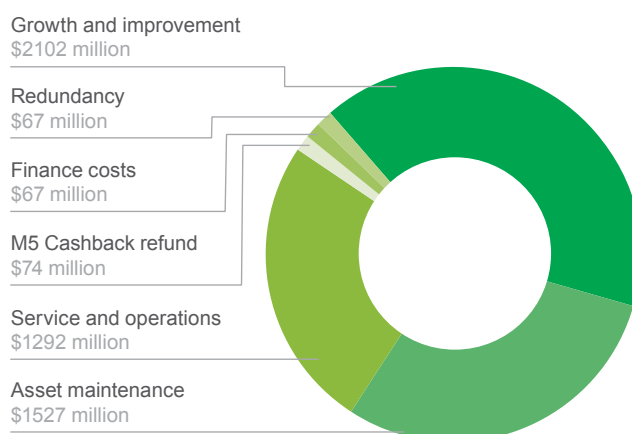
**Figure 1. Revenue July 2013 to June 2014**



**Table 11.2. Roads and Maritime program expenditure**

Expenditure	(\$'m) July 2013–June 2014
Growth and improvement	2102
Asset maintenance	1527
Services and operations	1292
M5 Cashback refund	74
Finance costs	67
Redundancy	67
<b>Total</b>	<b>5129</b>

**Figure 2. Expenditure July 2013 to June 2014**



# Financial statements: Contents

<b>Independent Auditor's Report</b>	<b>50</b>	s) Other assets	81
<b>Chief Executive Statement</b>	<b>52</b>	t) Budgeted amounts	81
Statement of Comprehensive Income for the year ended 30 June 2014	53	u) Financial instruments	81
Statement of Financial Position as at 30 June 2014	54	a) Financial assets	81
Statement of Changes in Equity for the year ended 30 June 2014	55	b) Financial liabilities	82
Statement of Cash Flows for the year ended 30 June 2014	57	c) Fair value hierarchy	83
Service Group Statements for the year ended 30 June 2014	58	v) Equity transfers	83
<b>1. Summary of Significant Accounting Policies</b>	<b>62</b>	w) Grants and subsidies	83
a) Reporting entity	62	x) Retained taxes, fees and fines	83
b) Basis of preparation	62	y) Comparative information	84
c) Statement of compliance	63	z) Equity and reserves	84
d) Principles of consolidation	63	aa) Critical accounting estimates, judgements and assumptions	84
e) Changes in accounting policy, including new or revised Australian Accounting Standards	63	bb) Change in accounting standard AASB 119 Employee Benefits	84
f) Administered activities	72	<b>2. Expenses excluding losses</b>	<b>88</b>
g) Income recognition	72	a) Employee related expenses	88
h) Employee benefits and other provisions	72	b) Other operating expenses	89
i) Borrowing costs	74	c) Depreciation and amortisation	90
j) Insurance	74	d) Grants and subsidies	90
k) Accounting for the Goods and Services Tax (GST)	74	e) Finance costs	90
l) Asset management policy	74	<b>3. Revenue</b>	<b>91</b>
m) Major inspection costs	80	a) Sale of goods and services	91
n) Restoration costs	80	b) Investment revenue	91
o) Maintenance	80	c) Retained taxes, fees and fines	92
p) Inventories	80	d) Grants from Transport for NSW (TfNSW)	92
q) Capitalisation of expenditure	81	e) Other grants and contributions	92
r) Non-current assets held for sale	81	f) Other revenue	93
		<b>4. Gains (losses) on disposal</b>	<b>94</b>
		a) Gains (losses) on disposal	94
		b) Other gains/(losses)	94



# Financial statements: Contents

<b>5. Write-off/down of land &amp; buildings and infrastructure assets</b>	<b>95</b>	<b>15. Current/non-current liabilities – borrowings</b>	<b>120</b>
<b>6. Service groups of Roads and Maritime Services</b>	<b>96</b>	<b>16. Financial instruments</b>	<b>121</b>
a) Growth and Improvement	96	a) Financial instrument categories	121
b) Services and Operations	96	b) Market risk	121
c) Asset Maintenance	96	c) Credit risk	124
<b>7. Current assets – cash and cash equivalents</b>	<b>97</b>	d) Fair value	125
<b>8. Current assets/non-current assets – receivables and other financial assets</b>	<b>98</b>	e) Fair value recognised in statement of financial position	126
a) Current receivables	98	f) Liquidity risk	126
b) Non-current receivables	98	<b>17. Current/non-current liabilities – provisions</b>	<b>129</b>
c) Other financial assets	99	a) Valuation method	132
d) Current financial assets (at fair value)	99	b) Significant actuarial assumptions at reporting date	133
<b>9. Non-current assets – property, plant and equipment</b>	<b>100</b>	c) Demographic Assumptions	133
a) Land and buildings – consolidated and parent	102	<b>18. Current/non-current liabilities – other</b>	<b>135</b>
b) Plant and equipment – consolidated and parent	103	<b>19. Commitments for expenditure</b>	<b>137</b>
c) Infrastructure systems – consolidated and parent	104	a) Capital Commitments	137
<b>10. Non-current assets – intangible assets and other</b>	<b>108</b>	b) Operating lease commitments	137
a) Private sector provided infrastructure	108	c) Sydney Harbour Tunnel – finance lease liability	138
b) Other intangible assets – consolidated and parent	111	<b>20. Increase in net assets from equity transfer</b>	<b>140</b>
<b>11. Non-current assets held for sale</b>	<b>112</b>	<b>21. Events after the reporting period</b>	<b>140</b>
<b>12. Fair value measurement of non-financial assets</b>	<b>113</b>	<b>22. Contingent assets and contingent liabilities</b>	<b>140</b>
a) Fair value hierarchy	113	<b>23. Budget Review</b>	<b>141</b>
b) Valuation techniques, inputs and processes	114	<b>24. Native Title</b>	<b>142</b>
c) Reconciliation of recurring Level 3 fair value measurements	118	<b>25. Administered income and expenses</b>	<b>143</b>
<b>13. Restricted Assets</b>	<b>119</b>	<b>26. Administered assets and liabilities</b>	<b>143</b>
<b>14. Current/non-current liabilities – payables</b>	<b>119</b>	<b>27. Reconciliation of cash from operating activities to surplus</b>	<b>144</b>
		<b>28. Non-cash financing and investing activities</b>	<b>145</b>

# Independent Auditor's Report



## INDEPENDENT AUDITOR'S REPORT

### Roads and Maritime Services

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of Roads and Maritime Services (RMS), which comprise the statements of financial position as at 30 June 2014, the statements of comprehensive income, the statements of changes in equity, the statements of cash flows and service group statements for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information of RMS and the consolidated entity. The consolidated entity comprises RMS and the entities it controlled at the year's end or from time to time during the financial year.

### Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of RMS and the consolidated entity as at 30 June 2014, and of their financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

My opinion should be read in conjunction with the rest of this report.

### The Chief Executive's Responsibility for the Financial Statements

The Chief Executive is responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the Chief Executive determines is necessary to enable the preparation of the financial statements that give a true and fair view and that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Chief Executive, as well as evaluating the overall presentation of the financial statements.

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

My opinion does *not* provide assurance:

- about the future viability of RMS or consolidated entity
- that they have carried out their activities effectively, efficiently and economically
- about the effectiveness of internal control
- about the assumptions used in formulating the budget figures disclosed in the financial statements
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information, that may have been hyperlinked to/from the financial statements.

### **Independence**

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their role by the possibility of losing clients or income.



M T Spriggins  
Director, Financial Audit Services

18 September 2014  
SYDNEY

# Chief Executive Statement

## ROADS AND MARITIME SERVICES

### FOR THE YEAR ENDED 30 JUNE 2014

Pursuant to Section 41C (1B) and (1C) of the Public Finance and Audit Act 1983, we declare that in our opinion:

1. The accompanying financial statements and notes thereto exhibit a true and fair view of Roads and Maritime Services financial position as at 30 June 2014 and financial performance for the year ended 30 June 2014
2. The statements have been prepared in accordance with the provisions of applicable Accounting Standards (which include Australian Accounting Interpretations), the Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2010, and the Treasurer's Directions.

Further we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.



Peter Duncan  
Chief Executive  
18 September 2014



Paul Hesford  
Director, Corporate  
18 September 2014

## Statement of Comprehensive Income for the year ended 30 June 2014

		Consolidated	Consolidated	Consolidated	Parent	Parent
		Actual	Budget	Actual *	Actual	Actual *
		2014	2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000	\$'000
<b>Expenses excluding losses</b>						
Operating expenses						
– Employee related expenses	2(a)	449,937	542,862	651,425	-	-
– Personnel service expenses	2(a)	349,187	-	-	633,236	327,219
– Other operating expenses	2(b)	570,676	575,418	592,519	611,200	592,519
Maintenance	2(b)	485,920	451,418	493,515	485,920	493,515
Depreciation and amortisation	2(c)	1,434,708	1,568,671	1,207,563	1,434,708	1,207,563
Grants and subsidies	2(d)	446,490	348,231	428,535	446,490	428,535
Finance costs	2(e)	67,129	65,722	79,102	67,129	79,102
<b>Total expenses excluding losses</b>		<b>3,804,047</b>	<b>3,552,322</b>	<b>3,452,659</b>	<b>3,678,683</b>	<b>3,128,453</b>
<b>Revenue</b>						
Sale of goods and services	3(a)	545,318	499,328	567,524	585,842	567,524
Personnel services revenue	3(a)	27,393	-	77,199	27,393	77,199
Investment revenue	3(b)	21,458	15,425	40,609	21,458	40,609
Retained taxes, fees and fines	3(c)	17,069	49,029	12,685	17,069	12,685
Operating grant received from Transport for NSW (TfNSW)	3(d)	1,518,115	1,389,600	1,535,143	1,518,115	1,535,143
Capital grant received from TfNSW	3(d)	2,895,315	3,073,556	2,860,962	2,895,315	2,860,962
(Transfers to the Crown Entity)	3(d)	-	-	(128,833)	-	(128,833)
Other grants and contributions	3(e)	125,789	121,187	163,974	125,789	163,974
Other revenue	3(f)	287,544	234,428	227,599	287,544	227,599
<b>Total revenue</b>		<b>5,438,001</b>	<b>5,382,553</b>	<b>5,356,862</b>	<b>5,478,525</b>	<b>5,356,862</b>
<b>Gains/(losses) on disposal of property, plant and equipment</b>	4(a)	4,604	(62)	13,652	4,604	13,652
<b>Other losses</b>	4(b)	(642,689)	(95,022)	(1,077,717)	(642,689)	(1,077,717)
<b>Net result</b>		<b>995,869</b>	<b>1,735,147</b>	<b>840,138</b>	<b>1,161,757</b>	<b>1,164,344</b>
<b>Other comprehensive income</b>						
<i>Items that will not be reclassified to net result</i>						
Net increase in asset revaluation reserve		2,113,952	2,334,659	4,221,730	2,113,952	4,221,730
Superannuation actuarial gain/(loss)		79,159	-	183,764	-	-
Actual return on fund asset less interest income		86,729	-	140,442	-	-
<i>Items that may be reclassified subsequently to net result</i>		-	-	-	-	-
<b>Total other comprehensive income for the year</b>		<b>2,279,840</b>	<b>2,334,659</b>	<b>4,545,936</b>	<b>2,113,952</b>	<b>4,221,730</b>
<b>Total comprehensive income</b>		<b>3,275,709</b>	<b>4,069,806</b>	<b>5,386,074</b>	<b>3,275,709</b>	<b>5,386,074</b>

The accompanying notes form part of these financial statements.

\*The amounts have been restated due to change in accounting policy (refer note 1(bb)).

## Statement of Financial Position as at 30 June 2014

		Consolidated	Consolidated	Consolidated	Parent	Parent	Parent	Parent
		Actual	Budget	Actual *	Actual *	Actual	Actual *	Actual *
		2014	2014	2013	1 July 2012	2014	2013	1 July 2012
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Assets</b>								
<b>Current assets</b>								
Cash and cash equivalents	7	333,858	332,895	244,589	356,672	333,858	244,589	356,672
Receivables	8(a)	190,018	268,395	197,513	332,890	190,018	197,513	332,890
Inventories		9,427	12,094	10,354	11,806	9,427	10,354	11,806
Financial assets at fair value	8(d)	58,710	43,740	54,028	48,106	58,710	54,028	48,106
		<b>592,013</b>	<b>657,124</b>	<b>506,484</b>	<b>749,474</b>	<b>592,013</b>	<b>506,484</b>	<b>749,474</b>
Non-current assets classified as Held for Sale	11	5,262	6,494	23,120	22,525	5,262	23,120	22,525
<b>Total current assets</b>		<b>597,275</b>	<b>663,618</b>	<b>529,604</b>	<b>771,999</b>	<b>597,275</b>	<b>529,604</b>	<b>771,999</b>
<b>Non-current assets</b>								
Receivables	8(b)	400	39,088	1,828	6,167	400	1,828	6,167
Other financial assets (at amortised cost)	8(c)	177,545	94,395	160,425	144,342	177,545	160,425	144,342
Property, plant and equipment								
– Land and buildings	9(a)	2,517,905	2,565,577	2,410,411	2,741,395	2,517,905	2,410,411	2,741,395
– Plant and equipment	9(b)	119,411	173,772	136,680	141,082	119,411	136,680	141,082
– Infrastructure systems	9(c)	69,480,682	70,230,822	66,610,909	61,481,788	69,480,682	66,610,909	61,481,788
Total property, plant and equipment		<b>72,117,998</b>	<b>72,970,171</b>	<b>69,158,000</b>	<b>64,364,265</b>	<b>72,117,998</b>	<b>69,158,000</b>	<b>64,364,265</b>
Private sector provided infrastructure	10(a)	1,180,763	1,192,352	981,970	818,656	1,180,763	981,970	818,656
Intangible assets	10(b)	169,963	143,747	154,433	136,448	169,963	154,433	136,448
Investment property		-	-	-	129,466	-	-	129,466
<b>Total non-current assets</b>		<b>73,646,669</b>	<b>74,439,753</b>	<b>70,456,656</b>	<b>65,599,344</b>	<b>73,646,669</b>	<b>70,456,656</b>	<b>65,599,344</b>
<b>Total assets</b>		<b>74,243,944</b>	<b>75,103,371</b>	<b>70,986,260</b>	<b>66,371,343</b>	<b>74,243,944</b>	<b>70,986,260</b>	<b>66,371,343</b>
<b>Liabilities</b>								
<b>Current liabilities</b>								
Payables	14	1,038,504	666,436	651,806	901,213	1,038,504	2,094,741	2,632,735
Borrowings	15	388,615	141,745	135,739	70,737	388,615	135,739	70,737
Provisions	17	8,344	336,511	302,386	330,365	8,344	1,301	5,356
Other	18	169,135	186,776	172,497	180,156	169,135	172,497	180,156
<b>Total current liabilities</b>		<b>1,604,598</b>	<b>1,331,468</b>	<b>1,262,428</b>	<b>1,482,471</b>	<b>1,604,598</b>	<b>2,404,278</b>	<b>2,888,984</b>
<b>Non-current liabilities</b>								
Payables	14	1,154,765	-	-	-	1,154,765	-	-
Borrowings	15	607,070	775,989	909,671	1,043,163	607,070	909,671	1,043,163
Provisions	17	16,885	1,162,537	1,160,313	1,416,953	16,885	18,463	10,440

		Consolidated	Consolidated	Consolidated	Parent	Parent	Parent	Parent
		Actual 2014 \$'000	Budget 2014 \$'000	Actual * 2013 \$'000	Actual * 1 July 2012 \$'000	Actual 2014 \$'000	Actual * 2013 \$'000	Actual * 1 July 2012 \$'000
Other	18	324,854	387,078	393,785	553,337	324,854	393,785	553,337
<b>Total non-current liabilities</b>		<b>2,103,574</b>	<b>2,325,604</b>	<b>2,463,769</b>	<b>3,013,453</b>	<b>2,103,574</b>	<b>1,321,919</b>	<b>1,606,940</b>
<b>Total liabilities</b>		<b>3,708,172</b>	<b>3,657,072</b>	<b>3,726,197</b>	<b>4,495,924</b>	<b>3,708,172</b>	<b>3,726,197</b>	<b>4,495,924</b>
<b>Net assets</b>		<b>70,535,772</b>	<b>71,446,299</b>	<b>67,260,063</b>	<b>61,875,419</b>	<b>70,535,772</b>	<b>67,260,063</b>	<b>61,875,419</b>
<b>Equity</b>								
Reserves		8,294,887	8,663,957	6,213,187	2,028,547	8,294,887	6,213,187	2,028,547
Accumulated funds		62,240,885	62,782,342	61,046,876	59,846,872	62,240,885	61,046,876	59,846,872
<b>Total equity</b>		<b>70,535,772</b>	<b>71,446,299</b>	<b>67,260,063</b>	<b>61,875,419</b>	<b>70,535,772</b>	<b>67,260,063</b>	<b>61,875,419</b>

The accompanying notes form part of these financial statements

\*The amounts have been restated due to change in accounting policy (refer note 1(bb))

## Statement of Changes in Equity for the year ended 30 June 2014

	Accumulated funds		Asset revaluation surplus		Total equity	
	Consolidated \$'000	Parent \$'000	Consolidated \$'000	Parent \$'000	Consolidated \$'000	Parent \$'000
<b>Balance as at 1 July 2013</b>	<b>61,208,455</b>	<b>61,208,455</b>	<b>6,213,187</b>	<b>6,213,187</b>	<b>67,421,642</b>	<b>67,421,642</b>
Changes in accounting standard AASB 119	(161,579)	(161,579)	-	-	(161,579)	(161,579)
<b>Restated total equity 1 July 2013</b>	<b>61,046,876</b>	<b>61,046,876</b>	<b>6,213,187</b>	<b>6,213,187</b>	<b>67,260,063</b>	<b>67,260,063</b>
<b>Net result for the year</b>	<b>995,869</b>	<b>1,161,757</b>	<b>-</b>	<b>-</b>	<b>995,869</b>	<b>1,161,757</b>
<b>Other comprehensive income</b>						
Net increase in asset revaluation reserves	-	-	2,113,952	2,113,952	2,113,952	2,113,952
Superannuation actuarial gains/(losses)	79,159	-	-	-	79,159	-
Actual return on fund asset less interest income	86,729	-	-	-	86,729	-
<b>Other comprehensive income for the year</b>	<b>165,888</b>	<b>-</b>	<b>2,113,952</b>	<b>2,113,952</b>	<b>2,279,840</b>	<b>2,113,952</b>
<b>Total comprehensive income for the year</b>	<b>1,161,757</b>	<b>1,161,757</b>	<b>2,113,952</b>	<b>2,113,952</b>	<b>3,275,709</b>	<b>3,275,709</b>
<b>Transfers within equity</b>						
Asset revaluation reserve balance transferred to accumulated funds on disposal of assets	32,252	32,252	(32,252)	(32,252)	-	-
<b>Transactions with owners in their capacity as owners</b>						
Increase/(decrease) in net assets from equity transfers	-	-	-	-	-	-
<b>Balance as at 30 June 2014</b>	<b>62,240,885</b>	<b>62,240,885</b>	<b>8,294,887</b>	<b>8,294,887</b>	<b>70,535,772</b>	<b>70,535,772</b>

	Accumulated funds		Asset revaluation surplus		Total equity	
	Consolidated \$'000	Parent \$'000	Consolidated \$'000	Parent \$'000	Consolidated \$'000	Parent \$'000
<b>Balance at 1 July 2012</b>	60,047,622	60,047,622	2,028,547	2,028,547	62,076,169	62,076,169
Changes in accounting standard AASB 119	(200,750)	(200,750)	-	-	(200,750)	(200,750)
<b>Restated total equity at 1 July 2012</b>	59,846,872	59,846,872	2,028,547	2,028,547	61,875,419	61,875,419
<b>Net result for the year</b>	840,138	1,164,344	-	-	840,138	1,164,344
<b>Other comprehensive income</b>						
Net increase in asset revaluation reserves	-	-	4,221,730	4,221,730	4,221,730	4,221,730
Superannuation actuarial gains/ (losses)	183,764	-	-	-	183,764	-
Actual return on fund asset less interest income	140,442	-	-	-	140,442	-
<b>Other comprehensive income for the year</b>	324,206	-	4,221,730	4,221,730	4,545,936	4,221,730
<b>Total comprehensive income for the year</b>	1,164,344	1,164,344	4,221,730	4,221,730	5,386,074	5,386,074
<b>Transfers within equity</b>						
Asset revaluation reserve balance transferred to accumulated funds on disposal of assets	37,090	37,090	(37,090)	(37,090)	-	-
<b>Transactions with owners in their capacity as owners</b>						
Increase/(decrease) in net assets from equity transfers	(1,430)	(1,430)	-	-	(1,430)	(1,430)
<b>Balance as at 30 June 2013 as restated</b>	61,046,876	61,046,876	6,213,187	6,213,187	67,260,063	67,260,063

The accompanying notes form part of these financial statements.



## Statement of Cash Flows for the year ended 30 June 2014

	Consolidated	Consolidated	Consolidated	Parent	Parent
	Actual	Budget	Actual	Actual	Actual
	2014	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>					
<b>Payments</b>					
Employee related	(676,199)	(486,381)	(607,890)	(676,199)	(607,890)
Grants and subsidies	(361,451)	(260,731)	(409,004)	(361,451)	(409,004)
Finance costs	(69,099)	(65,160)	(79,251)	(69,099)	(79,251)
Other	(1,488,826)	(1,448,187)	(1,617,646)	(1,488,826)	(1,617,646)
<b>Total payments</b>	<b>(2,595,575)</b>	<b>(2,260,459)</b>	<b>(2,713,791)</b>	<b>(2,595,575)</b>	<b>(2,713,791)</b>
<b>Receipts</b>					
Sale of goods and services	698,886	465,539	640,400	698,886	640,400
Interest received	1,947	15,425	13,547	1,947	13,547
Operating grants received from TfNSW	1,518,115	1,389,600	1,535,143	1,518,115	1,535,143
Capital grants received from TfNSW	2,895,315	3,073,556	2,860,962	2,895,315	2,860,962
(Transfers to the Crown Entity)	-	-	(128,833)	-	(128,833)
Other grants and contributions	56,752	112,279	119,154	56,752	119,154
Other	456,956	493,569	493,099	456,956	493,099
<b>Total receipts</b>	<b>5,627,971</b>	<b>5,549,968</b>	<b>5,533,472</b>	<b>5,627,971</b>	<b>5,533,472</b>
<b>Net cash flows from operating activities</b>	<b>27</b>	<b>3,032,396</b>	<b>2,819,681</b>	<b>3,032,396</b>	<b>2,819,681</b>
<b>Cash flows from investing activities</b>					
Proceeds from sale of land and buildings, plant and equipment and infrastructure systems	65,207	26,130	42,037	65,207	42,037
Proceeds from disposal of investment property	-	-	133,025	-	133,025
Purchases of land and buildings, plant and equipment and infrastructure systems	(2,958,616)	(3,207,905)	(3,051,876)	(2,958,616)	(3,051,876)
Receipt of lease revenue from maritime trade tower lease	7	17,233	13,525	7	13,525
<b>Net cash flows used in investing activities</b>	<b>(2,893,402)</b>	<b>(3,164,542)</b>	<b>(2,863,289)</b>	<b>(2,893,402)</b>	<b>(2,863,289)</b>
<b>Cash flows from financing activities</b>					
Contribution paid to government	-	-	-	-	-
Payment of finance lease liabilities	(46,935)	(127,367)	(65,738)	(46,935)	(65,738)
Repayment of borrowings and advances	(2,790)	(2,130)	(2,737)	(2,790)	(2,737)
<b>Net cash flows used in financing activities</b>	<b>(49,725)</b>	<b>(129,497)</b>	<b>(68,475)</b>	<b>(49,725)</b>	<b>(68,475)</b>
<b>Net (decrease)/increase in cash</b>	<b>89,269</b>	<b>(4,530)</b>	<b>(112,083)</b>	<b>89,269</b>	<b>(112,083)</b>
Opening cash and cash equivalents	244,589	337,425	356,672	244,589	356,672
<b>Closing cash and cash equivalents</b>	<b>7</b>	<b>333,858</b>	<b>244,589</b>	<b>333,858</b>	<b>244,589</b>

The accompanying notes form part of these financial statements.

## Service Group Statements for the year ended 30 June 2014

Roads and Maritime Services Expenses and Income	Growth and Improvement *		Services and Operations *		Asset Maintenance *		Not attributable		Total	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Expenses excluding losses</b>										
Operating expenses										
– Employee related expenses	10,920	6,900	304,870	483,450	134,147	161,075	-	-	449,937	651,425
– Personnel services	3,023	-	319,880	-	26,284	-	-	-	349,187	-
– Other operating expenses	32,538	37,285	433,231	495,292	104,907	59,942	-	-	570,676	592,519
Maintenance	-	-	142,057	48,709	343,863	444,806	-	-	485,920	493,515
Depreciation and amortisation	-	-	1,434,708	1,207,563	-	-	-	-	1,434,708	1,207,563
Grants and subsidies	2,228	-	122,689	45,682	321,573	382,853	-	-	446,490	428,535
Finance costs	-	-	67,129	79,102	-	-	-	-	67,129	79,102
<b>Total expenses excluding losses</b>	<b>48,709</b>	<b>44,185</b>	<b>2,824,564</b>	<b>2,359,798</b>	<b>930,774</b>	<b>1,048,676</b>	<b>-</b>	<b>-</b>	<b>3,804,047</b>	<b>3,452,659</b>
<b>Revenue</b>										
Sale of goods and services	-	20,982	517,428	487,561	27,890	58,981	-	-	545,318	567,524
Personal services revenue	-	-	27,393	77,199	-	-	-	-	27,393	77,199
Investment revenue	-	-	21,458	40,609	-	-	-	-	21,458	40,609
Retained taxes, fees and fines	-	-	17,069	12,685	-	-	-	-	17,069	12,685
Operating grant received from TfNSW	43,890	23,203	586,308	551,650	887,917	960,289	-	-	1,518,115	1,535,143
Capital grant received from TfNSW	2,267,010	2,447,159	32,373	70,541	595,932	343,262	-	-	2,895,315	2,860,962
(Transfers to the Crown Entity)	-	-	-	(128,833)	-	-	-	-	-	(128,833)
Other grants and contributions	43,767	98,684	67,170	8,799	14,852	56,491	-	-	125,789	163,974
Other revenue	150	193,446	284,240	34,153	3,154	-	-	-	287,544	227,599
<b>Total revenue</b>	<b>2,354,817</b>	<b>2,783,474</b>	<b>1,553,439</b>	<b>1,154,364</b>	<b>1,529,745</b>	<b>1,419,024</b>	<b>-</b>	<b>-</b>	<b>5,438,001</b>	<b>5,356,862</b>

\*Refer to Note 6 for description of service group.

Roads and Maritime Services Expenses and Income	Growth and Improvement *		Services and Operations *		Asset Maintenance *		Not attributable		Total	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Gains on disposal of property, plant and equipment	15,599	37,589	(10,995)	-	-	(23,937)	-	-	4,604	13,652
Other (losses)	-	(312,191)	(642,689)	(402,702)	-	(362,824)	-	-	(642,689)	(1,077,717)
<b>Net result</b>	<b>2,321,707</b>	<b>2,464,687</b>	<b>(1,924,809)</b>	<b>(1,608,135)</b>	<b>598,971</b>	<b>(16,414)</b>	<b>-</b>	<b>-</b>	<b>995,869</b>	<b>840,138</b>
<b>Other comprehensive income</b>										
Net increase/(decrease) in asset revaluation reserve	-	-	2,113,952	4,221,730	-	-	-	-	2,113,952	4,221,730
Superannuation actuarial gains/(losses)	1,921	1,946	53,637	136,379	23,601	45,439	-	-	79,159	183,764
Actual return on fund asset less interest income	2,106	1,488	58,765	104,227	25,858	34,727	-	-	86,729	140,442
<b>Total other comprehensive income for the year</b>	<b>4,027</b>	<b>3,434</b>	<b>2,226,354</b>	<b>4,462,336</b>	<b>49,459</b>	<b>80,166</b>	<b>-</b>	<b>-</b>	<b>2,279,840</b>	<b>4,545,936</b>
<b>Total comprehensive income</b>	<b>2,325,734</b>	<b>2,468,121</b>	<b>301,545</b>	<b>2,854,201</b>	<b>648,430</b>	<b>63,752</b>	<b>-</b>	<b>-</b>	<b>3,275,709</b>	<b>5,386,074</b>
<b>Roads and Maritime Services Administered Expenses and Income</b>										
	Growth and Improvement *		Services and Operations *		Asset Maintenance *		Not attributable		Total	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Administered expenses</b>										
Transfer payments	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
<b>Total administered expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Administered income</b>										
Transfer receipts	-	-	-	-	-	-	3,010,530	2,878,801	3,010,530	2,878,801
<b>Total administered income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,010,530</b>	<b>2,878,801</b>	<b>3,010,530</b>	<b>2,878,801</b>
<b>Administered income less expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,010,530</b>	<b>2,878,801</b>	<b>3,010,530</b>	<b>2,878,801</b>

\*Refer to Note 6 for description of service group

Roads and Maritime Services Assets and Liabilities	Growth and Improvement *		Services and Operations *		Asset Maintenance *		Not attributable		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Current assets</b>										
Cash and cash equivalents	-	-	83,465	61,147	250,393	183,442	-	-	333,858	244,589
Receivables	-	7,302	180,300	169,684	9,718	20,527	-	-	190,018	197,513
Inventories	-	-	9,427	10,354	-	-	-	-	9,427	10,354
Financial assets at fair value	-	-	58,710	54,028	-	-	-	-	58,710	54,028
Non-current assets classified as held for sale	-	-	5,262	23,120	-	-	-	-	5,262	23,120
<b>Total current assets</b>	-	7,302	337,164	318,333	260,111	203,969	-	-	597,275	529,604
<b>Non-current assets</b>										
Receivables	-	68	380	1,570	20	190	-	-	400	1,828
Other financial assets	-	-	177,545	160,425	-	-	-	-	177,545	160,425
Property, plant and equipment										
- Land and buildings	-	-	2,517,905	2,410,411	-	-	-	-	2,517,905	2,410,411
- Plant and equipment	-	-	119,411	136,680	-	-	-	-	119,411	136,680
- Infrastructure systems	4,007,805	4,366,874	65,472,877	62,244,035	-	-	-	-	69,480,682	66,610,909
Private sector provided infrastructure	-	-	1,180,763	981,970	-	-	-	-	1,180,763	981,970
Intangible assets	-	-	169,963	154,433	-	-	-	-	169,963	154,433
<b>Total non-current assets</b>	4,007,805	4,366,942	69,638,844	66,089,524	20	190	-	-	73,646,669	70,456,656
<b>Total assets</b>	4,007,805	4,374,244	69,976,008	66,407,858	260,131	204,159	-	-	74,243,944	70,986,260

\*Refer to Note 6 for description of service group

Roads and Maritime Services Assets and Liabilities	Growth and Improvement *		Services and Operations *		Asset Maintenance *		Not attributable		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Current liabilities</b>										
Payables	59,212	41,015	788,385	544,851	190,907	65,940	-	-	1,038,504	651,806
Borrowings	-	-	388,615	135,739	-	-	-	-	388,615	135,739
Provisions	201	3,565	5,654	215,599	2,489	83,222	-	-	8,344	302,386
Other	9,643	10,854	128,400	144,192	31,092	17,451	-	-	169,135	172,497
<b>Total current liabilities</b>	<b>69,056</b>	<b>55,435</b>	<b>1,311,054</b>	<b>1,040,381</b>	<b>224,488</b>	<b>166,612</b>	<b>-</b>	<b>-</b>	<b>1,604,598</b>	<b>1,262,428</b>
<b>Non-current liabilities</b>										
Payables	65,841	-	876,645	-	212,279	-	-	-	1,154,765	-
Borrowings	-	-	607,070	909,671	-	-	-	-	607,070	909,671
Provisions	410	11,775	11,441	873,669	5,034	274,869	-	-	16,885	1,160,313
Other	18,522	24,779	246,614	329,169	59,718	39,837	-	-	324,854	393,785
<b>Total non-current liabilities</b>	<b>84,773</b>	<b>36,554</b>	<b>1,741,770</b>	<b>2,112,509</b>	<b>277,031</b>	<b>314,706</b>	<b>-</b>	<b>-</b>	<b>2,103,574</b>	<b>2,463,769</b>
<b>Total liabilities</b>	<b>153,829</b>	<b>91,989</b>	<b>3,052,824</b>	<b>3,152,890</b>	<b>501,519</b>	<b>481,318</b>	<b>-</b>	<b>-</b>	<b>3,708,172</b>	<b>3,726,197</b>
<b>Net assets</b>	<b>3,853,976</b>	<b>4,282,255</b>	<b>66,923,184</b>	<b>63,254,968</b>	<b>(241,388)</b>	<b>(277,160)</b>	<b>-</b>	<b>-</b>	<b>70,535,772</b>	<b>67,260,063</b>

\*Refer to Note 6 for description of service group

# 1. Summary of Significant Accounting Policies

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## a) Reporting entity

Roads and Maritime Services (RMS) is a NSW government entity. RMS is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units. The reporting entity is consolidated as part of the NSW Total State Sector Accounts.

RMS as a reporting entity, comprises all the entities under its control at year end or throughout the reporting period, namely Roads and Maritime Services Division (RMS Division) which provides personnel services to RMS and WestConnex Delivery Authority (WDA).

WDA was established on 1 November 2013 as a public subsidiary corporation under the *Transport Administration (General) Amendment (WestConnex Delivery Authority) Regulation 2013*. WDA's objective is to facilitate delivery of the WestConnex program of works, which will include functions to develop, plan, procure, supervise, manage or carry out the whole or any part of the WestConnex program of works for Roads and Maritime Services (RMS).

The RMS Division, which provided personnel service to RMS, was abolished under the new Government Sector Employment Act 2013 (the Act). The Act commenced on 24 February 2014, and all employees employed under the RMS Division were transferred to Transport Service. Under the Act, RMS Division is exempt from preparing a final set of financial statements on abolishment. Accordingly, no separate RMS Division financial statements are prepared as at 24 February 2014.

RMS' Consolidated Statement of Comprehensive Income includes RMS Division related employee expenses only for the 8 months period ended 23 February 2014, whereas the comparatives are for the 12 months for the year ended 30 June 2013.

RMS's employee related costs subsequent to 23 February 2014 are recognised as personnel service expenses in the Consolidated Statement of Comprehensive Income.

In the process of preparing the consolidated financial statements for the economic entity, consisting of the controlling and controlled entities, all inter-entity transactions and balances have been eliminated.

These consolidated financial statements for the year ended 30 June 2014 have been authorised for issue by the Chief Executive of RMS on 18 September 2014, the date when the accompanying statement under s.41C(1C) of the Public Finance and Audit Act 1983 was signed.

## b) Basis of preparation

The RMS consolidated financial statements are general purpose financial statements which have been prepared on an accruals basis and in accordance with:

- Applicable Australian Accounting Standards (including Australian Accounting Interpretations).
- the requirements of the *Public Finance and Audit Act 1983 and Public Finance and Audit Regulation 2010* and
- the Financial Reporting Directions published in the Financial Reporting Code for NSW General Government Sector Entities or issued by the Treasurer.

In the event of any inconsistency between the accounting standards and legislative requirements, the latter prevails.

### **Going concern**

Despite current liabilities exceeding current assets at period end, RMS has funding arrangements with Transport for NSW (TfNSW) providing funding in the form of grants. The 2014–15 TfNSW budget papers issued on 17th June 2014 include an amount payable for Grants and Contributions of \$5,003.493 million payable to RMS in the 2014–15 financial year. This funding is sufficient for RMS to continue its recurrent and capital operations.

### **Non-current assets held for sale**

Property, plant and equipment, and investment property assets (or disposal groups) held for sale and financial assets at 'fair value through profit or loss' and available for sale are measured at fair value.

### **Estimates**

Judgements, key assumptions and estimates made by management about carrying values of assets and liabilities are disclosed in the relevant notes to the financial statements. Refer to note 1(aa) for a summary of critical accounting estimates, judgements and assumptions determined when preparing the financial statements.

### **Rounding of amounts**

Unless otherwise stated, all amounts are rounded to the nearest one thousand dollars (\$'000) and are expressed in Australian currency.

The accounting policies set out have been applied consistently by the consolidated and parent entities.

## **c) Statement of compliance**

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretation.

## **d) Principles of consolidation**

These financial statements have been consolidated in accordance with Australian Accounting Standard AASB 127 Consolidated and Separate Financial Statements and include the assets, liabilities, equities, revenues and expenses of all entities controlled by RMS.

RMS Division and WDA are controlled entities of RMS. Control is achieved when one entity has the power to govern the financial and operating policies of another entity.

In the process of preparing the consolidated financial statements for the economic entity consisting of the controlling and controlled entities, all inter-entity transactions and balances have been eliminated.

## **e) Changes in accounting policy, including new or revised Australian Accounting Standards**

### **i. Effective for the first time in 2013–14**

The accounting policies applied in 2013–14 are consistent with those of the previous financial year except as a result of the following new or revised Australian Accounting Standards that have been applied for the first time in 2013–14. The impact of these Standards in the period of initial application is set out below:

Standard	Summary of key requirements of new/revised standard	Impact on Reporting Entity's 2013–14 financial statements
AASB 13 Fair Value Measurement and NSW TPP 14-01 Accounting Policy:  Valuation of Physical Non-Current Assets at Fair Value	<p>The Standard defines fair value, establishes a single framework or guidance for the measuring of fair value, and requires enhanced disclosures about fair value measurements.</p> <p>AASB 13 applies when another standard requires or permits fair value measurements or disclosures. The Standard establishes a three tier “fair value hierarchy”.</p>	<p>The reporting entity's major assets – property, plant and equipment, and assets held for sale, are recognised at fair value. There is no significant change in the accounting policies of the entity as a result of this standard.</p> <p>Please refer to Note 1(l), which contains detailed discussion of the entity's asset management policy. In addition, refer to Note 12 for further disclosures required by the Standard.</p>
AASB 119 Employee Benefits	<p>This Standard mainly impacts the accounting for defined benefit pension schemes. The corridor approach for the recognition of actuarial gains and losses has been removed, as has the option to recognise actuarial gains and losses in profit or loss. The impact of this is that all actuarial gains and losses will be recognised in other comprehensive income in the period in which they arise. In addition, the calculation of net interest cost has changed. There will no longer be separate calculations of the expected return on plan assets and the interest cost of funding the defined benefit obligation. Instead, a single rate is applied to the net of the defined benefit obligation and plan assets.</p>	<p>The requirements for measurement of employer liabilities and assets arising from defined benefit plans, and the measurement and presentation of changes in such liabilities and assets, are substantially different under the revised AASB 119. There is no significant change in the accounting policies of the entity as a result of this standard though additional disclosures will be the main result.</p> <p>Please refer to Note 1(h) (ii) and Note 17, respectively, which contains discussion of the entity's relevant policy and details of disclosures.</p> <p>The impact of the amendments to this standard is reported in Note 1(bb).</p>

## ii. Issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise.

The following new Australian Accounting Standards have not been applied and are not yet effective and the entity's assessment of the impact of these new standards in the period of initial application is set out below:



Standard	Summary of key requirements/changes	Applicable to annual reporting periods beginning on or after	Expected Impact on Reporting Entity's financial statements on initial application
AASB 9, AASB 2010–7 & 2012-6 regarding financial instruments	<p>AASB 9 introduces new requirements for the classification, measurement and derecognition of financial assets and financial liabilities.</p> <p>AASB 9 replaces the existing four key category approach to measurement after initial recognition to two categories – either amortised cost or fair value. It was further amended by AASB 2010–7 to reflect amendments to accounting for financial liabilities.</p> <p>AASB 2012-6 amended AASB 9 to defer the mandatory effective date to annual periods beginning on or after 1 January 2015. It also requires additional disclosures on transition from AASB 139 to AASB 9 in some circumstances.</p>	1 January 2015	On initial application of AASB 9, all existing financial instruments will need to be classified according to the AASB 9 criteria and transitional requirements. The impact on the reporting entity's accounting for financial assets and liabilities is not expected to be significant.
AASB 10 Consolidated Financial Statements (not-for-profit entities only)	<p>AASB 10 supersedes AASB 127 and AASB Interpretation 112. AASB 10 introduces a new principles-based control model that considers power, rights and exposure to variable returns to determine whether an entity has control over an investee.</p> <p>The Standard requires the parent entity to present consolidated financial statements as those of a single economic entity.</p>	1 January 2014 for not-for-profit entities.	The new definition of control is not expected to impact on the reporting entity. The concept of "single economic entity" may impact on the format of the consolidated financial statements unless modifications are made for public sector entities.
AASB 11 Joint Arrangements (not-for-profit entities only)	<p>AASB 11 supersedes AASB 131 and Interpretation 113. Under AASB 11, the focus is no longer on the legal structure of joint arrangements, but rather on how rights and obligations are shared by the joint venture parties (the underlying economics). A joint venture will be classified as either a joint operation or joint venture. A joint venturer applies the equity method of accounting for its investment in a joint venture in accordance with AASB 128 Investments in Associates and Joint Ventures. Unlike AASB 131, the use of 'proportionate consolidation' to account for joint ventures is not permitted. Joint operations are accounted for by the entity recognising its share of assets, liabilities, revenue and expenses.</p>	1 January 2014 for not-for-profit entities.	The impact on the reporting entity's financial statements is expected to be insignificant due to the absence of material joint arrangements.

Standard	Summary of key requirements/changes	Applicable to annual reporting periods beginning on or after	Expected Impact on Reporting Entity's financial statements on initial application
AASB 12 Disclosure of Interests in other Entities (not-for-profit entities only)	<p>Requires the extensive disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on its financial position, financial performance and cash flows.</p> <p>The standard applies to an entity that has interests in subsidiaries, joint arrangements, Associates and unconsolidated structured entities</p>	1 January 2014 for not-for-profit entities.	Application of the standard will not affect any of the amounts recognised in the consolidated financial statements. However, further disclosure may be required to explain the nature of and risks associated with its interests in its subsidiaries and effects of these on its financial position, financial performance and cash flows.
AASB 127 Separate Financial Statements (not-for-profit entities only)	<p>The former AASB 127 Consolidated and Separate Financial Statements has been renamed Separate Financial Statements and deals with the with the requirements for separate financial statements, which have been carried over largely unamended from AASB 127 Consolidated and Separate Financial Statements. The requirements for consolidated financial statements are now contained separately in AASB 10 Consolidated Financial Statements.</p> <p>The objective of this new standard is to prescribe the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements (in addition to consolidated financial statements).</p> <p>The Standard requires that when an entity prepares separate financial statements, investments in subsidiaries, associates and jointly controlled entities are accounted for either at cost or in accordance with AASB 9 Financial Instruments.</p> <p>The Standard also deals with the recognition of dividends, certain group reorganisations and includes a number of disclosure requirements.</p>	1 January 2014 for not-for-profit entities.	The impact on the reporting entity's financial statements is expected to be insignificant.
AASB 14 Regulatory Deferral Accounts	The objective of this Standard is to specify the financial reporting requirements for regulatory deferral account balances that arise when an entity provides goods or services to customers at a price or rate that is subject to rate regulation.	1 January 2016	It is not anticipated that any material regulatory deferral account balances would result from application of this standard. However, recognition of regulatory deferral account balances would require separate disclosure in the financial statements.

Standard	Summary of key requirements/changes	Applicable to annual reporting periods beginning on or after	Expected Impact on Reporting Entity's financial statements on initial application
AASB 128 Investments in Associates and Joint ventures (not-for-profit entities only)	<p>This Standard supersedes AASB 128 Investments in Associates and prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.</p> <p>The Standard defines “significant influence” and provides guidance on how the equity method of accounting is to be applied. It also prescribes how investments in associates and joint ventures should be tested for impairment.</p>	1 January 2014 for not-for-profit entities.	The impact on the reporting entity's financial statements is expected to be insignificant due to absence of any investments in associates.
AASB 1031 Materiality	<p>The former AASB 1031 Materiality, was withdrawn and then re-issued so that it now serves only as a reference to other Australian Accounting Standards because the AASB is of the opinion that, in light of the guidance on materiality already available elsewhere.</p> <p>The term materiality is defined in AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. When assessing materiality, the requirements in AASB 101 Presentation of Financial Statements and AASB 108 shall be applied. Paragraph QC11 of the Framework also addresses the concept of materiality.</p>	1 January 2014	The impact on the reporting entity's financial statements is expected to be insignificant.

Standard	Summary of key requirements/changes	Applicable to annual reporting periods beginning on or after	Expected Impact on Reporting Entity's financial statements on initial application
AASB 1055 and AASB 2013-1 regarding budgetary reporting	<p>The purpose of the new AASB 1055 is to extend the reach of the AASB's budgetary reporting requirements to not-for-profit entities within the General Government Sector (GGS) of the Federal, State and Territory Governments. Previously these were only applicable to whole of governments and GGSs via AASB 1049 Whole of Government and General Government Sector Financial Reporting.</p> <p>The accompanying amending standard AASB 2013-1 relocates the AASB 1049 budgetary requirements into AASB 1055 to make it the complete reference on this topic.</p> <p>The new standard will require that where budgeted financial statements reflecting either controlled items or administered items are presented to parliament, the original budgeted financial statements or information must be disclosed, restated if necessary, to align with the presentation and classification adopted for either the primary financial statements (for controlled items) or in accordance with AASB 1050 Administered Items (for administered items). Explanations of major variances between actual and budgeted amounts are also required to be disclosed.</p>	1 July 2014	The impact on the reporting entity's financial statements is expected to be insignificant.
AASB 1056 Superannuation Entities	AASB 1056 replaces AAS 25 Financial Reporting by Superannuation Plans, which was issued in 1993. AASB 1056 has been developed in light of significant changes in recent years, including developments in the superannuation industry and Australia's adoption of IFRS. AASB 1056 also addresses deficiencies in AAS 25 and makes the requirements for superannuation entities more consistent with current requirements in Australian Accounting Standards.	1 July 2016	This standard has no impact on the entity because it does not meet the definition of a Superannuation entity.
AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards (not-for-profit entities only)	<p>This standard gives effect to many consequential changes arising from the issuance of the new consolidated and joint arrangements standards. For example, references to AASB 127 are amended to AASB 10 or AASB 127 and references to AASB 131 are deleted as the standard has been superseded by AASB 11 and AASB 128</p> <p>This standard is applied when AASB 10, AASB 11, AASB 12, AASB 127 and AASB 128 are applied.</p>	1 January 2014 for not-for-profit entities.	Refer to the above discussion of likely impact of AASB 10, AASB 11, AASB 12, AASB 127 and AASB 128.

Standard	Summary of key requirements/changes	Applicable to annual reporting periods beginning on or after	Expected Impact on Reporting Entity's financial statements on initial application
AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities	This Standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria of AASB 132 including clarifying the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'.	1 January 2014	The areas impacted in the reporting entities operations are debtors, creditors and advances under contract. However, the financial impact is not expected to be material.
AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets	AASB 2013-3 amends AASB 136 Impairment of Assets to require the disclosure of additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal. This includes further disclosures about the discount rates used in current and previous measurements if the recoverable amount of impaired assets based on fair value less costs of disposal was measured using a present value technique.	1 January 2014	This standard has no impact on the entity because as a not-for-profit entity with no cash generating units, the impairment under AASB 136 is unlikely to arise.
AASB 2013-4 Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting [AASB 139]	This standard amends AASB 139 'Financial Instruments: Recognition and Measurement' to permit the continuation of hedge accounting in circumstances where a derivative, which has been designated as a hedging instrument, is novated from one counterparty to a central counterparty as a consequence of laws or regulations	1 January 2014	The impact on the reporting entity's financial statements is expected to be insignificant due to absence of any derivative transactions in the entity.
AASB 2013-5 Amendments to Australian Accounting Standards – Investment Entities	This standard provides an exemption from consolidation of subsidiaries under AASB 10 'Consolidated Financial Statements' for entities which meet the definition of an 'investment entity', such as certain investment funds. Instead, such entities would measure their investment in particular subsidiaries at fair value through profit or loss in accordance with AASB 9 'Financial Instruments' or AASB 139 'Financial Instruments: Recognition and Measurement'.	1 January 2014	This standard has no impact on the entity because it does not meet the definition of an investment entity.
AASB 2013-6 Amendments to AASB 136 arising from Reduced Disclosure Requirements	Amends AASB 136 Impairment of Assets to establish reduced disclosure requirements for Tier 2 entities arising from AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets.	1 January 2014	The standard has no impact on the entity because as a not-for-profit entity with no cash generating units, the entity is exempt from AASB136.



Standard	Summary of key requirements/changes	Applicable to annual reporting periods beginning on or after	Expected Impact on Reporting Entity's financial statements on initial application
AASB 2014-1 Amendments to Australian Accounting Standards (listed in the Appendix)	This standard makes amendments to 35 Australian Accounting Standards and Interpretations and comprises five parts, each of which has its own application date and transition provisions.		The impact on the reporting entities financial statements is expected to be:
	Part A makes amendments to various Australian Accounting Standards in response to the IASB's release of its Annual Improvements to IFRSs 2010–2012 Cycle and Annual Improvements to IFRSs 2011–2013 Cycle standards in December 2013 and also for a range of editorial corrections	Part A 1 July 2014	-immaterial with little effect anticipated on the way particular transactions or balances are accounted for.
	Part B amends AASB 119 Employee Benefits to reflect the changes made to IAS 19 by the IASB in November 2013 via its amending standard Defined Benefit Plans: Employee Contributions (Amendments to IAS 19).	Part B 1 July 2014	-Insignificant as RMS employees have been transferred to Transport Service.
	Part C makes amendments to eight Australian Accounting Standards to delete their references to AASB 1031 Materiality as part of its process to formally withdraw this standard.	Part C 1 July 2014	-Insignificant (refer to the above discussion of likely impact of AASB 1031).
	Part D makes consequential amendments to AASB 1 First time Adoption of Australian Accounting Standards necessitated by the release of AASB 14 Regulatory Deferral Accounts.	Part D 1 January 2016	-Insignificant with the application of AASB 14 allowed under AASB 2014-1 (refer to the above discussion on AASB 14).
	Part E makes amendments to reflect the AASB's decision to defer the mandatory application date of AASB 9 Financial Instruments to annual reporting periods beginning on or after 1 January 2018. Part E also makes amendments to numerous Australian Accounting Standards as a consequence of the introduction of Chapter 6 Hedge Accounting into AASB 9 Financial Instruments and to amend reduced disclosure requirements for AASB 7 Financial Instruments: Disclosures and AASB 101 Presentation of Financial Statements.	Part E 1 January 2015	-Insignificant (refer to the above discussion of likely impact of AASB 9. In addition, RMS does engage in hedging activities).
AASB 2014-2 Amendments to AASB 1053 – Transition to and between Tiers, and related Tier 2 Disclosure Requirements	Clarifies that AASB 1053 relates only to general purpose financial statements, clarifies various options for transition to and between tiers and specify certain disclosure requirements when an entity resumes the application of Tier 2 reporting requirements.	1 July 2014	Not anticipated to have any significant impact on the reporting entity because RMS applies Tier 1 only.



## **f) Administered activities**

RMS administers, but does not control, the collection of various fees, fines and levies on behalf of the Crown Entity. Monies collected are not recognised as RMS' revenue but are separately disclosed in the Administered Income and Expenses note (refer to note 25). RMS is accountable for the transactions relating to these administered activities but does not have the discretion, for example, to deploy the resources for the achievement of its own objectives.

Transactions and balances relating to the administered activities are not recognised as RMS' income, expenses, assets and liabilities, but are disclosed as "Administered Income and Expenses" (refer to note 25), and "Administered Assets and Liabilities" (refer to note 26) in accordance with AASB 1050 Administered Items.

Expenses incurred in collecting monies on behalf of the Crown Entity are recognised as RMS' expenses. The accrual basis of accounting and all applicable accounting standards have been adopted for the reporting of administered income in note 25.

## **g) Income recognition**

Income is recognised in accordance with AASB 118 Revenue when RMS has control of the good or right to receive, it is probable that the economic benefits will flow to RMS and the amount of the income can be measured reliably. Income is measured at the fair value of the consideration or contribution received or receivable. The accounting policies for the recognition of income are discussed below:

### **i. Grants from Transport for NSW**

RMS receives capital and operating grants from TfNSW instead of receiving budget appropriations directly from NSW Treasury. These grants are generally recognised as income when RMS obtains control over the assets comprising the grants. Control over grants is normally obtained upon the receipt of cash.

### **ii. Sale of goods and rendering of services**

Revenue from the sale of goods is recognised when RMS transfers the significant risks and rewards of ownership of the assets. User charges are recognised as revenue when RMS obtains control of the assets that result from them.

Revenue from the rendering of services is recognised when the service is provided or by reference to the stage of completion.

### **iii. Rental income**

Rental income is recognised as revenue on an accrual basis, in accordance with AASB 117 Leases on a straight-line basis over the lease term.

### **iv. Investment revenue**

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

### **v. Gains and losses**

Gains and losses generally arise from adjustments to the measurement of assets and liabilities. They include gains and losses on asset disposals and fair value adjustments to physical and financial assets.

### **vi. Emerging interests in private sector provided infrastructure (PSPI) projects**

The value of the emerging right to receive a PSPI asset is treated as the compound value of an annuity that accumulates as a series of receipts together with a calculated notional compound interest. The discount rate used is the NSW Treasury Corporation 10-year government bond rate at the commencement of the concession period.

The revenue recognition is on a progressive basis relative to the concession period.

### **vii. Amortisation of deferred revenue on PSPI Projects**

Reimbursement of development costs in the form of upfront cash payments are treated as deferred revenue with an annual amortisation amount recognised on a straight-line basis over the life of the concession period.

## **h) Employee benefits and other provisions**

From the commencement of the *Government Sector Employment Act 2013* on 24 February 2014 and the resulting abolition of the RMS Division (which had until then provided personnel service to RMS), all employees employed under the RMS Division were transferred to Transport Service.



As a result, for the financial period spanning 24 February to 30 June 2014, RMS has recognised in its consolidated financial statements a personnel services expense and a corresponding liability to Transport Service.

Prior to 24 February 2014, the RMS accounting policy relating to employee benefits is outlined below.

**i. Salaries and wages, annual leave, sick leave and on-costs**

Salaries and wages (including non-monetary benefits) and paid sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefits.

Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119 Employee Benefits.

Sick leave accrued by employees of RMS is all non-vesting and does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

**ii. Long service leave and superannuation**

RMS assumes the long service leave liability for all employees and all superannuation liabilities. These liabilities are recognised in the Statement of Financial Position. Long service leave is measured at present value in accordance with AASB 119 Employee Benefits. The long service leave liability is based on an actuarial assessment with the final one prepared dated as at 23 February 2014.

In accordance with AASB 101 Presentation of Financial Statements, all annual leave and unconditional long service leave are classified as current liabilities, even where RMS does not expect to settle the liability within 12 months. This does not necessarily align with the distinction between short-term and long-term employee benefits under AASB 119 Employee Benefits.

**Defined contribution plans**

Contributions to defined contribution superannuation plans are expensed when incurred. The expense is calculated as a percentage of the employee's salary.

**Defined benefit plans**

For defined benefit plans, actuarial valuations are carried out at each reporting date by Pillar Administration with the final one prepared dated as at 23 February 2014 and the actuarial superannuation gains and losses are recognised outside operating surplus in the Statement of Changes in Equity in the period in which they occur.

The defined benefit position recognised in the Statement of Financial Position represents the present value of the defined benefit obligation, adjusted for unrecognised past service costs, net of the fair value of the plan assets.

**iii. Consequential on-costs**

Consequential costs to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. This includes outstanding amounts of payroll tax and fringe benefits tax. Workers' compensation that may be applicable to leave entitlements has not been recognised as this expense is based on actual premiums paid, determined from past claims history, and not as a general percentage increase on salaries and wages.

**iv. Other provisions**

Other provisions exist when, RMS has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

Any provisions for restructuring are recognised only when the organisation has a detailed formal plan and has raised a valid expectation in those affected by the restructuring that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected. If the effect of the time value of money is material, provisions are discounted at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability.

## **Make good provision**

A provision has been made for the present value of anticipated costs of future environmental restoration. The provision includes future cost estimates associated with remediation of the maritime environment. The calculation of this provision requires assumptions such as application of environmental legislation, community expectations, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision recognised is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs are recognised in the statement of financial position by adjusting both the expense and/or asset (if applicable) and provision.

### **v. Personnel services and shared services expense**

Personnel Services Income represents the provision of RMS staff to TfNSW to undertake work on behalf of Transport Shared Services.

Shared Service Expenses represent services provided by TfNSW Shared Services to other government agencies, including RMS.

### **i) Borrowing costs**

Borrowing costs are recognised as expenses in the period in which they are incurred, in accordance with Treasury's Mandate to not-for-profit general government sector agencies.

### **j) Insurance**

RMS' insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self-insurance for government agencies. The expense (premium) is determined by the Fund Manager based on past claims experience. Compulsory third party insurance is with a private sector provider arranged by NSW Treasury.

RMS also arranges Principal Arranged Insurance (PAI) which provides cover for all parties involved in its construction projects. The premium cost is amortised on a straight-line basis over the term of the contract for all insurance policies.

## **k) Accounting for the Goods and Services Tax (GST)**

Income, expenses and assets are recognised net of the amount of GST, except that the:

- amount of GST incurred by RMS as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of an asset's cost of acquisition or as part of an item of expense.
- Receivables, payables, accruals and commitments are stated with the amount of GST included.
- Cash flows are included in the Statement of Cash Flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which is recoverable from, or payable to, the ATO are classified as operating cash flows.

## **l) Asset management policy**

### **Acquisition of assets**

Assets acquired are initially recognised at cost. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

The cost of assets constructed for own use includes the cost of materials, direct labour and foreign exchange gains and losses arising during construction, as well as an appropriate proportion of variable and fixed overhead costs that can be reliably attributed to the assets.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

Where payment for property, plant and equipment is deferred beyond normal credit terms, the difference between its cash price equivalent and the total payment is measured as interest over the period of credit. The discount rate used to calculate the cash price equivalent is an asset specific rate.

### **Capitalisation thresholds**

Property, plant and equipment and intangible assets costing above \$10,000 individually, or forming part of a network costing more than \$10,000, are capitalised. Some computer equipment and intangible assets costing above \$1,000 are capitalised. Items below these amounts are expensed in the period in which they are incurred.

### **Valuation and depreciation**

Physical non-current assets are valued in accordance with the 'Valuation of Physical Non-Current Assets at Fair Value' Policy and Guidelines Paper (TPP 14-01). This policy adopts fair value in accordance with AASB 13 Fair Value Measurement, AASB 116 Property, Plant and Equipment and AASB 140 Investment Property.

Property, plant and equipment is measured at the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and take into account the characteristics of the asset being measured, including any socio-political restrictions imposed by government. In most cases, after taking into account these considerations, the highest and best use is the existing use. In limited circumstances, the highest and best use may be a feasible alternative use, where there are no restrictions on use or where there is a feasible higher restricted alternative use.

Fair value of property, plant and equipment is based on a market participants' perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs. Also refer note 12 for further information regarding fair value.

RMS revalues each class of property, plant and equipment with sufficient regularity to ensure the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. Further details on asset revaluations can be found in note 9.

Non-specialised assets with short useful lives are measured at depreciated historical cost, as a surrogate for fair value.

When revaluing non-current assets by reference to current prices for assets newer than those being revalued (adjusted to reflect the present condition of the assets), the gross amount and the related accumulated depreciation are separately restated.

Otherwise, any balances of accumulated depreciation at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrement.

Revaluation increments are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense, the increment is recognised immediately as revenue.

Revaluation decrements are recognised immediately as expenses, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to the asset revaluation reserve.

As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

Where an asset that has previously been revalued is disposed of, any balance remaining in the asset revaluation reserve in respect of that asset is transferred to accumulated funds.

### **Impairment of property, plant and equipment**

As a not-for-profit entity with no cash generating units, impairment under AASB 136 Impairment of Assets is unlikely to arise. As property, plant and equipment is carried at fair value, impairment can only arise in the rare circumstances where the costs of disposal are material. Specifically, impairment is unlikely for not-for-profit entities given that AASB 136 modifies the recoverable amount test for non-cash generating assets of not-for-profit entities to the higher of fair value less costs of disposal and depreciated replacement cost, where depreciated replacement cost is also fair value.

## i. Plant and equipment

Asset	Valuation policy	Depreciation policy
Plant, equipment and vehicles	Depreciated historical cost	Depreciated on the straight-line method over the estimated useful life between 2 and 60 years.
Computer hardware	Depreciated historical cost	Depreciated on the straight-line method over the estimated useful life between 2 and 5 years.
Electronic office equipment	Depreciated historical cost	Depreciated on the straight-line method over the estimated useful life between 5 and 10 years.

The carrying amount is considered to reflect the fair value of these assets.

Depreciation and valuation policies in respect of operational assets are subject to annual review.

Estimates of useful life for depreciation and amortisation purposes have been determined with regard to a number of factors including the expected retention period by the entity and the underlying physical, technical and commercial nature of the assets as defined in AASB 116 Property, Plant and Equipment. In accordance with this standard the shortest alternative useful life is applied.

## ii. Land and buildings

Asset	Valuation policy	Depreciation policy
Land and buildings in service	Land and buildings in service are generally valued at value in use (land) and depreciated replacement cost (buildings). Where such properties are rented externally they are valued at current market value. Land and buildings in service are revalued at least every five years. Annual indexation is applied to ensure that carrying amounts do not differ materially from market values at reporting date.	Buildings – Depreciated on the straight-line basis over the estimated useful life of between 20 and 50 years.
Works administration properties		
Officers' residences		
Land and Buildings Acquired for Future Roadworks (LAFFRW)	LAFFRW is valued at indexed acquisition cost and revalued to current market value progressively over a five year cycle. The valuation is carried out by a registered valuer. Annual indexation is applied to ensure that carrying amounts do not differ materially from market values at reporting date.	No depreciation is charged as buildings are not purchased to generate revenue but ultimately to be demolished for roadworks.
Vacant land	Vacant land is valued at indexed acquisition cost using Land Property Index data provided by the Valuer General.	No depreciation is charged on vacant land.
Leasehold improvements	Depreciated historic cost/revalued amount.	Amortised over the period of the lease, or the useful life of the leasehold improvement, whichever is shorter.

Individual LAFFRW parcels required for road construction are transferred to land under roads WIP when road construction begins. The date of transfer is the construction start date as detailed in the construction contract. At time of transfer, LAFFRW parcels are deemed to have no feasible alternative use and are revalued downwards to value in use (englobo or unimproved value).

Included in the value of land and buildings in service is an amount of \$16.432 million (2013: \$16.385 million) for buildings on Crown land. As RMS effectively "controls" this Crown land, it has been included in RMS' Statement of Financial Position. Should such Crown land be transferred or disposed of, associated buildings are written off in the financial year the transfer or disposal takes place.

RMS' land and buildings are valued by registered valuers. Land and Buildings Acquired for Future Roadworks comprise Untenanted Land for Roads which is indexed annually and rental properties and surplus properties which are revalued progressively within a five year timeframe. The selection of assets within Land and Buildings Acquired for Future Roadworks to be revalued in each reporting period within the current progressive revaluation is made by reference to the asset's acquisition date or previous revaluation date. For details refer to note 9(a).

### iii. Infrastructure systems

Asset	Valuation policy	Depreciation policy
<b>Roads</b>	Depreciated replacement cost	Depreciated over estimated useful life using straight-line method.
Earthworks – Not Depreciated		• Indefinite
Earthworks – Depreciated		• 50 years
Pavement Wearing Surface – Asphalt		• 16-25 years
Pavement Wearing Surface – Spray Sealed		• 6-11 years
Pavement Wearing Surface – Unsealed		• 4 years
Pavement Wearing Surface – Concrete		• 16-25 years
Pavement Base and Sub-Base – Asphalt		• 25-100 years
Pavement Base and Sub-Base – Spray Sealed		• 20-100 years
Pavement Base and Sub-Base – Unsealed		• 100 years
Pavement Base and Sub-Base – Concrete		• 55-100 years
Culverts & Drainage		• 50-100 years
Safety Barriers		• 40-100 years
Fences		• 40 years
Structures (Retaining Walls, Noise Walls and Gabions)		• 75 years
Footway, Vegetation, and Landscaping		• 20 years
Kerbs and Gutters		• 50 years
Guide Posts, Pavement Markings, Signposting, and Street Lighting		• 25 years
<b>Bridges</b>	Depreciated replacement cost	Depreciated over estimated useful life dependant on bridge type:
Timber structure		• 60 years
Concrete structures		• 100 years
Steel structures		• 100 years
Bridge trusses (timber and steel)		• 60 years
Heritage bridges		• 200 years
Bridge size culverts/tunnels		• 100 years
<b>Traffic signals</b>	Depreciated replacement cost	Depreciated over estimated useful life of 20 years.
<b>Traffic Control Network</b>	Depreciated replacement cost	Depreciated over estimated useful life of:
Traffic systems		• 5–20 years
Transport Management Centre		• 5–20 years
Variable message signs		• 30 years

Asset	Valuation policy	Depreciation policy
<b>Land under roads and within road reserves</b>	The urban Average Rateable Value per hectare within each Local Government Area (LGA) adjusted by an "open spaces ratio". The "open spaces ratio" is derived from open spaces data provided by the Valuer-General and is used to adjust average rateable value to approximate englobo value (unimproved and pre-subdivision land).	No depreciation applied as land does not have a limited useful life.
<b>Sydney Harbour Tunnel</b>  Immersed tube Mechanical and electrical Pavement Earthworks	Depreciated replacement cost	Depreciated over estimate useful life depending on asset type: <ul style="list-style-type: none"> <li>• 100 years</li> <li>• 35 years</li> <li>• 35 years</li> <li>• Indefinite life</li> </ul>
<b>Wharves and jetties</b>	Wharves and jetties	Depreciated over estimated useful life of between 20 and 40 years
<b>Moorings and wetlands</b>	Moorings and wetlands	Depreciated over estimated useful life of between nil and 20 years
<b>Dredging assets</b>	Dredging assets	Independent valuation
<b>Seawall</b>	Seawall	Depreciated over estimated useful life of between 25 and 40 years
<b>Navigational aids</b>	Depreciated historical cost	Depreciated on the straight-line method over the estimated useful life between 5 and 20 years.

The determination of unit replacement rates for road, bridge and traffic control signal infrastructure valuations is carried out at least every five years by suitably qualified engineering contractors and employees of RMS.

These assets are recorded initially at construction cost and the annual percentage increase in the Road Cost Index (RCI) is applied each year until the following unit replacement review is undertaken.

Subsequent to the review, infrastructure is valued using the unit replacement rates, adjusted by the Road Cost Index as applicable.

Land under roads and within road reserves are revalued annually by applying the most recent urban rateable average value per hectare provided by the Valuer-General to the land under roads and within reserves within each Local Government Area (LGA), and adjusting this value by the "open spaces ratio". The valuations are based on certain assumptions including property being vacant and therefore do not take into account costs that may be incurred in removing roads and other improvements. The Valuer-General's urban average rateable values are calculated by reference to land values only and do not include the value of any improvements.

Major works-in-progress are valued at construction cost and exclude the cost of land, which is currently disclosed as land under roads.



#### iv. Intangible assets

RMS recognises intangible assets only if it is probable that future economic benefits will flow to RMS and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an intangible asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition.

All research costs are expensed. Development costs are only capitalised when the following criteria are met:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- The intention to complete the intangible asset and use or sell it.
- The ability to use or sell the intangible asset.
- The intangible asset will generate probable future economic benefits.
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The useful lives of intangible assets are assessed to be finite and are carried at cost less any accumulated amortisation.

Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount, the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.

Asset	Valuation policy	Depreciation policy
Intangible assets	Depreciated historical cost	Amortised using the straight-line method over the estimated useful life of between 2 and 10 years.

#### v. Private sector provided infrastructure (PSPI)

In respect of certain private sector provided infrastructure assets: M2 Motorway, M4 Service Centre, M5 Motorway, the Eastern Distributor, the Cross City Tunnel, the Westlink M7 Motorway and the Lane Cove Tunnel, RMS values each right to receive asset by reference to RMS' emerging share of the written down replacement cost of each asset apportioned using an annuity approach. Under this approach, the ultimate value of the right to receive the property is treated as the compound value of an annuity that accumulates as a series of equal annual receipts together with an amount representing notional compound interest.

#### vi. Cultural collection assets

RMS has minor cultural collection items such as prints, drawings and artefacts that cannot be reliably valued and are considered immaterial.

#### vii. Leased assets

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased assets, and operating leases under which the lessor effectively retains all such risks and benefits.

Where a non-current asset is acquired by means of a finance lease, the asset is recognised at the lower of its fair value and the present value of minimum lease payments at the commencement of the lease term. The corresponding liability is established at the same amount. Lease payments are allocated between the principal component and the interest expense. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that class of asset.

Operating lease payments are charged to the Statement of Comprehensive Income in the periods in which they are incurred.

As Lessor: The reporting entity as the lessor classifies its long-term leases (typically where the initial lease term exceeds 50 years) as finance leases if it transfers to the lessee substantially all the risks and rewards incidental to ownership of the land. The leased assets are recognised as current and non-current receivables at amounts equal to the net investment in the leases.

The lease receipt is recognised in two components, one as a reduction of the lease receivables and the other as finance income. The finance income is calculated relevant to the term of the lease

#### **viii. Investment property**

The entity owns properties held to earn rentals and / or for capital appreciation. Investment properties are stated at fair value in the statement of financial position, using the valuation technique that maximises the use of relevant observable inputs. Gains or losses arising from changes in fair value are included in the net result for the year in the period in which they arise. No depreciation is charged on investment properties.

#### **ix. Investments**

The reporting entity subsequently measures investments classified as “held for trading” or designated upon initial recognition “at fair value through profit or loss” at fair value. Financial assets are classified as “held for trading” if they are acquired for the purpose of selling in the near term. The NSW Treasury Corporation (TCorp) Hour-Glass Investment Facilities are designated at fair value through profit and loss using the second leg of the fair value option, i.e. these financial assets are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management strategy, and information about these assets is provided internally on that basis to the key management personnel.

The movement in the fair value of the NSW TCorp Hour-Glass Investment Facilities incorporates distributions received as well as unrealised movements in fair value and is reported in the line item investment revenue.

#### **x. Port Corporation dredging**

During the year RMS completed the transfer of its major dredging assets to the major NSW ports. Prior to the transfer, costs incurred by Port Corporations in NSW in capital dredging (harbour deepening) of channels are recorded as an RMS asset. A corresponding amount was recorded as “Long-term channel fees unearned income” and amortised over a period of 99 years.

#### **m) Major inspection costs**

The labour cost of performing major inspections for faults is recognised in the carrying amount of an asset as a replacement of a part, if the recognition criteria are satisfied.

#### **n) Restoration costs**

The estimated cost of dismantling and removing an asset and restoring the site is included in the cost of an asset, to the extent it is recognised as a liability.

#### **o) Maintenance**

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated over the life of the asset.

#### **p) Inventories**

Inventories are initially measured at cost. Cost is calculated using either the weighted average cost or “first in first out” method. Inventories consist mainly of raw materials and supplies used for the construction and maintenance of roads, bridges and traffic signals.

The cost of inventories acquired at no cost or for nominal consideration is the current replacement cost as at the date of acquisition. Current replacement cost is the cost the agency would incur to acquire the asset on the reporting date.

Inventories (other than those held for distribution) are stated at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.



## **q) Capitalisation of expenditure**

Expenditure (including employee costs and operational asset depreciation) in respect of road development and construction, bridge and tunnel replacement and some road safety and traffic management are capitalised as infrastructure systems (refer to note 2(a)).

## **r) Non-current assets held for sale**

RMS has certain non-current assets classified as held for sale, where their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met when the sale is highly probable, the asset is available for immediate sale in its present condition, and the sale of the asset is expected to be completed within one year from the date of classification. Non-current assets held for sale are recognised at the lower of carrying amount and fair value less costs of disposal. These assets are not depreciated while they are classified as held for sale. Refer to note 11 for details.

## **s) Other assets**

Other assets including prepayments are recognised on a historic cost basis.

## **t) Budgeted amounts**

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period, as adjusted for section 24 of the PFAA where there has been a transfer of functions between departments. Other amendments made to the budget are not reflected in the budgeted amounts.

## **u) Financial instruments**

The following accounting policies were applied to accounting for financial instruments. Additional disclosures regarding carrying amount and risk management disclosures are presented in note 16.

### **a) Financial assets**

#### **i. Cash and cash equivalents**

Cash and cash equivalents in the Statement of Financial Position comprise cash on hand, cash at bank and short-term deposits and

include deposits in the NSW TCorp Hour-Glass cash facility, Treasury Corporation deposits (with maturities of less than 30 days) and other at-call deposits that are not quoted in an active market. These are considered to have an insignificant risk of changes in value. Bank overdrafts are included with liabilities.

In accordance with AASB 139 Financial Instruments: Recognition and Measurement, cash and cash equivalents are measured at fair value with interest revenue accrued as earned such that fair value is reflected at no less than the amount payable on demand.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

### **ii. Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

An allowance for impairment of receivables is established when there is objective evidence that the entity will not be able to collect all amounts due. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Bad debts are written off as incurred.

### **iii. Other financial assets**

Other financial assets consist of non-derivative financial assets measured at amortised cost, using the effective interest method (refer note 8(c)).

#### **iv. Impairment of financial assets**

All financial assets, except those measured at fair value through profit and loss, are subject to an annual review for impairment. An allowance for impairment is established when there is objective evidence that the entity will not be able to collect all amounts due.

For financial assets carried at amortised cost, the amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment loss is recognised in the Statement of Comprehensive Income.

Any reversals of impairment losses are reversed through the Statement of Comprehensive Income, where there is objective evidence. Reversals of impairment losses of financial assets carried at amortised cost cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

#### **v. Derecognition of financial assets**

A financial asset is derecognised in the following circumstances:

- When the contractual rights to the cash flows from the financial assets expire; or if RMS transfers the financial asset.
- Where substantially all the risks and rewards have been transferred.
- Where RMS has not transferred substantially all the risks and rewards, if the entity has not retained control.

Where RMS has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of RMS' continuing involvement in the asset.

#### **b) Financial liabilities**

##### **i. Payables**

These amounts represent liabilities for goods and services provided to RMS and other amounts, including interest. Payables are recognised initially at fair value, usually based on the transaction cost or face value.

Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

##### **ii. Borrowings**

Borrowings are recorded initially at fair value, net of transaction costs. Loans are not held for trading and are recognised at amortised cost using the effective interest method.

Amortised cost is the face value of the debt less unamortised premiums. The discount or premiums are treated as finance charges and amortised over the term of the debt.

Finance lease liabilities are recognised in accordance with AASB 117 Leases. Minimum lease payments made under finance leases are apportioned between the interest expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a consistent periodic rate of interest on the remaining balance of the liability.

##### **iii. Derecognition of financial liabilities**

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires.

When a lender replaces an existing financial liability with one on significantly different or modified terms, RMS derecognises the original liability and recognises the new liability. It then recognises the difference in their carrying amounts in the Statement of Comprehensive Income.

##### **iv. Financial guarantees**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised as a liability at the time the guarantee is issued and initially recognised at fair value plus, in the case of financial guarantees not at fair value through profit or loss, directly attributable

transaction costs, where material. After initial recognition, the liability is measured at the higher of the amount determined in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised, less accumulated amortisation, where appropriate.

RMS carries out minor works contracts for entities outside of the NSW public sector. In order to tender for the contracts and remain on an equal footing, RMS is required to lodge a security deposit in the form of bank guarantee. Under the Public Authorities and (Financial Arrangements) Act 1987, RMS has an approved limit of \$3 million until 30 June 2015 from TCorp.

RMS has reviewed its financial guarantees and determined that there is no material liability to be recognised for financial guarantee contracts as at 30 June 2014 and as at 30 June 2013. Refer to note 22 regarding disclosures on contingent liabilities.

#### **c) Fair value hierarchy**

A number of the entity's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13, the entity categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- Level 1 – quoted prices in active markets for identical assets / liabilities that the entity can access at the measurement date.
- Level 2 – inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- Level 3 – inputs that are not based on observable market data (unobservable inputs).

The entity recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Refer note 12 and note 16 for further disclosures regarding fair value measurements of financial and non-financial assets.

#### **v) Equity transfers**

The transfer of net assets between agencies as a result of an administrative restructure, transfers of programs/functions and parts thereof between NSW public sector agencies are designated as contributions by owners and recognised as an adjustment to "Accumulated Funds". This treatment is consistent with AASB 1004 Contributions and Australian Interpretation 1038 Contributions by Owners Made to Wholly Owned Public Sector Entities.

Transfers arising from an administrative restructure between not-for-profit entities and for-profit government departments are recognised at the amount at which the asset was recognised by the transferor immediately prior to the restructure. In most instances this will approximate fair value.

All other equity transfers are recognised at fair value, except for intangibles. Where an intangible has been recognised at amortised cost by the transferor because there is no active market, RMS recognises the asset at the transferor's carrying amount. Where the transferor is prohibited from recognising internally generated intangibles, RMS does not recognise that asset.

#### **w) Grants and subsidies**

Grants and subsidies generally comprise contributions in cash or kind to various local government authorities and not-for-profit community organisations. These contributions include transfers of roads and bridges, cash grants for road maintenance and the provision of transport services. The grants and subsidies are expensed on the transfer of cash or assets. The transferred assets are measured at their fair value and transferred for nil consideration.

#### **x) Retained taxes, fees and fines**

Retained taxes, fines and fees are recognised when cash is received.

## y) Comparative information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is presented in respect of the previous period for all amounts reported in the financial statements.

RMS has reclassified disclosures in the statement of cash flows and has excluded other financial assets at fair value—TCorp Hour-Glass Investment facilities from cash and cash equivalents to improve the financial statement presentation.

## z) Equity and reserves

### i. Asset revaluation reserve

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets. This accords with the agency's policy on the revaluation of property, plant and equipment as discussed in note 1(l).

### ii. Accumulated funds

The category of accumulated funds includes retained funds.

## aa) Critical accounting estimates, judgements and assumptions

In the application of accounting standards, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the current set of circumstances. Actual results may differ from these estimates.

Management evaluates these judgements, estimates and assumptions on an ongoing basis. Revisions to estimates are recognised in the period in which the estimate is revised if the revision affects only that period – or in the period of the revision and future periods if the revision affects both current and future periods.

Significant judgements, estimates and assumptions made by management in the preparation of the consolidated financial statements are outlined below:

Property, plant and equipment	Note 1(l) and note 9
Private sector provided infrastructure	Note 1(l) and note 10(a)
Employee benefits	Note 1(h) and note 17

## bb) Change in accounting standard AASB 119 Employee Benefits

The amendments to AASB 119 made a number of changes to the accounting for employee benefits, the main changes relate to defined benefit superannuation plans and annual leave liabilities.

The main changes to accounting policy as a result of changes to AASB 119 'Employee Benefits' are:

- The interest income component has replaced the expected return on assets. Interest income is calculated using a different discount rate to expected return on assets, which has led to an increase to the expense reported in the Statement of Comprehensive Income
- The standard does not allow investment credits to be netted off against the superannuation contributions tax. This has changed the calculation of the defined benefits liability/asset presented in the statement of financial position. As a result the Defined Benefit liability and the expense related to the Defined Benefit Cost have increased.

## Impact on total comprehensive income for the year ended 30 June 2013 as a result of AASB 119

	Consolidated 30/06/2013 previously reported \$'000	Consolidated AASB 119 adjustments \$'000	Consolidated 30/06/2013 as restated \$'000	Parent 30/06/2013 as previously reported \$'000	Parent AASB 119 adjustments \$'000	Parent 30/06/2013 as restated \$'000
<b>Expenses excluding losses</b>						
Superannuation - defined benefit plans	151	66,161	66,312	-	-	-
Personnel services	-	-	-	366,390	(39,171)	327,219
Total expenses excluding losses	3,386,498	66,161	3,452,659	3,167,624	(39,171)	3,128,453
<b>Net result</b>	<b>906,299</b>	<b>(66,161)</b>	<b>840,138</b>	<b>1,125,173</b>	<b>39,171</b>	<b>1,164,344</b>
<b>Other comprehensive income</b>						
Superannuation actuarial gain / (loss)	218,874	(35,110)	183,764	-	-	-
Actual return on fund asset less interest income	-	140,442	140,442	-	-	-
<b>Total other comprehensive income for the year</b>	<b>4,440,604</b>	<b>105,332</b>	<b>4,545,936</b>	<b>4,221,730</b>	<b>-</b>	<b>4,221,730</b>
<b>Total comprehensive income</b>	<b>5,346,903</b>	<b>39,171</b>	<b>5,386,074</b>	<b>5,346,903</b>	<b>39,171</b>	<b>5,386,074</b>

## Impact on total comprehensive income for the year ended 30 June 2014 as a result of AASB 119

	Consolidated AASB 119 adjustments \$'000	Parent AASB 119 adjustments \$'000
<b>Expenses excluding losses</b>		
Superannuation - defined benefit plans	6,353	-
Personnel services	22,647	4,296
Total expenses excluding losses	29,000	4,296
<b>Net result</b>	<b>29,000</b>	<b>4,296</b>
<b>Other comprehensive income</b>		
Superannuation actuarial gain / (loss)	(24,704)	-
Actual return on fund asset less interest income	-	-
<b>Total other comprehensive income for the year</b>	<b>(24,704)</b>	<b>-</b>
<b>Total comprehensive income</b>	<b>4,296</b>	<b>4,296</b>

## Impact on assets, liabilities and equity as at 1 July 2012 as a result of AASB 119

	Consolidated	Consolidated	Consolidated	Parent	Parent	Parent
	1/07/2013 previously reported \$'000	AASB 119 adjustments \$'000	1/07/2013 as restated \$'000	1/07/2013 previously reported \$'000	AASB 119 adjustments \$'000	1/07/2013 as restated \$'000
<b>Liabilities</b>						
<b>Current liabilities</b>						
Personnel services	131,448	-	131,448	1,673,398	200,750	1,874,148
Payables	901,213	-	901,213	2,431,985	200,750	2,632,735
<b>Total current liabilities</b>	<b>1,482,471</b>	<b>-</b>	<b>1,482,471</b>	<b>2,688,234</b>	<b>200,750</b>	<b>2,888,984</b>
<b>Non-current liabilities</b>						
Superannuation - provision	1,186,520	200,750	1,387,270	-	-	-
Non-current provisions	1,216,203	200,750	1,416,953	10,440	-	10,440
<b>Total non-current liabilities</b>	<b>2,812,703</b>	<b>200,750</b>	<b>3,013,453</b>	<b>1,606,940</b>	<b>-</b>	<b>1,606,940</b>
<b>Total liabilities</b>	<b>4,295,174</b>	<b>200,750</b>	<b>4,495,924</b>	<b>4,295,174</b>	<b>200,745</b>	<b>4,495,924</b>
<b>Equity</b>						
Accumulated funds	60,047,622	(200,750)	59,846,872	60,047,622	(200,750)	59,846,872
<b>Total equity</b>	<b>62,076,169</b>	<b>(200,750)</b>	<b>61,875,419</b>	<b>62,076,169</b>	<b>(200,750)</b>	<b>61,875,419</b>

## Impact on assets, liabilities and equity as at 30 June 2013 as a result of AASB 119

	Consolidated	Consolidated	Consolidated	Parent	Parent	Parent
	30/06/2013 previously reported \$'000	AASB 119 adjustments \$'000	30/06/2013 as restated \$'000	30/06/2013 previously reported \$'000	AASB 119 adjustments \$'000	30/06/2013 as restated \$'000
<b>Liabilities</b>						
<b>Current liabilities</b>						
Personnel services	11,549	-	11,549	1,308,868	161,579	1,470,447
Payables	651,806	-	651,806	1,933,162	161,579	2,094,741
<b>Total current liabilities</b>	<b>1,262,428</b>	<b>-</b>	<b>1,262,428</b>	<b>2,242,699</b>	<b>161,579</b>	<b>2,404,278</b>
<b>Non-current liabilities</b>						
Superannuation - provision	955,694	161,579	1,117,273	-	-	-
Non-current provisions	998,734	161,579	1,160,313	18,463	-	18,463
<b>Total non-current liabilities</b>	<b>2,302,190</b>	<b>161,579</b>	<b>2,463,769</b>	<b>1,321,919</b>	<b>-</b>	<b>1,321,919</b>
<b>Total liabilities</b>	<b>3,564,618</b>	<b>161,579</b>	<b>3,726,197</b>	<b>3,564,618</b>	<b>161,579</b>	<b>3,726,197</b>
<b>Equity</b>						
Accumulated funds	61,208,455	(161,579)	61,046,876	61,208,455	(161,579)	61,046,876
<b>Total equity</b>	<b>67,421,642</b>	<b>(161,579)</b>	<b>67,260,063</b>	<b>67,421,642</b>	<b>(161,579)</b>	<b>67,260,063</b>

## Impact on assets, liabilities and equity as at 30 June 2014 as a result of AASB 119

	Consolidated	Parent
	AASB 119 adjustments \$'000	AASB 119 adjustments \$'000
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Personnel services	165,875	165,875
Payables	165,875	165,875
<b>Total non-current liabilities</b>	165,875	165,875
<b>Total liabilities</b>	<b>165,875</b>	<b>165,875</b>
<b>Equity</b>		
Accumulated funds	(165,875)	(165,875)
<b>Total equity</b>	<b>(165,875)</b>	<b>(165,875)</b>

## 2. Expenses excluding losses

### a) Employee related expenses

Employee related expenses comprise the following specific items:

	Consolidated	Consolidated	Parent	Parent
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Salaries and wages (including annual leave)	310,493	462,066	-	-
Superannuation – defined benefit plans *	43,086	66,312	-	-
Superannuation – defined contribution plans	17,544	25,874	-	-
Long service leave	1,681	7,521	-	-
Payroll tax and fringe benefits tax	16,882	27,308	-	-
Redundancy	31,628	9,136	-	-
Skill hire contractors	23,569	43,479	23,569	43,479
Workers' compensation insurance	5,054	9,729	-	-
	<b>449,937</b>	<b>651,425</b>	<b>23,569</b>	<b>43,479</b>
Personnel services	349,187	-	609,667	283,740
	<b>799,124</b>	<b>651,425</b>	<b>633,236</b>	<b>327,219</b>
Allocations of employee related costs to programs				
– Capitalised to infrastructure	235,050	246,248	235,050	246,248
– Operating programs (including maintenance costs)	799,124	651,425	633,236	327,219
	<b>1,034,174</b>	<b>897,673</b>	<b>868,286</b>	<b>573,467</b>

Included in the above are employee related expenses of \$148.917 million (2013: \$146.745 million) related to maintenance.

\*Defined benefit superannuation actuarial gains of \$79.159 million (2013: \$183.764 million) and actual return on fund asset less interest income of \$86.729 million (2013: \$140.442 million) are recognised in the Statement of Comprehensive Income until 23 February 2014. RMS's employee related costs subsequent to 23 February 2014 are recognised as personnel service expenses in the Consolidated Statement of Comprehensive Income.



## b) Other operating expenses

	Consolidated	Consolidated	Parent	Parent
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Auditor's remuneration – audit of financial statements	775	710	730	695
Advertising	3,819	5,505	3,819	5,505
Contract payments	90,061	66,809	90,061	66,809
Data processing	44,367	35,863	44,367	35,863
Contingent rent	2,315	3,403	2,315	3,403
Fleet hire and lease charges	18,888	11,368	18,888	11,368
Lease and property expenses	52,256	60,894	52,256	60,894
M5 Cashback refund	73,966	70,201	73,966	70,201
Office expenses	36,188	36,108	36,188	36,108
Payments to councils and external bodies	11,824	16,071	11,824	16,071
Sydney Harbour Tunnel operating fees	29,235	28,382	29,235	28,382
Travel and legal expenses	23,685	21,364	23,685	21,364
Consultants	369	1,609	369	1,609
Professional fees	73,952	118,346	73,952	118,346
WDA project expenses	-	-	40,524	-
Other	54,335	50,797	54,380	50,812
	<b>516,035</b>	<b>527,430</b>	<b>556,559</b>	<b>527,430</b>
Share services charges	54,641	65,089	54,641	65,089
	<b>570,676</b>	<b>592,519</b>	<b>611,200</b>	<b>592,519</b>

### Infrastructure maintenance

Major reconstruction costs for road segments on State roads are capitalised and as such not charged against maintenance expenditure. RMS capitalised \$595.932 million (2013: \$466.768 million) of such works during the year.

RMS expensed \$156.415 million in the year ended 30 June 2014 (2013: \$243.272 million) on natural disaster restoration works from State funds, and \$231.089 million in the year ended 30 June 2014 (2013: \$202.818 million) on block grants and other maintenance grants to councils for regional and local roads.

	Consolidated	Consolidated	Parent	Parent
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Maintenance expenses in Statement of Comprehensive Income	485,920	493,515	485,920	493,515
Maintenance related employee expenses (Note 2(a))	148,917	146,745	148,917	146,745
<b>Total maintenance expenses including employee related</b>	<b>634,837</b>	<b>640,260</b>	<b>634,837</b>	<b>640,260</b>
Maintenance grants to councils (Note 2(d))	351,411	400,389	351,411	400,389
Capitalised maintenance	595,932	466,768	595,932	466,768
<b>Total maintenance program</b>	<b>1,582,180</b>	<b>1,507,417</b>	<b>1,582,180</b>	<b>1,507,417</b>

### c) Depreciation and amortisation

	Consolidated	Consolidated	Parent	Parent
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Depreciation of operational and property assets	39,723	42,654	39,723	42,654
Depreciation of infrastructure assets	1,383,100	1,152,881	1,383,100	1,152,881
Amortisation of intangible assets	11,885	12,028	11,885	12,028
	1,434,708	1,207,563	1,434,708	1,207,563

### d) Grants and subsidies

	Consolidated	Consolidated	Parent	Parent
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Maintenance grants to councils (Note 2(b))	351,411	400,389	351,411	400,389
Roads and bridges transferred to councils	85,584	20,683	85,584	20,683
Other grants and subsidies	9,495	7,463	9,495	7,463
	446,490	428,535	446,490	428,535

### e) Finance costs

	Consolidated	Consolidated	Parent	Parent
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Interest expense from financial liabilities not at fair value through profit and loss	25,402	27,986	25,402	27,986
Finance lease interest charges	39,818	43,039	39,818	43,039
Finance lease interest charges – Maritime Trade Tower	-	3,266	-	3,266
Other	1,909	4,811	1,909	4,811
	67,129	79,102	67,129	79,102

### 3. Revenue

#### a) Sale of goods and services

	Consolidated	Consolidated	Parent	Parent
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
<b>Sale of goods</b>				
Number plates	112,511	105,184	112,511	105,184
<b>Rendering of services</b>				
Advertising	22,528	21,089	22,528	21,089
Boat licences	19,679	20,529	19,679	20,529
Boat registrations	23,755	22,982	23,755	22,982
Channel fees	10,117	15,029	10,117	15,029
Fees for services	58,745	55,742	58,745	55,742
Heavy vehicle permit fees	1,564	1,729	1,564	1,729
Miscellaneous services	25,446	24,668	25,446	24,668
Moorings	8,765	8,361	8,765	8,361
General maritime revenue	3,648	2,993	3,648	2,993
Publications	7,495	6,961	7,495	6,961
Rental income	55,556	51,260	55,556	51,260
Third party insurance data access charges	20,006	18,855	20,006	18,855
Toll revenue (Sydney Harbour Bridge)	102,293	98,851	102,293	98,851
Toll revenue (Sydney Harbour Tunnel)	43,180	43,565	43,180	43,565
WDA project fees	-	-	40,524	-
Works and services	30,030	69,726	30,030	69,726
	<b>545,318</b>	<b>567,524</b>	<b>585,842</b>	<b>567,524</b>
<b>Personnel services revenue</b>	<b>27,393</b>	<b>77,199</b>	<b>27,393</b>	<b>77,199</b>

#### b) Investment revenue

	Consolidated	Consolidated	Parent	Parent
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Interest	8,673	10,429	8,673	10,429
Interest – Maritime Trade Tower	-	3,153	-	3,153
Rent received – Maritime Trade Tower	7	13,525	7	13,525
Amortisation of zero interest loan Sydney Harbour Tunnel	8,095	7,580	8,095	7,580
TCorp Investment Facilities Designated at Fair Value Through Profit or Loss – Gain on Fair Valuation	4,683	5,922	4,683	5,922
	<b>21,458</b>	<b>40,609</b>	<b>21,458</b>	<b>40,609</b>

### c) Retained taxes, fees and fines

	Consolidated	Consolidated	Parent	Parent
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Sanction fees payable under the Fines Act	17,069	12,685	17,069	12,685
	17,069	12,685	17,069	12,685

### d) Grants from Transport for NSW (TfNSW)

	Consolidated	Consolidated	Parent	Parent
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
<b>Operating grant</b>				
Grant to fund general operations including maintenance	1,518,115	1,535,143	1,518,115	1,535,143
<b>Capital grant</b>				
Grants to fund investment in infrastructure network development	2,895,315	2,860,962	2,895,315	2,860,962
	4,413,430	4,396,105	4,413,430	4,396,105

Of the \$2,895,315 million capital grant, \$785.690 million relates to federal funding (2013: \$1,381.510 million of \$2,860.962 million). The equivalent figure for the federal recurrent grant is \$168.810 million (2013: \$160.447 million). Federal funding is appropriated to TfNSW through NSW Treasury.

	Consolidated	Consolidated	Parent	Parent
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
<b>Transfers to the Crown Entity</b>				
Asset sales proceeds transferred	-	(124,833)	-	(124,833)
Other transfers	-	(4,000)	-	(4,000)
	-	(128,833)	-	(128,833)

### e) Other grants and contributions

	Consolidated	Consolidated	Parent	Parent
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
NSW Government agencies				
– TfNSW	8,422	13,047	8,422	13,047
– Other	31,428	81,236	31,428	81,236
Local government	71,291	47,762	71,291	47,762
Other government agencies	5,806	3,781	5,806	3,781
Private firms and individuals	8,842	18,148	8,842	18,148
	125,789	163,974	125,789	163,974

Contributions received during the year ended 30 June 2014 were recognised as revenue during the period and were expended in that period with no balance of those fund available at 30 June 2014.

## f) Other revenue

	Consolidated	Consolidated	Parent	Parent
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Amortisation of Deferred Revenue on Private Sector Provided Infrastructure (PSPI) Projects	12,065	14,048	12,065	14,048
Value of emerging interest of PSPI			-	
– M2/M2 Widening (refer note 10(a))	41,479	15,384	41,479	15,384
– M4 (refer note 10(a))	1,238	1,136	1,238	1,136
– M5 (refer note 10(a))	28,473	26,220	28,473	26,220
– Eastern Distributor (refer note 10(a))	17,271	16,208	17,271	16,208
– Cross City Tunnel (refer note 10(a))	24,907	23,613	24,907	23,613
– Western Sydney Orbital M7 (refer note 10(a))	49,872	47,223	49,872	47,223
– Lane Cove Tunnel (refer note 10(a))	35,553	33,530	35,553	33,530
M2 and Eastern Distributor promissory notes	9,025	8,504	9,025	8,504
Fuel tax credits	3,972	258	3,972	258
Principal arranged insurance refund	-	1,118	-	1,118
Property revenue	1,964	127	1,964	127
Recognition of infrastructure assets	22,396	31,172	22,396	31,172
Other boating fees	1,582	1,753	1,582	1,753
Write back of payable forgiven	36,449	-	36,449	-
Other (including professional services revenue)	1,298	7,305	1,298	7,305
	287,544	227,599	287,544	227,599

## 4. Gains (losses) on disposal

### a) Gains (losses) on disposal

	Consolidated	Consolidated	Parent	Parent
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Net gain on sale of property, plant and equipment				
– Proceeds from sale	50,946	187,494	50,946	187,494
– Carrying amount of assets sold	(46,342)	(173,842)	(46,342)	(173,842)
<b>Net gain on sale of property, plant and equipment</b>	<b>4,604</b>	<b>13,652</b>	<b>4,604</b>	<b>13,652</b>

### b) Other gains/(losses)

	Consolidated	Consolidated	Parent	Parent
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Allowance for impairment of receivables	(1,571)	(2,300)	(1,574)	(2,300)
Bad debts (written off)/recovered	(407)	(51)	(404)	(51)
Carrying amount of infrastructure assets written off (refer note 5)	(521,907)	(696,678)	(521,907)	(696,678)
Write-down of obsolete inventories	(1,189)	-	(1,189)	-
Write-down of land & buildings and infrastructure assets (refer note 5)	(117,615)	(378,688)	(117,615)	(378,688)
<b>Total other gains/(losses)</b>	<b>(642,689)</b>	<b>(1,077,717)</b>	<b>(642,689)</b>	<b>(1,077,717)</b>

The majority of the assets written off were infrastructure assets. In cases where RMS constructs a new infrastructure asset that substantially replaces an existing asset (rather than performing work to maintain the existing asset), the capitalised value of the original asset is written off and the new asset is included within the additions to infrastructure assets (note 9(c)).

## 5. Write-off/down of land & buildings and infrastructure assets

	Consolidated	Consolidated	Parent	Parent
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Infrastructure assets written off	521,907	696,678	521,907	696,678

The following infrastructure assets were written off in year ended 30 June 2014 and the financial year to 30 June 2013:

	Replacement costs	Accumulated depreciation/ Unearned income	Written down replacement costs	Replacement costs	Accumulated depreciation	Written down replacement costs
	2014	2014	2014	2013	2013	2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Roads	363,367	(106,190)	257,177	408,955	(136,628)	272,327
LUR	-	-	-	10,370	-	10,370
Bridges	38,593	(8,480)	30,113	8,473	(4,644)	3,829
Maritime assets	-	-	-	2,283	-	2,283
Work in progress	-	-	-	7,401	-	7,401
Traffic signals network	433	(210)	223	282	(165)	117
Traffic control network	2,352	(2,321)	31	-	-	-
Maritime dredge assets*	297,440	(63,077)	234,363	549,015	(148,664)	400,351
	702,185	(180,278)	521,907	986,779	(290,101)	696,678

\* The write off amount of \$234.363 million in 2014 (2013: \$400.351 million) represents the derecognition of Maritime dredge assets transferred to Port Corporations.

	Consolidated	Consolidated	Parent	Parent
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Land & buildings and Infrastructure assets written down	117,615	378,688	117,615	378,688

The following land & buildings and infrastructure assets and were written down in year ended 30 June 2014 and the financial year to 30 June 2013:

	Replacement costs	Accumulated depreciation/ Unearned income	Written down replacement costs	Replacement costs	Accumulated depreciation	Written down replacement costs
	2014	2014	2014	2013	2013	2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Infrastructure systems</b>						
Land under roads	19,542	-	19,542	66,497	-	66,497
Traffic signals network	72,716	-	72,716	-	-	-
Maritime assets	2,043	-	2,043	-	-	-
	94,301	-	94,301	66,497	-	66,497
<b>Land &amp; buildings</b>						
Land acquired for future roadworks	23,314	-	23,314	312,191	-	312,191
	117,615	-	117,615	378,688	-	378,688



## 6. Service groups of Roads and Maritime Services

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### **a) Growth and Improvement**

This service group covers work done to contribute to the expansion of the asset portfolio, specifically to meet changing or improved standards or enhanced system capability. The scope of activities within this service group includes investigations, feasibility studies and optioneering that may result in network improvement and expansion programs, initiatives to improve functionality on existing operational assets to meet new service and legislative requirements and initiatives to expand the existing asset portfolio to increase the capacity of the transport system.

### **b) Services and Operations**

This service group covers work performed in operating and utilising the transport network and fleet to provide the required services to customers. The scope of the activities in the service group includes deploying resources and utilising physical assets in the provision of front line customer services, deploying resources to influence demand and transport user behaviour, replacing fleet at the end of their useful life, work performed by external parties as part of a financing agreement (for example, public-private partnerships, leases or grants) and shared corporate and employee services.

### **c) Asset Maintenance**

This service group covers work performed on physical assets to address defects and deterioration in their condition, and replacement required at the end of their useful life, to ensure operational capacity. The scope of activities within this service group includes maintaining current fleet and infrastructure to applicable standards, replacing infrastructure to current standards at the end of its useful life (which is impacted by deterioration over time and by consumption or use) and interventions made to improve cost efficiency and performance of assets in conjunction with the previously listed activities.

## 7. Current assets – cash and cash equivalents

	Consolidated	Consolidated	Parent	Parent
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
RMS operating account	87,221	20,265	87,221	20,265
Remitting account, cash in transit and cash on hand *	42,170	38,908	42,170	38,908
TCorp Hour-Glass Cash Facility **	196,122	177,101	196,122	177,101
On call deposits	7,668	7,456	7,668	7,456
Other	677	859	677	859
	<b>333,858</b>	<b>244,589</b>	<b>333,858</b>	<b>244,589</b>

\*The remitting account balance above does not include cash of \$37.923 million (2013: \$35.289 million) relating to administered revenue held by RMS as at 30 June (refer to note 26).

\*\*The TCorp Hour-Glass Cash Facility are unit trust investment cash facilities which are at call. This includes restricted assets received from the deposit holders, which are SHB ETOLL Tag Deposits of \$52.240 million (2013: \$50.756 million), Just Terms Compensation of \$0.823 million (2013: \$2.452 million), and Tow Truck Licensing and Compliance of \$0.422 million (2013: \$0.410 million).

For the purposes of the statement of cash flows, cash and cash equivalents include cash at bank, cash on hand, on call deposits, and TCorp cash facilities.

Details regarding credit risk, liquidity risk and market risk arising from financial instruments are disclosed in note 16.

## 8. Current assets/non-current assets – receivables and other financial assets

### a) Current receivables

	Consolidated	Consolidated	Parent	Parent
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Sale of goods and services	35,862	47,793	35,862	47,793
Other	5,991	7,358	5,991	7,358
Less: allowance for impairment *	(8,168)	(6,597)	(8,168)	(6,597)
	<b>33,685</b>	<b>48,554</b>	<b>33,685</b>	<b>48,554</b>
TfNSW receivable (see note 1(g)iv)	-	3,552	-	3,552
Goods and services tax receivable	90,913	72,575	90,913	72,575
	<b>124,598</b>	<b>124,681</b>	<b>124,598</b>	<b>124,681</b>
Prepayments	9,150	10,636	9,150	10,636
Property debtors	29,448	21,204	29,448	21,204
Dishonoured credit cards	161	192	161	192
	<b>163,357</b>	<b>156,713</b>	<b>163,357</b>	<b>156,713</b>
Accrued income				
– Interest	6,867	140	6,867	140
– Property sales	14,656	28,917	14,656	28,917
– Other	5,138	11,743	5,138	11,743
	<b>190,018</b>	<b>197,513</b>	<b>190,018</b>	<b>197,513</b>

\*The allowance for impairment primarily relates to amounts owing as a result of commercial transactions (e.g. debts raised for performance of services or sale of goods) and tenants who vacate rental premises without notice whilst in arrears.

Details regarding credit risk, liquidity risk and market risk arising from financial instruments are disclosed in note 16.

### Movement in the allowance for impairment

	Consolidated	Consolidated	Parent	Parent
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Opening balance at the beginning of the year	6,597	8,679	6,597	8,679
Amounts written off during the year	-	(4,382)	-	(4,382)
Increase in allowance recognised in Statement of Comprehensive Income	1,571	2,300	1,571	2,300
Balance as at end of financial year	<b>8,168</b>	<b>6,597</b>	<b>8,168</b>	<b>6,597</b>

### b) Non-current receivables

	Consolidated	Consolidated	Parent	Parent
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Other	400	1,828	400	1,828
	<b>400</b>	<b>1,828</b>	<b>400</b>	<b>1,828</b>

### c) Other financial assets

	Consolidated	Consolidated	Parent	Parent
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Loan to Sydney Harbour Tunnel Company	127,222	119,127	127,222	119,127
M2 and Eastern Distributor operators Promissory notes (refer to note 10 (a))	50,323	41,298	50,323	41,298
	177,545	160,425	177,545	160,425

### d) Current financial assets (at fair value)

	Consolidated	Consolidated	Parent	Parent
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
TCorp Hour-Glass Investment Facilities – long-term growth facility	15,061	13,272	15,061	13,272
TCorp Hour-Glass Investment Facilities – medium-term growth facility	38,349	35,622	38,349	35,622
TCorp Hour-Glass Investment Facilities – strategic cash facility	5,300	5,134	5,300	5,134
	58,710	54,028	58,710	54,028

## 9. Non-current assets – property, plant and equipment

	Land and buildings	Plant and equipment	Infrastructure systems	Total
Consolidated and parent	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2013 – fair value</b>				
Gross carrying amount	2,476,695	280,984	97,519,308	100,276,987
Accumulated depreciation	(66,284)	(144,304)	(30,908,399)	(31,118,987)
<b>Net carrying amount</b>	<b>2,410,411</b>	<b>136,680</b>	<b>66,610,909</b>	<b>69,158,000</b>
<b>As at 30 June 2014 – fair value</b>				
Gross carrying amount	2,602,387	263,725	101,712,624	104,578,736
Accumulated depreciation	(84,482)	(144,314)	(32,231,942)	(32,460,738)
<b>Net carrying amount</b>	<b>2,517,905</b>	<b>119,411</b>	<b>69,480,682</b>	<b>72,117,998</b>
	Land and buildings	Plant and equipment	Infrastructure systems	Total
Consolidated and parent	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2012 – fair value</b>				
Gross carrying amount	2,788,210	272,291	83,278,453	86,338,954
Accumulated depreciation	(46,815)	(131,209)	(21,796,665)	(21,974,689)
<b>Net carrying amount</b>	<b>2,741,395</b>	<b>141,082</b>	<b>61,481,788</b>	<b>64,364,265</b>
<b>As at 30 June 2013 – Fair value</b>				
Gross carrying amount	2,476,695	280,984	97,519,308	100,276,987
Accumulated depreciation	(66,284)	(144,304)	(30,908,399)	(31,118,987)
<b>Net carrying amount</b>	<b>2,410,411</b>	<b>136,680</b>	<b>66,610,909</b>	<b>69,158,000</b>

A reconciliation of the carrying amount of each class of Property, Plant and Equipment at the beginning and end of the current reporting period is set out below:

	Land and buildings	Plant and equipment	Infrastructure systems	Total
Year ended 30 June 2014	\$'000	\$'000	\$'000	\$'000
<b>Net carrying amount 1 July 2013</b>	<b>2,410,411</b>	<b>136,680</b>	<b>66,610,909</b>	<b>69,158,000</b>
Additions	172,974	8,860	2,810,793	2,992,627
Disposals	-	(5,541)	(584,984)	(590,525)
Transfers to councils	-	-	(85,584)	(85,584)
Transfers from councils	-	-	69,050	69,050
Net revaluation increment less revaluation decrements	8,965	-	2,104,987	2,113,952
Assets recognised for the first time	-	-	22,396	22,396
Asset write-off	-	-	-	-
Asset write-down	(23,314)	-	(94,301)	(117,615)
Depreciation expense	(18,255)	(21,468)	(1,383,100)	(1,422,823)
Transfer (to)/from assets held for sale	(22,364)	(256)	-	(22,620)
Rci and other adjustments/WIP	-	-	4	4
Transfer out	(10,512)	-	(2,437,718)	(2,448,230)
Transfers in	-	1,136	2,448,230	2,449,366
<b>Net carrying amount at 30 June 2014</b>	<b>2,517,905</b>	<b>119,411</b>	<b>69,480,682</b>	<b>72,117,998</b>

	Land and buildings	Plant and equipment	Infrastructure systems	Total
Year ended 30 June 2013	\$'000	\$'000	\$'000	\$'000
<b>Net carrying amount 1 July 2012</b>	<b>2,741,395</b>	<b>141,082</b>	<b>61,481,788</b>	<b>64,364,265</b>
Additions	91,502	16,010	2,870,288	2,977,800
Disposals	-	(2,859)	(835,660)	(838,519)
Net assets transferred as equity transfer	-	-	(1,430)	(1,430)
Transfers to councils	-	-	(20,683)	(20,683)
Transfers from councils	-	-	44,820	44,820
Net revaluation increment less revaluation decrements	(33,320)	-	4,255,050	4,221,730
Assets recognised for the first time	-	-	31,172	31,172
Asset write-off	-	-	(9,684)	(9,684)
Asset write-down	(312,191)	-	(66,497)	(378,688)
Depreciation expense	(19,468)	(23,186)	(1,152,881)	(1,195,535)
Transfer (to)/from assets held for sale	(40,690)	-	-	(40,690)
Rci and other adjustments/WIP	-	5,633	(1,005)	4,628
Transfer out	(17,365)	-	(2,246,524)	(2,263,889)
Transfers in	548	-	2,262,155	2,262,703
<b>Net carrying amount at 30 June 2013</b>	<b>2,410,411</b>	<b>136,680</b>	<b>66,610,909</b>	<b>69,158,000</b>

Further details regarding the fair value measurement of property, plant and equipment are disclosed in note 12.

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below:

Physical non-current assets are valued in accordance with the 'Valuation of Physical Non-Current Assets at Fair Value' Policy and Guidelines Paper (TPP 14–1). This policy adopts fair value in accordance with AASB 116 Property, Plant and Equipment. RMS engaged internal experts to perform a Traffic Control and Traffic Signals Networks asset full valuation effective 31 March 2014 in 2013–14.

## a) Land and buildings – consolidated and parent

	Officers' Residence		Land and buildings acquired for future roadworks *	Leasehold improvements	Total
	Land	Buildings			
Year ended 30 June 2014	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Net carrying amount 1 July 2013</b>	<b>230,087</b>	<b>154,390</b>	<b>1,991,062</b>	<b>34,872</b>	<b>2,410,411</b>
Additions	-	4,737	164,365	3,872	172,974
Disposals	-	-	-	-	-
Net revaluation increments less revaluation decrements	6,710	2,255	-	-	8,965
Depreciation expense	-	(9,793)	-	(8,462)	(18,255)
Transfer from/to assets held for sale	-	-	(22,364)	-	(22,364)
Transfer in	-	-	-	-	-
Reclassifications	(1,427)	(646)	1,422	651	-
Adjustments/WIP	-	-	-	-	-
Asset write-down	-	-	(23,314)	-	(23,314)
Transfer to infrastructure	-	-	(10,512)	-	(10,512)
<b>Net carrying amount at 30 June 2014</b>	<b>235,370</b>	<b>150,943</b>	<b>2,100,659</b>	<b>30,933</b>	<b>2,517,905</b>

	Officers' Residence		Land and buildings acquired for future roadworks *	Leasehold improvements	Total
	Land	Buildings			
Year ended 30 June 2013	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Net carrying amount 1 July 2012</b>	<b>157,540</b>	<b>234,142</b>	<b>2,306,692</b>	<b>43,021</b>	<b>2,741,395</b>
Additions	-	3,172	87,936	394	91,502
Disposals	-	-	-	-	-
Net revaluation increments less revaluation decrements	-	-	(33,320)	-	(33,320)
Depreciation expense	-	(9,560)	-	(9,908)	(19,468)
Transfer from/to assets held for sale	-	-	(40,690)	-	(40,690)
Transfer in	-	(817)	-	1,365	548
Reclassifications	72,547	(72,547)	-	-	-
Adjustments/WIP	-	-	-	-	-
Asset write-down	-	-	(312,191)	-	(312,191)
Transfer to infrastructure	-	-	(17,365)	-	(17,365)
<b>Net carrying amount at 30 June 2013</b>	<b>230,087</b>	<b>154,390</b>	<b>1,991,062</b>	<b>34,872</b>	<b>2,410,411</b>

\*Land acquired for future road works was revalued on 31 March 2014 using the Valuer-Generals land property index. This has resulted in a devaluation/decrement recorded in the statement of comprehensive income of \$23.314 million (2013: \$312.191 million).



	Aggregate carrying amount	Aggregate carrying amount
	2014	2013
Category of land and building acquired for future road works	\$'000	\$'000
Revalued as part of the current progressive revaluation and carried at fair value (market value) as at the end of the financial year less, where applicable, any subsequent accumulated depreciation:		
– Surplus properties	361,353	371,903
– Rentable properties	501,135	496,004
Untenanted land for roads – revalued annually not subject to progressive revaluation	1,238,171	1,123,155
<b>Total land and buildings acquired for future roadworks</b>	<b>2,100,659</b>	<b>1,991,062</b>

Due to the large number of properties held, a combination of RMS and independent valuers are used to perform the progressive revaluations. Where possible, the fair value of land and buildings are determined by reference to recent market transactions, using the following methods and assumptions:

- The pre-acquisition market value was used as the base value for determining fair value.
- The base value for land and building parcels acquired after 1999 have been increased by movements in the NSW Valuer-General's Land Price Index (LPI) for the period 2000-2012.
- For land and building parcels purchased prior to 2000 or where pre-acquisition market values were not available, a rate per square metre was calculated from recent market transactions within the same or similar Local Government Areas and applied to the current parcel area.

Land and buildings not re-valued as part of the current year progressive revaluations have been indexed based on LPI component factors to ensure that their carrying amounts do not differ materially from fair value as at 30 June 2014.

## b) Plant and equipment – consolidated and parent

	Plant equipment and motor vehicles	Computer hardware	Electronic office equipment	Total
Year ended 30 June 2014	\$'000	\$'000	\$'000	\$'000
<b>Net carrying amount 1 July 2013</b>	<b>97,271</b>	<b>38,993</b>	<b>416</b>	<b>136,680</b>
Additions	5,164	3,297	399	8,860
Disposals	(5,510)	(14)	(17)	(5,541)
Depreciation expense	(12,124)	(9,317)	(27)	(21,468)
Transfer to asset held for sale	(256)	-	-	(256)
Reclassifications	5,639	(5,305)	802	1,136
<b>Net carrying amount at 30 June 2014</b>	<b>90,184</b>	<b>27,654</b>	<b>1,573</b>	<b>119,411</b>

	Plant equipment and motor vehicles	Computer hardware	Electronic office equipment	Maritime plant and equipment	Total
Year ended 30 June 2013	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Net carrying amount 1 July 2012</b>	<b>87,088</b>	<b>34,914</b>	<b>432</b>	<b>18,648</b>	<b>141,082</b>
Additions	8,305	7,683	22	-	16,010
Disposals	(2,765)	(86)	(8)	-	(2,859)
Depreciation expense	(13,901)	(9,255)	(30)	-	(23,186)
Reclassifications	18,544	5,737	-	(18,648)	5,633
<b>Net carrying amount at 30 June 2013</b>	<b>97,271</b>	<b>38,993</b>	<b>416</b>	<b>-</b>	<b>136,680</b>

### c) Infrastructure systems – consolidated and parent

	Roads	Land under roads	Bridges	Sydney Harbour Tunnel	Traffic signals network	Traffic control network	Maritime assets	Major works in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Year ended 30 June 2014</b>									
<b>Net carrying amount 1 July 2013</b>	<b>46,691,026</b>	<b>1,477,705</b>	<b>11,984,737</b>	<b>807,451</b>	<b>274,435</b>	<b>159,317</b>	<b>849,364</b>	<b>4,366,874</b>	<b>66,610,909</b>
Additions	400,852	-	312,937	-	4,719	13,636	-	2,078,649	2,810,793
Disposals	(257,177)	-	(30,113)	-	(223)	(31)	(297,440)	-	(584,984)
Transfers to councils	(76,448)	(890)	(8,246)	-	-	-	-	-	(85,584)
Transfers from councils	67,612	455	983	-	-	-	-	-	69,050
Assets recognised for the first time	538	-	21,858	-	-	-	-	-	22,396
Net revaluation increment less revaluation decrements	1,604,793	-	392,667	144,300	(9,817)	(6,407)	(20,549)	-	2,104,987
Asset write-off	-	-	-	-	-	-	-	-	-
Asset write-down	-	(19,542)	-	-	(72,716)	-	(2,043)	-	(94,301)
Depreciation expense	(1,155,508)	-	(172,429)	(6,314)	(28,920)	(11,547)	(8,382)	-	(1,383,100)
Transfers in	1,368,835	10,512	1,068,625	-	-	-	258	-	2,448,230
Transfers out	-	-	-	-	-	-	-	(2,437,718)	(2,437,718)
RCI and other adjustments/WIP	-	-	-	-	-	-	4	-	4
<b>Net carrying amount at 30 June 2014</b>	<b>48,644,523</b>	<b>1,468,240</b>	<b>13,571,019</b>	<b>945,437</b>	<b>167,478</b>	<b>154,968</b>	<b>521,212</b>	<b>4,007,805</b>	<b>69,480,682</b>

RMS leases the Sydney Harbour Tunnel under agreement with the Sydney Harbour Tunnel Company (SHTC). The agreement transfers ownership of the tunnel to RMS at the end of the lease term in 2022 (see note 19 for further details). At 30 June 2014 the net carrying amount of this leased infrastructure assets was \$945.437 million (2013: \$807.451 million).

Last year, RMS re-componentised its Road assets increasing the number of components. This resulted in an increase in depreciation expense \$291.410 million in the year ended 30 June 2013.

As part of the current year progressive revaluation, Roads and Bridges assets have been indexed using the Road Construction Index to ensure that carrying amounts do not materially differ from fair value as at 30 June 2014.

	Roads	Land under roads	Bridges	Sydney Harbour Tunnel	Traffic signals network	Traffic control network	Maritime assets	Major works in progress	Total
Year ended 30 June 2013	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Net carrying amount 1 July 2012</b>	<b>41,996,227</b>	<b>1,537,443</b>	<b>11,137,970</b>	<b>762,405</b>	<b>288,225</b>	<b>147,862</b>	<b>1,361,518</b>	<b>4,250,138</b>	<b>61,481,788</b>
Additions	345,554	-	131,106	-	6,327	15,635	-	2,371,666	2,870,288
Disposals	(272,327)	(10,370)	(3,829)	-	(117)	-	(549,017)	-	(835,660)
Net assets transferred as equity transfer	-	-	-	-	-	-	(1,430)	-	(1,430)
Transfers to councils	(10,264)	(235)	(10,184)	-	-	-	-	-	(20,683)
Transfers from councils	-	-	44,820	-	-	-	-	-	44,820
Assets recognised for the first time	-	-	31,172	-	-	-	-	-	31,172
Net revaluation increment less revaluation decrements	3,974,763	-	189,078	51,054	8,772	7,344	24,039	-	4,255,050
Asset write-off	-	-	-	-	-	-	(2,283)	(7,401)	(9,684)
Asset write-down	-	(66,497)	-	-	-	-	-	-	(66,497)
Depreciation expense	(950,883)	-	(145,491)	(6,008)	(28,772)	(11,524)	(10,203)	-	(1,152,881)
Transfers in	1,607,956	17,364	610,095	-	-	-	26,740	-	2,262,155
Transfers out	-	-	-	-	-	-	-	(2,246,524)	(2,246,524)
RCI and other adjustments/WIP	-	-	-	-	-	-	-	(1,005)	(1,005)
<b>Net carrying amount at 30 June 2013</b>	<b>46,691,026</b>	<b>1,477,705</b>	<b>11,984,737</b>	<b>807,451</b>	<b>274,435</b>	<b>159,317</b>	<b>849,364</b>	<b>4,366,874</b>	<b>66,610,909</b>

A full valuation of the road infrastructure assets was carried out by an independent valuer on 31 March 2013. All road infrastructure assets are stated at fair value using the depreciated replacement cost (DRC) approach.

The methods and significant assumptions applied in estimating the 'Roads' asset class fair values include:

### **Valuation methodologies**

*Primary Approach* – applied to culverts, pavements, earthworks, safety barriers, and fences. This approach involved the following steps:

- Obtaining inventory details for components by RAMS segment/unique ID
- Applying unit rates to the inventory listings
- Estimating replacement costs based on quantity/area/length
- Estimating normal useful lives
- Applying depreciation (straight line) based on age/life analysis to estimate fair value

*Secondary Approach* – applied to structures and “other” corridor assets categories. This approach involved the following steps:

- Obtaining percentage breakdown of components from RMS's Project Management Office (PMO)
- Converting PMO percentages to “known assets” percentages
- Estimating replacement costs based on replacement cost of “known assets”
- Estimating normal useful lives
- Applying depreciation (straight line) based on age/life analysis to estimate fair value

*Hybrid Approach* – used for longitudinal and subsoil drainage assets, involving a combination of the Primary and Secondary Approaches.

### *Earthworks assumptions*

- Sub-categories for Earthworks have been identified as 'Region', 'Road rank', and 'Terrain'
- RMS's PMO unit rates were only available by region and were therefore adjusted to include road rank and terrain, using assumed typical earthwork depths, to capture the cost variations for all stereotypes

### *Pavement assumptions*

- Base / Sub-Base asset ages have been based on the road construction date
- Wearing Surface asset ages have been based on the newer of resurfacing or rehabilitation dates
- Remaining life extensions of 7 years and 2 years respectively have been applied to Base / Sub-Base and Wearing Surface assets past their useful lives. These assumptions are based on RMS's projected pavement rebuilding/resurfacing estimates
- Sub-categories for Pavements have been identified as 'Pavement category', 'Region', and 'Road rank'

#### *Culvert and Drainage assumptions*

- Ages for Culverts have been calculated using the road construction date
- A remaining life extension of 5 years has been applied to all Culverts that were past their useful life
- Stereotypes for Culverts have been identified as 'Culvert type', 'Region', and 'Pipe diameter / box width'
- Longitudinal Drainage assumed to be located in urban terrains in Sydney region only (Hunter region captured in Culverts inventory), and applied to 50 per cent of segment lengths only
- 375mm pipe culvert unit rate was deemed most appropriate for Longitudinal Drainage
- Subsoil Drainage primary types include edge and trench drains, and only concrete pavement types assumed to include edge drains

#### *Safety Barrier and Fence assumptions*

- Sub-categories have been identified as 'Barrier type', and 'Region'
- Age calculations for depreciation were determined using road segment construction dates

Due to the specialised nature of RMS's 'Roads' asset class, and the fact that RMS's road assets are not sold or traded, the fair value for this asset class cannot be determined with reference to observable prices in an active market or recent market transactions on arm's length terms. Instead, the fair value has been determined using the valuation techniques outlined above, primarily with reference to current tendered contract rates produced by the RMS Project Management Office.

## 10. Non-current assets – intangible assets and other

### a) Private sector provided infrastructure

	Consolidated	Consolidated	Parent	Parent
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
<b>M2 Motorway/ M2 widening</b>				
Carrying amount at start of year	84,421	69,037	84,421	69,037
Annual increment – emerging right to receive	41,479	15,384	41,479	15,384
<b>Carrying amount at end of year</b>	<b>125,900</b>	<b>84,421</b>	<b>125,900</b>	<b>84,421</b>
<b>M4 Motorway Service Centre</b>				
Carrying amount at start of year	6,157	5,021	6,157	5,021
Annual increment – emerging right to receive	1,238	1,136	1,238	1,136
<b>Carrying amount at end of year</b>	<b>7,395</b>	<b>6,157</b>	<b>7,395</b>	<b>6,157</b>
<b>M5 Motorway</b>				
Carrying amount at start of year	215,460	189,240	215,460	189,240
Annual increment – emerging right to receive	28,473	26,220	28,473	26,220
<b>Carrying amount at end of year</b>	<b>243,933</b>	<b>215,460</b>	<b>243,933</b>	<b>215,460</b>
<b>Eastern Distributor</b>				
Carrying amount at start of year	90,823	74,615	90,823	74,615
Annual increment – emerging right to receive	17,271	16,208	17,271	16,208
<b>Carrying amount at end of year</b>	<b>108,094</b>	<b>90,823</b>	<b>108,094</b>	<b>90,823</b>
<b>Cross City Tunnel (CCT)</b>				
Carrying amount at start of year	140,316	116,703	140,316	116,703
Annual increment – emerging right to receive	24,907	23,613	24,907	23,613
<b>Carrying amount at end of year</b>	<b>165,223</b>	<b>140,316</b>	<b>165,223</b>	<b>140,316</b>
<b>Western Sydney Orbital (M7)</b>				
Carrying amount at start of year	279,385	232,162	279,385	232,162
Annual increment – emerging right to receive	49,872	47,223	49,872	47,223
<b>Carrying amount at end of year</b>	<b>329,257</b>	<b>279,385</b>	<b>329,257</b>	<b>279,385</b>
<b>Lane Cove Tunnel</b>				
Carrying amount at start of year	165,408	131,878	165,408	131,878
Annual increment – emerging right to receive	35,553	33,530	35,553	33,530
<b>Carrying amount at end of year</b>	<b>200,961</b>	<b>165,408</b>	<b>200,961</b>	<b>165,408</b>
<b>Total carrying amount at end of year</b>	<b>1,180,763</b>	<b>981,970</b>	<b>1,180,763</b>	<b>981,970</b>
<b>Totals</b>				
Carrying amount at start of year	981,970	818,656	981,970	818,656
Annual increment – emerging right to receive	198,793	163,314	198,793	163,314
<b>Total carrying amount at end of year</b>	<b>1,180,763</b>	<b>981,970</b>	<b>1,180,763</b>	<b>981,970</b>

## **M2 Motorway**

RMS entered into a contract with the concession holder to design, construct, operate and maintain the M2 Motorway. Under the terms of the Project Deed, ownership of the M2 Motorway will revert to RMS on the earlier of the achievement of: specified financial returns outlined in the Deed; or 45 years from the M2 commencement date of 26 May 1997.

To facilitate these works, RMS leased land detailed in the M2 Motorway Project Deed for the term of the Agreement. Until the project realises a real after tax internal rate of return of 12.25 per cent per annum, rent is payable, at the Lessee's discretion, in cash or by promissory note. On achievement of the required rate, the rent is payable in cash. Under the terms of the lease, RMS must not present any of the promissory notes for payment until the earlier of the end of the term of Agreement or the achievement of the required rate of return. The term of the Agreement ends on the 45th anniversary of the M2 commencement date (i.e. 26 May 2042) subject to the provisions of the M2 Motorway Project Deed.

No payments have been made for rents on the leases for the period ended 30 June 2014 (2013: No payments made). RMS, as at 30 June 2014, has received promissory notes for rent on the above leases totalling \$158.621 million (2013: \$147.608 million). The net present value of these promissory notes as at 30 June 2014 is \$24.391 million (2013: \$20.028 million).

RMS has, from the date of completion of the M2 Motorway, valued the asset by reference to RMS' emerging share of the estimated depreciated replacement cost of the asset at date of hand back over the concession period calculated using the effective interest rate method (refer note 1(g)(vi)). Based on the historical rental returns, the conservative period of 45 years has been used to calculate RMS' emerging share of the asset.

The NSW Government announced the Hills M2 Upgrade on 26 October 2010. Construction of the upgrade was substantially completed in August 2013. The initial construction cost was \$550 million. RMS has recognised an emerging asset for the M2 upgrade until the end of the existing concession period. However, this existing concession period will be extended for a further four years when the upgrade project is fully completed in 2014-15.

## **M4 Service Centre**

In October 1992, RMS and the concession holder entered into the M4 Service Centre Project Deed under which RMS agreed to acquire land and lease the land to the concession holder. The concession holder agreed to finance, design, construct, maintain and operate two service centres which are located on each carriageway of the M4 at Eastern Creek.

The M4 Service Centres were opened for use on 1 January 1993. The concession holder will operate, maintain and repair the service centres until 31 December 2017, after which the service centres will be transferred back to RMS at nil value.

RMS values the Service Centre asset by reference to RMS' emerging share of the depreciated replacement cost of the asset over the period of the concession period calculated using the effective interest rate method (refer note 1(g)(vi)).

## **M5 South-West Motorway**

RMS entered into a contract with the concession holder to design, construct, operate and maintain the M5 Motorway. The initial concession period for the M5 Motorway was for the period 14 August 1992 to 14 August 2022. RMS has valued the M5 Motorway by reference to RMS' emerging share of the depreciated replacement cost apportioned over the period of the concession agreement calculated using the effective interest rate method (refer note 1(g)(vi)).

In consideration for the concession holder undertaking construction of an additional interchange at Moorebank (M5 Improvements), the initial concession period has been subsequently extended to 22 August 2023.



The M5 South-West Motorway Call Option Deed provides that if, after at least 25 years from the M5 Western Link commencement date of 26 June 1994, RMS determines that the expected financial return has been achieved, RMS has the right to purchase either the business from the concession holder or the shares in the concession holder. The exercise price under the M5 Call Option Deed will be based on open market valuation of the business or shares.

In November 2009, the NSW Government announced a proposal to expand the M5 corridor. The M5 West widening would expand the South West Motorway generally from two to three lanes in each direction to reduce travel time for motorists using the motorway and surrounding roads. It was announced on 26 June 2012 that contracts were signed and financial close reached. Major construction started in August 2012 and is due to be completed at the end of 2014. The end of the concession period will be extended by 3 years and 3 months from 22 August 2023 to 10 December 2026 upon completion of the widening work. RMS will not recognise as emerging assets for the widening until the widening is complete.

#### **Eastern Distributor**

An agreement was signed with the concession holder on 27 June 1997 to finance, design, construct, operate, maintain and repair the Eastern Distributor which was opened to traffic on 23 July 2000.

In consideration of RMS granting to the concession holder the right to levy and retain tolls on the Eastern Distributor, the concession holder is required to pay concession fees in accordance with the Agreement. From the date of Financial Close, which occurred on 18 August 1997, the concession holder has paid \$255 million by way of promissory notes (being \$15 million on Financial Close and \$15 million on each anniversary of Financial Close). A further \$2.2 million was received in cash six months after Financial Close and \$8 million in cash on the third anniversary of Financial Close. Under the Agreement, the promissory notes show a payment date (subject to provisions in the Project Deed) of 24 July 2048 and, as at 30 June 2014, the promissory notes have a net present value of \$25.932 million (2013: \$21.270 million).

Under the terms of the Project Deed, ownership of the Eastern Distributor will revert to RMS on the earlier of the achievement of specified financial returns outlined in the Deed or 48 years from the Eastern Distributor Commencement Date of 23 July 2000. The conservative period of 48 years has been used to calculate RMS' emerging share of the asset.

#### **Cross city tunnel**

An agreement was signed with the concession holder on 18 December 2002 to design, construct, operate and maintain the Cross City Tunnel. Major construction started on 28 January 2003. The Cross City Tunnel was completed and opened to traffic on 28 August 2005.

The concession holder was placed into receivership in 2006–07. The receivers subsequently sold the CCT asset to a private operator in June 2007.

The construction cost was \$642 million with the cost being met by the private sector. Under the terms of the agreement, an external party will operate the motorway until 18 December 2035, after which the motorway will be transferred back to RMS.

RMS values the asset by reference to RMS' emerging share of the depreciated replacement cost of the asset over the period of the concession period calculated using the effective interest rate method (refer note 1(g)(vi)).

Reimbursement of certain development costs was received by RMS from the operator in the form of an upfront cash payment. The amount of this payment was \$96.860 million.

#### **Westlink M7 Motorway**

An agreement was signed with the concession holder on 13 February 2003 to design, construct, operate and maintain the Westlink M7 Motorway. Major construction started on 7 July 2003 and the completed motorway was opened to traffic on 16 December 2005.

The construction cost was \$1.54 billion. The Federal Government contributed \$356 million towards the cost of the project with the remainder of the cost being met by the private sector. RMS had responsibility under the contract for the provision of access to property required for the project. Under the terms of the agreement, the concession holder will operate the motorway until 14 February 2037, after which the motorway will be transferred back to RMS.

RMS values the asset by reference to RMS' emerging share of the depreciated replacement cost of the asset over the period of the concession period calculated using the effective interest rate method (refer note 1(g)(vi)).

Reimbursement of certain development costs were received by RMS from the operator in the form of an upfront cash payment. The amount of this payment was \$193.754 million.

#### Lane Cove Tunnel

An agreement was signed with the concession holder on 4 December 2003 to finance, design, construct, operate and maintain the Lane Cove Tunnel Project. Major construction started on 24 June 2004 and the tunnel was opened to traffic on 25 March 2007.

The construction cost was \$1.1 billion, with the cost being met by the private sector. RMS was responsible under the contract for the provision of access to property required for the project, which was identified by the Project Deed. Under the terms of the agreement, the concession holder designed and constructed the motorway and will operate the motorway until 9 January 2037 after which the motorway will be transferred back to RMS.

RMS values the asset by reference to RMS' emerging share of the depreciated replacement cost of the asset over the period of the concession period calculated using the effective interest rate method (refer note 1(g)(vi)).

Reimbursement of certain development costs were received by RMS from the operator in the form of an upfront cash payment. The amount of this payment was \$79.301 million.

#### b) Other intangible assets – consolidated and parent

	Software	Software
	2014	2013
	\$'000	\$'000
<b>Balance at start of year</b>		
Cost	260,438	233,122
Accumulated amortisation and impairment	(106,004)	(96,674)
<b>Net carrying amount</b>	<b>154,434</b>	<b>136,448</b>
<b>Balance at end of year</b>		
Cost	286,770	260,438
Accumulated amortisation and impairment	(116,807)	(106,004)
<b>Net carrying amount</b>	<b>169,963</b>	<b>154,434</b>
Net carrying amount at start of year	154,434	136,448
Net assets received from equity transfer	-	-
Additions	28,874	34,848
Written off	-	-
Disposals	(322)	(1,402)
Amortisation expense	(11,885)	(12,028)
Transfer to/from PPE (note 9(b))	(1,136)	(3,432)
Other	(2)	-
<b>Net carrying amount at end of year</b>	<b>169,963</b>	<b>154,434</b>

## 11. Non-current assets held for sale

	Consolidated	Consolidated	Parent	Parent
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
<b>Assets held for sale</b>				
<b>Balance at beginning of year</b>				
Land and buildings	23,056	22,414	23,056	22,414
Plant and equipment	64	111	64	111
	<b>23,120</b>	<b>22,525</b>	<b>23,120</b>	<b>22,525</b>
<b>Balance at end of year</b>				
Land and buildings	4,942	23,056	4,942	23,056
Plant and equipment	320	64	320	64
	<b>5,262</b>	<b>23,120</b>	<b>5,262</b>	<b>23,120</b>

Land and buildings held for sale include properties that have been identified as no longer required to fulfil long-term plans for road development or administrative needs. These assets are placed on auction as outlined in the annual asset selling plan and sales budget. Plant and equipment held for sale mainly consists of fully depreciated fleet assets. The gain or loss recognised on sale is: land and buildings \$2.719 million (2013: \$5.309 million), fleet assets \$nil (2013: \$nil). The written down value of assets held for sale derecognised due to reclassification: Land and buildings \$40.479 million (2013: \$40.924 million), fleet assets \$nil million (2013: \$nil million). Further details regarding the fair value measurement are disclosed in note 12.

## 12. Fair value measurement of non-financial assets

### a) Fair value hierarchy

	Level 1	Level 2	Level 3	Total
	2014	2014	2014	2014
	\$'000	\$'000	\$'000	\$'000
<b>Property, plant and equipment</b>				
Land and buildings	-	2,517,905	-	2,517,905
Infrastructure systems	-	-	69,480,682	69,480,682
<b>Investment property</b>	-	-	-	-
<b>Assets held for sale</b>	-	5,262	-	5,262
	-	2,523,167	69,480,682	72,003,849

## b) Valuation techniques, inputs and processes

Valuation Technique	Significant unobservable inputs	Quantity	Sensitivity to the fair value measurement to changes in unobservable inputs
<b>Roads</b>			
Depreciated replacement cost of significant road asset components:	Replacement cost per unit of road asset component.	In aggregate \$48.6 billion (note 12(c))	The estimated fair value would increase/decrease if:
Pavements	Cost per unit has been determined by reference to unit prices quoted in the most recent road construction tender documents. The price range is adjusted to eliminate outlier amounts.		<ul style="list-style-type: none"> <li>Current replacement cost for the component increases/decreases</li> </ul>
Asphalt			
Concrete			
Spray			
Culverts			<ul style="list-style-type: none"> <li>Current year RCI is greater than or less than 1</li> </ul>
Drainage	Road cost index is applied to the replacement cost of the components, to ensure that carrying amounts are at fair value.		
Longitudinal			<ul style="list-style-type: none"> <li>Changes to the estimated useful life of the component increases /decreases</li> </ul>
Subsoil			
Safety Barriers	Components are depreciated over their estimated useful life depending on road component type.		
Fences			
Structures			
Other			
Assets are depreciated over estimated useful life depending on road component type (Note 1(l)(iii)).			
Depreciable and non-depreciable earthworks are valued at re-valued (by RCI) historical cost.			
Fair value is re-valued in interim periods between comprehensive revaluations by movements in the Road Cost Index (RCI).			
The determination of unit replacement rates for road valuations is carried out at least every 5 years by suitable qualified engineering contractors and employees of RMS.			
<b>Land under roads</b>			
The urban Average Rateable Value (ARV) per hectare within each Local Government Area (LGA) adjusted by an "open spaces ratio".	Local Government Area rateable land values provided by the NSW Valuer-General.	In aggregate \$1.4 billion (note 12(c))	The estimated fair value would increase/decrease if:
The "open spaces ratio" is derived from open spaces data provided by the Valuer-General and is used to adjust average rateable value to approximate englobo value (unimproved and pre-subdivision land).	Measurements of land area in situ under roads.		<ul style="list-style-type: none"> <li>Weighted (by LGA) current year urban ARV increases/decreases.</li> </ul>

Valuation Technique	Significant unobservable inputs	Quantity	Sensitivity to the fair value measurement to changes in unobservable inputs
<b>Bridges</b>			
Depreciated replacement cost for the following bridge types:	Replacement cost per unit of bridge assets.	In aggregate \$13.6 billion (note 12(c))	The estimated fair value would increase/decrease if:
Timber Structures	Cost per unit has been determined by reference to unit prices quoted in the most recent bridge construction tender documents. The price range is adjusted to eliminate outlier amounts.		<ul style="list-style-type: none"> <li>Current replacement cost for the bridge type increases/decreases</li> <li>Current year RCI is greater than or less than 1</li> <li>Changes to the estimated useful life of the bridge type increases /decreases</li> </ul>
Concrete structures			
Steel structures			
Bridge Trusses (timber and steel)			
Heritage Bridges	Road cost index is applied to the replacement cost of the components, to ensure that carrying amounts are at fair value.		
Bridge size culverts/tunnels			
Bridge assets are depreciated over estimated useful depending on bridge type (Note 1(l)(iii)).	Components are depreciated over their estimated useful life depending on bridge type.		
Cost/m2 rates per bridge type are derived from current estimated bridge construction costs. Bridge asset fair value is determined by applying the replacement rate by type to bridge area.			
Fair value is re-valued in interim periods between comprehensive revaluations by movements in the Road Cost Index (RCI).			
The determination of replacement rates for bridge valuations is carried out at least every 5 years by suitable qualified engineering contractors and employees of RMS.			

Valuation Technique	Significant unobservable inputs	Quantity	Sensitivity to the fair value measurement to changes in unobservable inputs
<b>Sydney Harbour Tunnel</b>			
<p>Depreciated replacement cost of major asset components:</p> <p>Immersed Tube</p> <p>Mechanical and Electrical</p> <p>Pavement</p> <p>Earthworks</p> <p>Assets are depreciated over estimated useful life depending on component type (Note 1(l)(iii)).</p> <p>Fair value is re-valued in interim periods between comprehensive revaluations by movements in the Road Cost Index (RCI).</p> <p>Earthworks are not depreciated and are valued at re-valued (by RCI) historical cost.</p>	<p>The Sydney Harbour Tunnel (SHT) was initially valued in 2009 as part of a review of the extant accounting treatment of the asset at that time. A key outcome of that review was an initial recognition of the physical asset in the financial statements of the former Roads and Traffic Authority.</p> <p>Thereafter, the SHT has been revalued annually by the Road Cost Index. The Road cost index is applied to the replacement cost of the components, to ensure that carrying amounts are at fair value.</p> <p>The fair value at that time was derived by indexing (RCI) estimates of the initial construction cost of the SHT and the relative proportions of its major component types.</p> <p>Depreciation was applied over estimates of useful lives of those component types.</p> <p>There has been no material change to either the initial estimates or the valuation process.</p>	<p>In aggregate \$945 million (note 12(c))</p>	<p>The estimated fair value would increase/decrease if:</p> <ul style="list-style-type: none"> <li>• Current replacement cost for SHT increases/decreases</li> <li>• Current year RCI is greater than or less than 1</li> <li>• Changes to the estimated useful life of SHT components increases /decreases</li> </ul>
<b>Traffic Signals Network</b>			
<p>Depreciated replacement cost of major asset components:</p> <p>Assets are depreciated over estimated useful life (Note 1(l)(iii)).</p> <p>Fair value is re-valued in interim periods between comprehensive revaluations by movements in the Road Cost Index (RCI).</p> <p>The determination of traffic signal unit replacement rates for valuations is carried out at least every 5 years by suitable qualified engineering contractors and employees of RMS.</p>	<p>Current unit replacement costs</p>	<p>In aggregate \$168 million (note 12(c))</p>	<p>The estimated fair value would increase/decrease if:</p> <ul style="list-style-type: none"> <li>• Current replacement cost for Traffic Signals Network components increases/decreases</li> <li>• Current year RCI is greater than or less than 1</li> <li>• Changes to the estimated useful life of Traffic Signals Network components increases /decreases</li> </ul>
<b>Traffic Control Network</b>			



Valuation Technique	Significant unobservable inputs	Quantity	Sensitivity to the fair value measurement to changes in unobservable inputs
<p>Depreciated replacement cost of major asset components:</p> <p>Traffic Systems</p> <p>Transport Management Centre</p> <p>Variable Message signs</p> <p>Assets are depreciated over estimated useful life depending on component type (Note 1(l)(iii)).</p> <p>Fair value is re-valued in interim periods between comprehensive revaluations by movements in the Road Cost Index (RCI).</p> <p>The determination of traffic control system unit replacement rates for valuations is carried out at least every 5 years by suitable qualified engineering contractors and employees of RMS.</p>	Current unit replacement costs	In aggregate \$155 million (note 12(c))	<p>The estimated fair value would increase/decrease if:</p> <ul style="list-style-type: none"> <li>Current replacement cost for Traffic Control Network components increases/decreases</li> <li>Current year RCI is greater than or less than 1</li> </ul> <p>Changes to the estimated useful life of Traffic Control Network components increases / decreases</p>
<b>Maritime Assets</b>			
<p>Depreciated replacement cost for:</p> <p>Wharves and jetties</p> <p>Dredging assets</p> <p>Seawall</p> <p>Navigational Aids</p> <p>Assets are depreciated over estimated useful life depending on asset type (Note 1(l)(iii)).</p> <p>Fair value is re-valued in interim periods between comprehensive revaluations by movements in the Road Cost Index (RCI).</p> <p>The determination of asset replacement rates for valuations is carried out at least every 5 years by suitable qualified engineering contractors and employees of RMS.</p> <p>Capitalised Revenue for:</p> <p>Moorings and wetlands</p> <p>Estimates of total revenue earned on long term mooring and wetland leases are capitalised at net present value.</p>	<p>Current unit replacement costs.</p> <p>Estimated total lease revenue</p>	In aggregate \$521 million (note 12(c))	<p>The estimated fair value would increase/decrease if:</p> <ul style="list-style-type: none"> <li>Current replacement cost for Maritime assets increases/decreases</li> <li>Current year RCI is greater than or less than 1</li> <li>Changes to the estimated useful life of Maritime assets components increases /decreases</li> </ul>
<b>Work in progress</b>			
At Cost	Actual cost of infrastructure assets under construction	In aggregate \$4.0 billion (note 12(c))	Fair value at actual current cost unlikely to change

### c) Reconciliation of recurring Level 3 fair value measurements

	Roads	Land under roads	Bridges	Sydney Harbour Tunnel	Traffic signals network	Traffic control network	Maritime assets	Major works in progress	Total
2014	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Fair value as at 1 July 2013	46,691,026	1,477,705	11,984,737	807,451	274,435	159,317	849,364	4,366,874	66,610,909
Additions	400,852	-	312,937	-	4,719	13,636	-	2,078,649	2,810,793
Revaluation increments/decrements recognised in Net result – included in the line item 'Other gains/ (losses)'	-	(19,542)	-	-	(72,716)	-	(2,043)	-	(94,301)
Revaluation increments/ decrements recognised in other comprehensive income – included in line item / Net increase / (decrease) in property, plant and equipment revaluation surplus'	1,604,793	-	392,667	144,300	(9,817)	(6,407)	(20,549)	-	2,104,987
Transfers from Level 2	-	10,512	-	-	-	-	-	-	10,512
Transfers to Level 2	-	-	-	-	-	-	-	-	-
Disposals	(257,177)	-	(30,113)	-	(223)	(31)	(297,440)	-	(584,984)
Depreciation	(1,155,508)	-	(172,429)	(6,314)	(28,920)	(11,547)	(8,382)	-	(1,383,100)
Transfers to councils	(76,448)	(890)	(8,246)	-	-	-	-	-	(85,584)
Transfers from councils	67,612	455	983	-	-	-	-	-	69,050
Transfers in/(out)	1,368,835	-	1,068,625	-	-	-	258	(2,437,718)	-
Asset write off	-	-	-	-	-	-	-	-	-
Assets recognised for the first time	538	-	21,858	-	-	-	-	-	22,396
RCI and other adjustments/WIP	-	-	-	-	-	-	4	-	4
<b>Fair value as at 30 June 2014</b>	<b>48,644,523</b>	<b>1,468,240</b>	<b>13,571,019</b>	<b>945,437</b>	<b>167,478</b>	<b>154,968</b>	<b>521,212</b>	<b>4,007,805</b>	<b>69,480,682</b>

Refer Note 1(i) for the entity's policy for determining when transfers are deemed to have occurred.

## 13. Restricted Assets

	Consolidated	Consolidated	Parent	Parent
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
TCorp Hour-Glass Investments	52,240	50,756	52,240	50,756

Holders of E-tags provide an initial amount as a security deposit for the use of the actual E-tag. The deposit is refundable upon closure of the associated E-tag account. Monies received for these deposits have been invested in an account with TCorp. Transactions on this account are restricted to activity relating to E-Tag deposits.

## 14. Current/non-current liabilities – payables

	Consolidated	Consolidated	Parent	Parent
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Trade creditors <sup>(i)</sup>	177,444	147,400	177,444	147,400
Creditors arising from compulsory acquisitions	13,926	8,789	13,926	8,789
Personnel services	235,192	11,549	235,192	1,470,447
Accrued expenses				
– Salaries, wages and on-costs	-	15,963	-	-
– Works contract expenditure	309,307	251,559	309,307	251,559
– Work carried out by councils	129,398	91,453	129,398	91,453
– Interest	7,046	9,016	7,046	9,016
– Other (including non-works contracts)	133,083	116,062	133,083	116,062
Other	33,108	15	33,108	15
	<b>1,038,504</b>	<b>651,806</b>	<b>1,038,504</b>	<b>2,094,741</b>
<b>Non-current</b>				
Personnel services	1,154,765	-	1,154,765	-
	<b>1,154,765</b>	<b>-</b>	<b>1,154,765</b>	<b>-</b>

(i) The average credit period on purchases of goods is 30 days. RMS has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables are disclosed in note 16.

## 15. Current/non-current liabilities – borrowings

	Consolidated	Consolidated	Parent	Parent
At amortised cost	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
NSW Treasury Corporation borrowings	332,754	86,524	332,754	86,524
Treasury advances repayable	2,173	2,130	2,173	2,130
Finance lease – Sydney Harbour Tunnel (note 19(c))	53,539	46,935	53,539	46,935
Other	149	150	149	150
	<b>388,615</b>	<b>135,739</b>	<b>388,615</b>	<b>135,739</b>
<b>Non-current</b>				
NSW Treasury Corporation borrowings	157,628	404,376	157,628	404,376
Treasury advances repayable	2,033	4,206	2,033	4,206
Finance lease – Sydney Harbour Tunnel (note 19(c))	447,316	500,855	447,316	500,855
Other	93	234	93	234
	<b>607,070</b>	<b>909,671</b>	<b>607,070</b>	<b>909,671</b>

Details regarding credit risk, liquidity risk and market risk, including maturity analysis of the above borrowings are disclosed in note 16.

## 16. Financial instruments

RMS principal financial instruments are outlined below. These financial instruments arise directly from RMS operations or are required to finance RMS operations. RMS does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. RMS' main risks arising from financial instruments are outlined below, together with RMS' objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout this financial report.

The Chief Executive has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by RMS, to set risk limits and controls and to monitor risks.

### a) Financial instrument categories

Financial assets	Note	Category	Carrying amount	Carrying amount
			2014	2013
			\$'000	\$'000

#### Class:

Cash and cash equivalents	7	N/A	333,858	244,589
Receivables <sup>1</sup>	8	Loans and receivables (at amortised cost)	89,955	114,301
Financial assets	8	At fair value through profit and loss – designated as such upon initial recognition	58,710	54,028
Other financial assets	8	Loans and receivables (at amortised cost)	177,545	160,425

Financial liabilities	Note	Category	Carrying amount	Carrying amount
			2014	2013
			\$'000	\$'000

#### Class:

Payables <sup>2</sup>	14, 18	Financial liabilities measured at amortised cost	2,321,547	776,072
Borrowings	15	Financial liabilities measured at amortised cost	995,685	1,045,410

1. Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7).

2. Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7).

### b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. RMS exposures to market risk are primarily through interest rate risk on borrowings and other price risks associated with the movement in the unit price of the Hour-Glass Investment facilities. RMS has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the table below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which RMS operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the Statement of Financial Position date.

## i. Interest rate risk

Exposure to interest rate risk arises primarily through RMS' interest bearing liabilities. This risk is minimised by undertaking mainly fixed rate borrowings, primarily with NSW TCorp.

TCorp manages interest rate risk exposures applicable to specific borrowings of RMS in accordance with the debt management policies determined by the NSW Debt Management Committee (DMC), to a benchmark and other criteria similar to those applying to the Crown debt portfolio and receives a fee for this service.

TCorp uses derivatives, primarily interest rate futures, to establish short-term (tactical) and longer term (strategic) positions within agreed tolerance limits to manage portfolio duration and maturity profiles. At reporting date the carrying value of borrowings and derivatives (net of funds held at call) managed by TCorp stood at \$490.382 million (2013: \$490.900 million).

RMS does not account for any fixed rate financial instruments at fair value through profit and loss or as available for sale. Therefore, for these financial instruments, a change in interest rates would not affect profit or loss or equity. A reasonably possible change of +/- one per cent is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility.

The impact on RMS' surplus/deficit and equity is set out in the table below assuming a 1 per cent change in variable interest rates.

		1% increase in interest rate		1% decrease in interest rate	
	Carrying amount	Surplus/ Deficit	Equity	Surplus/ Deficit	Equity
30 June 2014	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets					
Cash and cash equivalents	292,018	(2,920)	(2,920)	2,920	2,920
Financial assets at fair value	58,710	(587)	(587)	587	587

		1% increase in interest rate		1% decrease in interest rate	
	Carrying amount	Surplus/ Deficit	Equity	Surplus/ Deficit	Equity
30 June 2013	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets					
Cash and cash equivalents	210,380	(2,104)	(2,104)	2,104	2,104
Financial assets at fair value	54,028	(540)	(540)	540	540

## ii. Other price risk – TCorp Hour-Glass facilities

Exposure to 'Other Price Risk' primarily arises through the investment in the TCorp Hour-Glass Investment facilities, which are held for strategic rather than trading purposes.

RMS has no direct equity investments and holds units in the following Hour-Glass Investment Trusts:

Facility	Investment sectors	Investment	2014 \$'000	2013 \$'000
Cash facility	Cash, money market instruments	up to 1.5 years	196,122	177,100
Strategic cash facility	Cash, money market instruments, interest rate securities, bank floating rate notes	1.5 years to 3 years	5,300	5,134
Medium-term growth facility	Cash, money market instruments, Australian and international bonds, listed property, Australian and international shares	3 years to 7 years	38,349	35,622
Long-term growth facility	Cash, money market instruments, Australian and international bonds, listed property, Australian and international shares	7 years and over	15,061	13,272

The unit price of each facility is equal to the total fair value of the net assets held by the facility divided by the total number of units on issue for that facility. Unit prices are calculated and published daily.

NSW TCorp is the trustee for each of the above facilities and is required to act in the best interest of the unit holders and to administer the trusts in accordance with the trust deeds. As trustee, TCorp has appointed external managers to manage the performance and risks of each facility in accordance with a mandate agreed by the parties. However, TCorp, acts as manager for part of the Cash Facility. A significant portion of the administration of the facilities is outsourced to an external custodian.

Investment in the Hour-Glass facilities limits RMS exposure to risk, as it allows diversification across a pool of funds with different investment horizons and a mix of investments.

NSW TCorp provides sensitivity analysis information for each of the Investment facilities, using historically based volatility information. The TCorp Hour-Glass Investment facilities are designated at fair value through profit or loss and therefore any change in unit price impacts directly on profit (rather than equity). A reasonably possible change is based on the percentage change in unit price (as advised by TCorp) multiplied by the redemption value as at 30 June each year.

	Impact on profit/loss		
	Change in unit price	June 2014 \$'000	June 2013 \$'000
<b>Financial assets</b>			
Cash facility	+/- 1%	1,961	1,771
Strategic cash facility	+/- 1%	53	51
Medium-term growth facility	+/- 6%	2,301	2,137
Long-term growth facility	+/- 15%	2,259	1,991

## c) Credit risk

Credit risk arises when there is the possibility of RMS' debtors defaulting on their contractual obligations, resulting in a financial loss to RMS. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from the financial assets of RMS, including cash, receivables and authority deposits. RMS does not hold any collateral and has not granted any financial guarantees.

Credit risk associated with RMS financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards. RMS deposits held with NSW TCorp are guaranteed by the State.

	Banks	Government	Other	Total
	\$'000	\$'000	\$'000	\$'000
<b>2014</b>				
Financial assets				
Cash	137,034	196,122	702	333,858
Receivables	-	-	89,955	89,955
Other	-	-	177,545	177,545
Financial assets at fair value	-	58,710	-	58,710
<b>Total financial assets</b>	<b>137,034</b>	<b>254,832</b>	<b>268,202</b>	<b>660,068</b>
<b>2013</b>				
Financial assets				
Cash	66,628	177,099	859	244,586
Receivables	-	-	114,301	114,301
Other	-	-	160,425	160,425
Financial assets at fair value	-	54,028	-	54,028
<b>Total financial assets</b>	<b>66,628</b>	<b>231,127</b>	<b>275,585</b>	<b>573,340</b>

### i. Cash

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System. Interest is earned on daily bank balances at the monthly average NSW TCorp 11am unofficial cash rate, adjusted for a management fee to NSW Treasury.

### ii. Receivables – trade debtors

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. Debts which are known to be uncollectible are written off. No interest is earned on trade debtors. Sales are made on 35 day terms.

RMS is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. Based on past experience, debtors that are not past due (2014: \$31.518 million; 2013: \$51.622 million) and past due (2014: \$14.991 million; 2013: \$3.589 million) are not considered impaired and together these represent 85 per cent (2013: 87 per cent) of the total trade debtors. There are no debtors which are currently not past due or impaired whose terms have been renegotiated.

The only financial assets that are past due or impaired are "sales of goods and services", "other" and "property debtors" in the "receivables" category of the Statement of Financial Position (refer to note 8(a)).



	\$'000		Considered
	Total <sup>1,2</sup>	Past due but not impaired <sup>1,2</sup>	Impaired <sup>1,2</sup>
<b>30 June 2014</b>			
< 3 months overdue	10,778	10,317	461
3 months – 6 months overdue	1,910	1,454	456
> 6 months overdue	10,470	3,219	7,251
<b>30 June 2013</b>			
< 3 months overdue	4,696	4,407	289
3 months – 6 months overdue	1,412	626	786
> 6 months overdue	9,112	3,589	5,523

1. Each column in the table reports “gross receivables”.

2. The ageing analysis excludes statutory receivables, as these are not within the scope of AASB 7 Financial Instruments: Disclosures and excludes receivables that are not past due and not impaired. Therefore, the “total” will not reconcile to the receivables total recognised in the Statement of Financial Position

### iii. Other financial assets

The repayment of the Sydney Harbour Tunnel loan ranks behind all creditors to be paid. Redemption of the M2 and Eastern Distributor promissory notes is dependent upon counterparties generating sufficient cash flows to enable the face value to be repaid.

### iv. RMS Deposits

RMS has placed funds on deposit with TCorp (which has been rated “AAA” by Standard and Poor’s). These deposits are similar to money market or bank deposits and can be placed “at call” or for a fixed term. For fixed term deposits, the interest rate payable by TCorp is negotiated initially and is fixed for the term of the deposit, while the interest rate payable on at call deposits can vary. The deposits at balance date were earning an average interest rate of 3.01 per cent (2013: 2.94 per cent), while over the year the weighted average interest rate was 3.88 per cent (2013: 4.99 per cent) on a weighted average balance during the year of \$291.572 million (2013: \$305.978 million). None of these assets are past due or impaired.

## d) Fair value

Financial instruments are generally recognised at cost, with the exception of the TCorp Hour-Glass facilities, which are measured at fair value. As discussed, the value of the Hour-Glass Investments is based on RMS’ share of the value of the underlying assets of the facility, based on the market value. All of the Hour-Glass facilities are valued using “redemption” pricing.

The amortised cost of financial instruments recognised in the Statement of Financial Position approximates the fair value, because of the short term nature of many of the financial instruments.

The future cash flows of the M2 Motorway and Eastern Distributor promissory notes are discounted using standard valuation techniques at the applicable yield having regard to the timing of the cash flows.

The fair value of the Sydney Harbour Tunnel finance lease liability is calculated based on the present value of the minimum lease liability, discounted at the interest rate implicit in the lease agreement

## e) Fair value recognised in statement of financial position

RMS uses the following hierarchy for disclosing the fair value of financial instruments by valuation technique:

- Level 1 – Derived from quoted prices in active markets for identical assets/liabilities.
- Level 2 – Derived from inputs other than quoted prices that are observable directly or indirectly.
- Level 3 – Derived from valuation techniques that include inputs for the asset/liability not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
<b>30 June 2014</b>				
<b>Financial assets at fair value</b>				
TCorp Hour-Glass facilities	-	254,832	-	254,832
<b>30 June 2013</b>				
<b>Financial assets at fair value</b>				
TCorp Hour-Glass facilities	-	231,127	-	231,127

The table above only includes financial assets, as no financial liabilities were measured at fair value in the Statement of Financial Position. There were no transfers between level 1 and 2 during the period ended 30 June 2014 (2013: none).

## f) Liquidity risk

RMS manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows

Liquidity risk is the risk that RMS will be unable to meet its payment obligations when they fall due. RMS continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of overdrafts, loans and other advances.

RMS has a Come and Go Facility with TCorp valued at \$100 million that has current approval to 30 June 2015 for cash management purposes. This year the facility was not used to fund shortfalls, incurring a total interest charge of zero.

### Financing arrangements

	Consolidated	Consolidated	Parent	Parent
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Unrestricted access was available at the Statement of Financial Position date to the come and go facility				
Total facility	100,000	100,000	100,000	100,000
Used at Statement of Financial Position date	-	-	-	-
<b>Used at Statement of Financial Position date</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>

During the current and prior years, there were no defaults on any loans payable. No assets have been pledged as collateral. RMS' exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in Treasurer's Direction 219.01. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received.

The table below summarises the maturity profile of RMS' financial liabilities, together with the interest rate exposure.

### Maturity analysis and interest rate exposure of financial liabilities

30 June 2014	Weighted average effective int. Rate	\$'000				Maturity dates			
		Interest rate exposure							
		Nominal amount <sup>(1)</sup>	Fixed interest rate	Variable interest rate	Non-interest bearing	< 1 yr	1-5 yrs	>5 yrs	
<b>Payables</b>									
Accrued salaries, wages and on-costs	-	-	-	-	-	-	-	-	-
Trade payables	-	177,444	-	-	177,444	177,444	-	-	-
Other current payables	-	47,034	-	-	47,034	47,034	-	-	-
Accrued expenses	-	578,834	-	-	578,834	578,834	-	-	-
Sydney Harbour Tunnel tax liability	-	24,411	-	-	24,411	2,009	10,425	11,977	-
Personnel services	-	1,389,957	-	-	1,389,957	235,192	1,154,765	-	-
Holding accounts	-	103,867	-	-	103,867	103,867	-	-	-
<b>Borrowings</b>									
Advances repayable	5.86%	4,206	4,206	-	-	2,173	2,033	-	-
TCorp borrowings	5.09%	490,382	490,382	-	-	332,754	157,628	-	-
Finance leases	7.70%	678,294	678,294	-	-	89,654	311,027	277,613	-
Other loans and deposits	6.14%	242	242	-	-	149	93	-	-
Maritime lease	-	-	-	-	-	-	-	-	-

(1) The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities and therefore will not reconcile to the balance sheet.

30 June 2013	Weighted average effective int. Rate	\$'000				Maturity dates		
		Interest rate exposure						
		Nominal amount <sup>(1)</sup>	Fixed interest rate	Variable interest rate	Non-interest bearing	< 1 yr	1-5 yrs	>5 yrs
<b>Payables</b>								
Accrued salaries, wages and on-costs	-	15,963	-	-	15,963	15,963	-	-
Trade payables	-	147,400	-	-	147,400	147,400	-	-
Other current payables	-	8,804	-	-	8,804	8,804	-	-
Accrued expenses	-	468,090	-	-	468,090	468,090	-	-
Sydney Harbour Tunnel tax liability	-	25,109	-	-	25,109	1,964	4,378	18,767
Personnel services	-	11,549	-	-	11,549	11,549	-	-
Holding accounts	-	99,157	-	-	99,157	99,157	-	-
<b>Borrowings</b>								
Advances repayable	5.85%	6,336	6,336	-	-	2,130	4,206	-
TCorp borrowings	5.58%	490,900	490,900	-	-	86,524	404,376	-
Finance leases	7.70%	765,046	765,046	-	-	86,753	318,886	359,407
Other loans and deposits	6.04%	384	-	-	-	150	234	-
Maritime lease	-	-	-	-	-	-	-	-

(1) The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities and therefore will not reconcile to the balance sheet.

## 17. Current/non-current liabilities – provisions

	Consolidated	Consolidated	Parent	Parent
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
<b>Employee benefits and related on-costs</b>				
<b>Current</b>				
Annual leave and related on-costs <sup>(i)</sup>	-	71,723	-	-
Long service leave and related on-costs <sup>(ii)</sup>	-	229,199	-	-
Provision for workers' compensation <sup>(iii)</sup>	-	163	-	-
	-	301,085	-	-
<b>Current other provisions</b>				
Provision for makegood – leasehold	2,674	1,301	2,674	1,301
Provision for makegood – land	5,670	-	5,670	-
	8,344	1,301	8,344	1,301
<b>Employee benefits and related on-costs</b>				
<b>Non-current</b>				
Superannuation – provision	-	1,117,273	-	-
Superannuation – accrued	-	711	-	-
Long service leave and related on-costs <sup>(ii)</sup>	-	17,573	-	-
Provision for workers' compensation <sup>(iii)</sup>	-	6,293	-	-
	-	1,141,850	-	-
<b>Non-current other provisions</b>				
Provision for makegood – leaseholds	16,885	16,963	16,885	16,963
Provision for makegood – land	-	1,500	-	1,500
	16,885	18,463	16,885	18,463
<b>Total Provisions</b>	<b>25,229</b>	<b>1,462,699</b>	<b>25,229</b>	<b>19,764</b>
<b>Aggregate employee benefits and related on-costs</b>				
Provisions – current	-	301,085	-	-
Provisions – non-current	-	1,141,850	-	-
Accrued salaries, wages and on-costs (note 13)	-	15,963	-	-
	-	1,458,898	-	-

	Provision for makegood leaseholds	Provision for makegood land	Total
2014	\$'000	\$'000	\$'000
Carrying amount at the beginning of financial year	18,264	1,500	19,764
Additional provisions recognised	-	4,065	4,065
Reclassification	(105)	105	-
Unused amounts reversed	-	-	-
Unwinding / change in the discount rate	1,400	-	1,400
<b>Carrying amount at end of financial year</b>	<b>19,559</b>	<b>5,670</b>	<b>25,229</b>

Subsequent to the commencement of the Government Sector Employment Act 2013, the RMS Group of employees have been transferred to Transport Service. Accordingly, employee related provisions have been derecognised and classified as personnel services payable (refer to note 14).

(i) The value of annual leave, including on-costs, expected to be taken within 12 months is \$nil million (2013: \$49.265 million) and \$nil million (2013: \$22.643 million) after 12 months.

(ii) The value of long service leave expected to be taken within 12 months \$nil million (2013: \$28.363 million) and \$nil million (2013: \$218.655 million) after 12 months.

(iii) Workers' compensation provision includes \$nil million (2013: \$1.113 million) for dust diseases of which \$nil million (2013: \$0.163 million) is current. This provision is for claims from former Maritime Services Board (MSB) staff for dust related diseases that can be attributed to their service during the period 1 July 1989 – 30 June 1995 when the MSB was a self-insurer.

### Provision for superannuation – consolidated

Superannuation statements include both employer and employee superannuation assets and liabilities as prescribed by AASB 119 Employee Benefits.

### General description of the plan

The Pooled Fund holds in trust the investments of the closed NSW public sector superannuation schemes:

- State Authorities Superannuation Scheme (SASS).
- State Superannuation Scheme (SSS).
- State Authorities Non-contributory Superannuation Scheme (SANCS).

These schemes are all defined benefit schemes – at least a component of the final benefit is derived from a multiple of member salary and years of membership. All the schemes are closed to new members.

Actuarial gains and losses are recognised in other comprehensive income in the year they occur.

The following information has been prepared by the scheme actuary.

Superannuation position for AASB 119 purposes				
	SASS	SANCS	SSS	Total
	financial year June 2013 \$'000	financial year June 2013 \$'000	financial year June 2013 \$'000	
Accrued liability	641,464	85,936	1,486,677	2,214,077
Estimated reserve account balance	(446,251)	(66,745)	(583,808)	(1,096,804)
	195,213	19,191	902,869	1,117,273
Future service liability	(44,288)	(24,312)	(24,705)	(93,305)
<b>Net (asset)/liability recognised in Statement of Financial Position</b>	<b>195,213</b>	<b>19,191</b>	<b>902,869</b>	<b>1,117,273</b>

Reconciliation of the present value of the defined benefit obligation				
	SASS	SANCS	SSS	Total
	financial	financial	financial	
	year June	year June	year June	
	2013	2013	2013	
	\$'000	\$'000	\$'000	\$'000
Present value of partly funded defined benefit obligation at part of net assets received from equity transfer	675,443	100,014	1,626,105	2,401,562
Current service cost	13,503	4,375	6,170	24,048
Interest cost	19,486	2,803	48,955	71,244
Contributions by fund participants	6,558	-	5,724	12,282
Actuarial (gains)/losses	(24,841)	(13,527)	(145,396)	(183,764)
Benefits paid	(60,906)	(11,984)	(61,978)	(134,868)
Taxes, premiums & expenses paid	12,221	4,255	7,097	23,573
<b>Present value of partly funded defined benefit obligation at the end of the year</b>	<b>641,464</b>	<b>85,936</b>	<b>1,486,677</b>	<b>2,214,077</b>

Profit & loss impact				
	SASS	SANCS	SSS	Total
	financial	financial	financial	
	year June	year June	year June	
	2013	2013	2013	
	\$'000	\$'000	\$'000	\$'000
Current service cost	13,503	4,375	6,170	24,048
Interest on obligation	7,878	1,132	33,254	42,264
<b>Defined benefit cost</b>	<b>21,381</b>	<b>5,507</b>	<b>39,424</b>	<b>66,312</b>

Reconciliation of the fair value of fund assets				
	SASS	SANCS	SSS	Total
	financial	financial	financial	
	year June	year June	year June	
	2013	2013	2013	
	\$'000	\$'000	\$'000	\$'000
Fair value of fund assets at the beginning of the year	414,170	61,375	538,747	1,014,292
Interest income	11,608	1,671	15,701	28,980
Actual return on fund assets less interest income	54,958	8,173	77,311	140,442
Employer contributions	7,642	3,255	1,206	12,103
Contributions by fund participants	6,558	-	5,724	12,282
Benefits paid	(60,906)	(11,984)	(61,978)	(134,868)
Taxes, premiums & expenses paid	12,221	4,255	7,097	23,573
<b>Fair value of fund assets at the end of the year</b>	<b>446,251</b>	<b>66,745</b>	<b>583,808</b>	<b>1,096,804</b>

Reconciliation of the net defined benefit liability				
	SASS	SANCS	SSS	Total
	financial	financial	financial	
	year June	year June	year June	
	2013	2013	2013	
	\$'000	\$'000	\$'000	\$'000
Net Defined Benefit Liability/(Asset) at beginning of period	261,273	38,639	1,087,358	1,387,270
Net interest on the net defined benefit liability	7,878	1,132	33,254	42,264
Current service cost	13,503	4,375	6,170	24,048
Actual return on fund assets less interest income	(54,958)	(8,173)	(77,311)	(140,442)
Actuarial (gains)/losses	(24,841)	(13,527)	(145,396)	(183,764)
Employer contributions	(7,642)	(3,255)	(1,206)	(12,103)
<b>Net Defined Benefit Liability/(Asset) at end of period</b>	<b>195,213</b>	<b>19,191</b>	<b>902,869</b>	<b>1,117,273</b>

Amount recognised in other comprehensive income				
	SASS	SANCS	SSS	Total
	financial	financial	financial	
	year June	year June	year June	
	2013	2013	2013	
	\$'000	\$'000	\$'000	\$'000
Actuarial (gains)/losses	(24,841)	(13,527)	(145,396)	(183,764)
Actual return on fund assets less interest	(54,958)	(8,173)	(77,311)	(140,442)
<b>Total remeasurement in other comprehensive income</b>	<b>(79,799)</b>	<b>(21,700)</b>	<b>(222,707)</b>	<b>(324,206)</b>

Fund assets	
The percentage invested in each asset class at the balance date:	June 2013
Australian equities	30.4%
Overseas equities	26.1%
Australian fixed interest securities	6.9%
Overseas fixed interest securities	2.2%
Property	8.3%
Cash	13.1%
Other	13.0%

#### Fair value of Fund assets

All Fund assets are invested by STC at arm's length through independent fund managers.

#### Expected rate of return on assets

The expected return on assets assumption is determined by weighting the expected long-term return for each asset class by the target allocation of assets to each class. The returns used for each class are net of investment tax and investment fees.

#### Valuation method and principal actuarial assumptions at the reporting date

##### a) Valuation method

The Projected Unit Credit (PUC) valuation method was used to determine the present value of the defined benefit obligations and the related current service costs. This method sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.



## b) Significant actuarial assumptions at reporting date

The significant actuarial assumptions adopted for the 30 June 2013 actuarial investigation of the Pooled Fund are:

Salary increase rate (excluding promotional increases)	June 2013
2013/2014 (SASS, SSS and SANCS)	2.25% p.a.
2014/2015	2.25% p.a.
2015/2016 to 2019/2020	2.00% p.a.
2020 onwards	2.50% p.a.
Rate of CPI increase	2.50% p.a.
Pensioner mortality	as per the 2012 Actuarial investigation of the Pooled Fund
Discount rate	3.80% p.a.

## c) Demographic Assumptions

The demographic assumptions at 30 June 2013 are those that were used in the 2012 triennial actuarial valuation. The triennial review report is available from the NSW Treasury website.

Expected contributions				
	SASS	SANCS	SSS	Total
	financial	financial	financial	
	year June	year June	year June	
	2013	2013	2013	
	\$'000	\$'000	\$'000	\$'000
Expected employer contributions to be paid in the next reporting period	7,193	2,988	1,147	11,328

### Funding arrangements for employer contributions

The following is a summary of the 30 June 2014 financial position of the fund calculated in accordance with AAS 25 – Financial Reporting by Superannuation Plans.

	SASS	SANCS	SSS	Total
	financial	financial	financial	
	year June	year June	year June	
	2013	2013	2013	
	\$'000	\$'000	\$'000	\$'000
Accrued benefits	508,280	72,856	821,470	1,402,606
Net market value of fund assets	(446,252)	(66,746)	(583,809)	(1,096,807)
<b>Net (surplus)/deficit</b>	<b>62,028</b>	<b>6,110</b>	<b>237,661</b>	<b>305,799</b>

### Recommended contribution rates for the entity are:

SASS	SANCS	SSS
Multiple of member contributions	% Member salary	Multiple of member
1.1	2.1	0.2

## Funded method

Contributions are set after discussion between the employer, STC and NSW Treasury.

## Economic assumptions

Weighted-average assumptions	June 2013
Expected rate of return on fund assets backing current pension liabilities	8.3% p.a.
Expected rate of return on fund assets backing other liabilities	7.3% p.a.
Expected salary increase rate	SASS, SANCS, SSS 2.7% pa (PPS 3.5% pa) for 6 years then 4.0% pa
Expected CPI increase	2.5% p.a.

## Nature of Asset/Liability

If a surplus exists in the employer's interest in the fund, the employer may be able to take advantage of it in the form of a reduction in the required contribution rate, depending on the advice of the fund's actuary.

Where a deficiency exists, the employer is responsible for any difference between the employer's share of fund assets and the defined benefit obligation.

## Transition to Revised AASB 119 Standard

At the transition date for the revised AASB 119 standard, an amount is recognised in retained earnings reflecting any change in the net defined benefit liability/asset as a result of the change in the assumed rate of contribution tax. The transition date is the start of the earliest period for which comparative information is presented, which is 1 July 2012 for your organisation.

The details of the adjustments on 1 July 2012 are:

	SASS	SANCS	SSS	Total
Adjustments on 1 July 2012	\$'000	\$'000	\$'000	\$'000
<b>Net Defined Benefit Liability/(Asset)</b>	223,926	33,450	929,144	1,186,520
+Adjustment to retained earnings following adoption of revised AASB 119	37,347	5,189	158,214	200,750
<b>Net Defined Benefit Liability/(Asset) after adjustment</b>	261,273	38,638	1,087,358	1,387,270
<b>Amount recognised in retained earnings under revised AASB 119</b>	(37,347)	(5,189)	(158,214)	(200,750)

## 18. Current/non-current liabilities – other

	Consolidated	Consolidated	Parent	Parent
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Statutory creditors	6,169	9,372	6,169	9,372
Unearned rent on M5 Motorway	709	709	709	709
Sydney Harbour Tunnel tax liabilities	2,009	1,963	2,009	1,963
Income received in advance	5,615	9,471	5,615	9,471
Holding accounts	103,867	99,157	103,867	99,157
Lease incentive	497	497	497	497
Deferred revenue – reimbursement on private sector provided infrastructure	12,065	12,065	12,065	12,065
Customer advances and deposits	37	98	37	98
Priority list on moorings	545	604	545	604
Wetland lease security deposits <sup>(a)</sup>	1,487	1,464	1,487	1,464
Rent in advance	4,260	4,668	4,260	4,668
Long-term channel fees unearned income	-	1,914	-	1,914
Boating fees in advance <sup>(b)</sup>	31,875	30,515	31,875	30,515
	<b>169,135</b>	<b>172,497</b>	<b>169,135</b>	<b>172,497</b>
<b>Non-current</b>				
Unearned rent on M5 Motorways	5,778	6,487	5,778	6,487
Sydney Harbour Tunnel tax liabilities	22,402	23,146	22,402	23,146
Income received in advance	10,250	11,250	10,250	11,250
Lease incentive	539	1,036	539	1,036
Deferred revenue – reimbursement on private sector provided infrastructure	257,757	269,822	257,757	269,822
Boating fees in advance	28,128	20,881	28,128	20,881
Long-term channel fees unearned income	-	61,163	-	61,163
	<b>324,854</b>	<b>393,785</b>	<b>324,854</b>	<b>393,785</b>
<b>Current</b>				
Sydney Harbour Tunnel past tax liability	1,671	1,625	1,671	1,625
Sydney Harbour Tunnel future tax liability	338	338	338	338
	<b>2,009</b>	<b>1,963</b>	<b>2,009</b>	<b>1,963</b>
<b>Non-current</b>				
Sydney Harbour Tunnel past tax liability	10,147	11,151	10,147	11,151
Sydney Harbour Tunnel future tax liability	12,255	11,995	12,255	11,995
	<b>22,402</b>	<b>23,146</b>	<b>22,402</b>	<b>23,146</b>

(a) This amount mainly represents cash deposits, in lieu of bank guarantees, received from the developer of King Street Wharf, as security over the completion of specific stages of the construction project.

(b) Boating fees in advance comprises prepayments by customers for licences, registrations and moorings for the service component which will be provided by NSW Maritime in the future.

## Unearned rent and deferred revenue on motorways

The land acquisition loan of \$22.000 million, based on the cost of land under the M5 Motorway originally purchased by RMS, was repaid in June 1997 by the concession holder. The repayment of the loan is considered to be a prepayment of the remaining rental over the period of the concession agreement. In accordance with AASB 117 Leases, this revenue is brought to account over the period of the lease.

In consideration for the concession holder undertaking construction of an interchange at Moorebank (M5 Motorway Improvements) on the M5 Motorway, the original concession period (to 14 August 2022) has been extended to 22 August 2023.

	Consolidated	Consolidated	Parent	Parent
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Rent earned in prior year	14,805	14,422	14,805	14,422
Rent earned in current year	709	383	709	383
Unearned rent as at year end	6,487	7,195	6,487	7,195
	22,000	22,000	22,000	22,000

Under the various Private Sector Provided Infrastructure, \$369.915 million was received following the letting of the Lane Cove Tunnel, Cross City Tunnel and Western M7 Motorway contracts as reimbursement of development costs. NSW Treasury has mandated the adoption of TPP 06–08 “Accounting for Privately Funded Projects” which requires revenue to be brought to account over the period of the concessions. The treatment is summarised as follows:

	Consolidated	Consolidated	Parent	Parent
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Amortisation of deferred revenue in prior year	88,028	73,980	88,028	73,980
Amortisation of deferred revenue in current year	12,065	14,048	12,065	14,048
Unearned reimbursement as at year end	269,822	281,887	269,822	281,887
	369,915	369,915	369,915	369,915

# 19. Commitments for expenditure

## a) Capital Commitments

Aggregate capital expenditure for the roadworks contracted for at balance date and not provided for:

	Consolidated	Consolidated	Parent	Parent
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Not later than 1 year	551,676	605,887	551,676	605,887
Later than 1 year and not later than 5 years	1,760,287	1,426,865	1,760,287	1,426,865
Later than 5 years	484,520	-	484,520	-
<b>Total (including GST)</b>	<b>2,796,483</b>	<b>2,032,752</b>	<b>2,796,483</b>	<b>2,032,752</b>

## b) Operating lease commitments

Operating lease commitments relate to property, light and heavy motor vehicles and maritime. Operating lease commitments are not recognised in the financial statements as liabilities. Total operating lease commitments are as follows:

	Consolidated	Consolidated	Parent	Parent
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Not later than one year	75,964	73,483	75,964	73,483
Later than 1 year and not later than five years	135,927	154,213	135,927	154,213
Later than 5 years	27,363	29,122	27,363	29,122
<b>Total (including GST)</b>	<b>239,254</b>	<b>256,818</b>	<b>239,254</b>	<b>256,818</b>

The property operating lease commitments are as follows:

	Consolidated	Consolidated	Parent	Parent
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Not later than one year	46,536	42,753	46,536	42,753
Later than 1 year and not later than five years	88,438	107,483	88,438	107,483
Later than 5 years	27,363	29,122	27,363	29,122
<b>Total (including GST)</b>	<b>162,337</b>	<b>179,358</b>	<b>162,337</b>	<b>179,358</b>

In respect of property leases, RMS has various lessors with leases that have specific lease periods ranging from one year to 20 years.

The light motor vehicle operating lease commitments are as follows:

	Consolidated	Consolidated	Parent	Parent
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Not later than one year	19,890	19,833	19,890	19,833
Later than 1 year and not later than five years	28,189	25,506	28,189	25,506
<b>Total (including GST)</b>	<b>48,079</b>	<b>45,339</b>	<b>48,079</b>	<b>45,339</b>

The light motor vehicle lease is with State Fleet Services and is financed through the Department of Service, Technology and Administration by the NSW Treasury.

The heavy motor vehicle and heavy plant vehicle operating lease commitments are as follows:

	Consolidated	Consolidated	Parent	Parent
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Not later than one year	9,538	10,897	9,538	10,897
Later than 1 year and not later than five years	19,300	21,224	19,300	21,224
Later than 5 years	-	-	-	-
<b>Total (including GST)</b>	<b>28,838</b>	<b>32,121</b>	<b>28,838</b>	<b>32,121</b>

The heavy motor vehicle lease is held and financed with Orix and Esanda.

The total commitments detailed above include GST input tax credits of \$275.976 million (2013: \$208.143 million) that are expected to be recoverable from the ATO.

### c) Sydney Harbour Tunnel – finance lease liability

	Consolidated	Consolidated	Parent	Parent
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Minimum lease payment commitments in relation to tunnel finance lease payable as follows:				
Not later than 1 year	89,654	86,753	89,654	86,753
Later than 1 year and not later than 5 years	311,027	318,886	311,027	318,886
Later than 5 years	277,613	359,407	277,613	359,407
Minimum lease payments	678,294	765,046	678,294	765,046
Less: future finance charges	(177,439)	(217,257)	(177,439)	(217,257)
<b>Present value of minimum lease payments</b>	<b>500,855</b>	<b>547,789</b>	<b>500,855</b>	<b>547,789</b>
The present value of finance lease commitments is as follows:				
Not later than 1 year	53,539	46,935	53,539	46,935
Later than 1 year and not later than 5 years	202,741	142,042	202,741	142,042
Later than 5 years	244,575	358,813	244,575	358,813
	<b>500,855</b>	<b>547,790</b>	<b>500,855</b>	<b>547,790</b>
Classified as:				
Current (note 15)	53,539	46,935	53,539	46,935
Non-current (note 15)	447,316	500,855	447,316	500,855
<b>Total (including GST)</b>	<b>500,855</b>	<b>547,790</b>	<b>500,855</b>	<b>547,790</b>

In June 1987, RMS and Sydney Harbour Tunnel Corporation (SHTC) entered into an Ensured Revenue Stream (ERS) Agreement, whereby RMS agreed to make payments to SHTC to enable it to meet its financial obligations arising from the operation and maintenance of the tunnel and repayment of principal and interest on the funds it borrowed for the design and construction of the tunnel.

Following the guidelines set out in NSW Treasury Policy Paper 06–08 Accounting for Privately Financed Projects, RMS has accounted for the Sydney Harbour Tunnel and related ERS Agreement as a finance lease arrangement in accordance with the requirements of AASB 117 Leases.

The carrying amount of the Sydney Harbour Tunnel finance lease liability has been calculated based on the present value of the minimum lease liability, discounted at the interest rate implicit in the ERS Agreement.

Contingent lease payments include increases in the ERS liability resulting from fluctuations in the weighted index component of the ERS Agreement (e.g. CPI fluctuations) and adjustments to the amount payable resulting from ERS clause 4.1(a) renegotiations such as GST on the tunnel tolls. Contingent lease payments are charged as expenses in the period they are incurred and amounted to \$2.315 million for the year ending 30 June 2014 (2013: \$3.403 million).

## 20. Increase in net assets from equity transfer

### Transfer of net assets

Non-current assets of \$1.430 million were transferred to other government agencies as an equity transfer for the year ended 30 June 2013.

	2014 \$'000	2013 \$'000
<b>Net assets transferred were</b>		
Non-current assets	-	1,430
<b>Total</b>	<b>-</b>	<b>1,430</b>

## 21. Events after the reporting period

NSW Treasury has approved the equity transfer NSW Treasury Corporation borrowings of \$490.5 million from RMS to the Crown effective on 1 July 2014. RMS has entered into an agreement and has assigned significant numbers of its employees to Service NSW. It has also vested several owned properties and leasehold improvements with an estimated carrying value of \$95.4 million to Government Property NSW. No other events have occurred after the reporting date that would have a material impact on the financial statements.

## 22. Contingent assets and contingent liabilities

AASB 137 Provisions, Contingent Liabilities and Contingent Assets adopts a “prudent” approach and requires disclosure of each class of contingent liabilities and contingent assets.

There are several contractual disputes with an estimated total contingent liability of \$1.838 million (2013: \$26.220 million). Compulsory property acquisition matters under litigation have an estimated contingent liability of \$104.404 million (2013: \$128.456 million).

RMS has certain obligations under contracts with private sector parties with the performance of these obligations guaranteed by the State. The current guarantees outstanding are for the Sydney Harbour Tunnel, the M2 Motorway, the Eastern Distributor, the Cross City Tunnel, the Westlink M7 Motorway, the M5 South-West Motorway and the Lane Cove Tunnel. There is no reason to believe that these guarantees are ever to be exercised.



## Budget Review

### Net result

The actual net surplus result was lower than budget by \$739 million. These variances are mainly due to changes that occurred during the year as detailed in the table below.

	\$'M
<b>Net surplus result as per the Budget</b>	<b>1,735</b>
<b>Variance comprises:</b>	
De-recognition and write off of dredging asset transferred to Newcastle Port Corporation.	(234)
Employee related and personnel service expenses – see separate table below	(256)
NSW Treasury redundancy funding for reform activities	72
Lower than budgeted capital grant revenue due to re-profiling in capital projects	(178)
Higher than budgeted depreciation in actuals due to omission of certain categories of infrastructure assets depreciation in the budget.	(116)
Higher than budgeted asset write-off on disposal and transfer of assets, which are highly variable to predict	(77)
Higher than budgeted natural disaster rectification works spend	(67)
Higher than budgeted transfer of infrastructure assets from Councils'	69
Other revenue was higher than budget due to write back of the employee related payable forgiven by Transport Service for NSW due to Public Sector Executive Reforms	36
Other revenue was higher than budget due to first time recognition of assets	22
Other various budget variances	(10)
<b>Net surplus result as per the Actuals</b>	<b>996</b>

The employee and personnel service related expenses variance is explained below:

	\$'M
Employee related and personnel service expenses as per the Budget	543
<b>Variance comprises:</b>	
Higher termination payments due to reform activities recoverable from NSW Treasury	67
Delay in transfer of registry functions to Service NSW recoverable from Service NSW	22
Superannuation actuarial gains / losses associated with the Introduction of the Government Sector Employment Act 2013 and changes to the Australian Accounting Standard AASB 119	190
Actuarial adjustment for long service leave provisions payable to the Transport Service for NSW	(20)
Lower assigned staff expenses with Transport for NSW	(3)
Total variance to employee expenses as per above	256
<b>Actual employee related and personnel service expenses after adjusting variances as per the financial statements</b>	<b>799</b>

## Assets and liabilities

Total current assets are lower than budget by \$66 million largely due to lower receivables of \$79 million offset by higher than budgeted other financial assets of \$15 million.

Total non-current assets are lower than budget by \$793 million primarily due to lower than budgeted revaluation increases in infrastructure assets and lower capital works spending due to re-profiling in projects.

Total liabilities are higher than budget by \$51 million:

- This is due to higher than budgeted current and non-current provision and payables of \$53 million mainly due to increase in the personnel service payable of \$166 million as a result of change to Australian Accounting Standard AASB 119 “Employee Benefits” and re-measurement of superannuation position. This is offset by write back of payable of \$36 million as well as \$78 million of actuarial gain adjustment and termination payments.
- Lower than budgeted repayment of borrowings of \$78 million utilised to fund natural disaster rectification costs.
- This is offset by decreases in other liabilities of \$79 million mainly due to de-recognition of unearned long term channel fees of \$62 million following the transfer of RMS dredging assets to Newcastle Port Corporation.

## Cash flows

Actual Cash position at 30 June 2014 shows a \$1 million favourable variance. Net cash inflows from operating activities was \$257 million lower than budget mainly due to lower than budgeted capital grant received of \$178 million due to re-profiling in capital project works and higher than budgeted natural disaster spend of \$107 million. Net cash flows used in investing activities was \$271 million lower than budget due to lower cash outlays on capital spending than budgeted. Net cash flows used in financing activities were \$80 million lower than budget due to rollover of debt repayment to the next financial year. The opening cash position as at 30 June 2013 was \$93 million lower than budget.

## 24. Native Title

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The Commonwealth’s legislation (Native Title Act) and the New South Wales statute (Native Title (New South Wales) Act) have financial implications for New South Wales Government agencies generally. RMS has undertaken an assessment of the impact of this legislation on its financial position. This assessment indicates that as at 30 June 2014, there were no Native Title claims which had been initiated against RMS (2013: none).

## 25. Administered income and expenses

	Consolidated	Consolidated	Parent	Parent
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
<b>Administered income</b>				
Transfer receipts				
– Taxes, fees and fines	527,828	522,298	527,828	522,298
– Stamp duty	664,680	637,109	664,680	637,109
– Motor vehicle weight tax and fines	1,773,098	1,675,591	1,773,098	1,675,591
– Other	44,924	43,803	44,924	43,803
<b>Total administered income</b>	<b>3,010,530</b>	<b>2,878,801</b>	<b>3,010,530</b>	<b>2,878,801</b>
<b>Total administered expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Administered income less expenses</b>	<b>3,010,530</b>	<b>2,878,801</b>	<b>3,010,530</b>	<b>2,878,801</b>

## 26. Administered assets and liabilities

	Consolidated	Consolidated	Parent	Parent
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
<b>Administered assets</b>				
Remitting account, cash in transit and cash on hand	37,923	35,289	37,923	35,289
<b>Total administered assets</b>	<b>37,923</b>	<b>35,289</b>	<b>37,923</b>	<b>35,289</b>
<b>Administered liabilities</b>				
Holding accounts (current/non-current liabilities other)	37,923	35,289	37,923	35,289
Other*	261,091	257,166	261,091	257,166
<b>Total administered liabilities</b>	<b>299,014</b>	<b>292,455</b>	<b>299,014</b>	<b>292,455</b>

\* The amount of multiple licence fees issued in the current year is approximately \$120.104 million (2013: \$104.392 million). The maximum period of licence is five years. First year licences are not deemed to be a liability. The outstanding liability above represents the remaining three years. Refer to note 1(f) for further details.

The holding accounts and remitting account balances above represent fees collected by RMS motor registries that have not been remitted to the third party they are being administered for (generally NSW Treasury).

## 27. Reconciliation of cash from operating activities to surplus

Reconciliation of cash flows from operating activities to the Statement of Comprehensive Income.

	Consolidated 2014 \$'000	Consolidated 2013 \$'000	Parent 2014 \$'000	Parent 2013 \$'000
Net cash from operating activities	3,032,396	2,819,681	3,032,396	2,819,681
<b>Adjustments for revenues and expenses not involving cash:</b>				
Net gain on disposal of plant and equipment	4,604	13,652	4,604	13,652
Right to receive on PSPI	207,816	171,818	207,816	171,818
Roads and bridges transferred from councils	69,050	44,820	69,050	44,820
Roads and bridges transferred to councils	(85,584)	(20,683)	(85,584)	(20,683)
Assets written down (note 5)	(521,906)	(696,678)	(521,906)	(696,678)
Assets written down – infrastructure assets	(117,616)	(378,688)	(117,616)	(378,688)
Depreciation/amortisation	(1,434,708)	(1,207,563)	(1,434,708)	(1,207,563)
Other non-cash items	71,630	56,767	71,630	56,767
Non cash personnel services	(136,650)	-	29,238	324,206
	(1,943,364)	(2,016,555)	(1,777,476)	(1,692,349)
<b>Adjustments for cash movement in operating assets and liabilities</b>				
Increase/(decrease) in receivables	(35,140)	(18,400)	(35,140)	(18,400)
Increase/(decrease) in inventories	(927)	(1,452)	(927)	(1,452)
(Increase)/decrease in creditors	59,227	96,451	59,227	96,451
(Increase)/decrease in provisions *	(116,323)	(39,587)	(116,323)	(39,587)
	(93,163)	37,012	(93,163)	37,012
<b>Net result for the year</b>	<b>995,869</b>	<b>840,138</b>	<b>1,161,757</b>	<b>1,164,344</b>

\* Excludes non-cash adjustments of \$165.888 million (2013: (\$324.206) million) relating to superannuation actuarial gains/(losses) against employee provisions.

## 28. Non-cash financing and investing activities

Asset transfers and movements in asset valuations result in non-cash revenue and expense transactions. The financial effects of these transactions are listed below:

	Consolidated	Consolidated	Parent	Parent
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
<b>Non-cash revenue and expenses</b>				
Transfers from councils	69,050	44,820	69,050	44,820
Transfers to councils	(85,584)	(20,683)	(85,584)	(20,683)
Assets written off	(521,906)	(696,678)	(521,906)	(696,678)
Assets written down – infrastructure assets	(117,616)	(378,688)	(117,616)	(378,688)
Assets recognised for the first time	22,396	31,172	22,396	31,172
Write back of payable forgiven	36,449	-	36,449	-
Right to receive on PSPI	207,816	171,818	207,816	171,818

End of audited financial statements

Section 12

# Appendices

# Appendices

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<b>Appendix 1: Media inquiries</b>	<b>148</b>
<b>Appendix 2: Customer feedback</b>	<b>148</b>
<b>Appendix 3: Major work</b>	<b>149</b>
<b>Appendix 4: Driver, vehicle and maritime statistics</b>	<b>154</b>
<b>Appendix 5: Research and development</b>	<b>156</b>
<b>Appendix 6: Threatened species recovery plans</b>	<b>158</b>
<b>Appendix 7: Waste reduction, including energy consumption</b>	<b>160</b>
<b>Appendix 8: Environmental planning and assessment</b>	<b>163</b>
<b>Appendix 9: Heritage</b>	<b>164</b>
<b>Appendix 10: Biodiversity projects</b>	<b>167</b>
<b>Appendix 11: Funds granted to non-government community organisations</b>	<b>168</b>
<b>Appendix 12: Access to government information</b>	<b>168</b>
<b>Appendix 13: Senior executive service performance statements</b>	<b>171</b>
<b>Appendix 14: Overseas travel by Roads and Maritime officers</b>	<b>183</b>
<b>Appendix 15: Ombudsman inquiries</b>	<b>184</b>
<b>Appendix 16: Legal change</b>	<b>184</b>
<b>Appendix 17: Reporting of contracts with private sector entities</b>	<b>199</b>
<b>Appendix 18: Public interest disclosures report to Minister</b>	<b>200</b>
<b>Appendix 19: Privacy management plan</b>	<b>201</b>
<b>Appendix 20: Insurance</b>	<b>202</b>
<b>Appendix 21: Industrial relations and policy</b>	<b>202</b>
<b>Appendix 22: Work place diversity</b>	<b>203</b>
<b>Appendix 23: Multicultural Policies and Services Plan</b>	<b>205</b>
<b>Appendix 24: Disability Action Plan</b>	<b>212</b>
<b>Appendix 25: Waterways fund – financial overview 2013–14</b>	<b>213</b>
<b>Appendix 26: Land disposal</b>	<b>216</b>
<b>Appendix 27: Payments to consultants</b>	<b>217</b>
<b>Appendix 28: Accounts payment performance 2014</b>	<b>218</b>
<b>Appendix 29: Digital information security policy attestation</b>	<b>220</b>
<b>Appendix 30: Sydney motorways project office/WestConnex Delivery Authority</b>	<b>221</b>
<b>Compliance Index</b>	<b>226</b>

# Appendix 1: Media inquiries

The Roads and Maritime Media Unit provides support for internal and external event management and major campaigns.

**Table A1.1: Media statistics**

2013–14 Roads and Maritime media statistics	
Media inquiries	1000
Proactive media releases	2100
Proactive media events	85
Ministerial house folder notes <sup>(i)</sup>	225

(i) Excluding GIPA or issues notes, speeches and presentations.

# Appendix 2: Customer feedback

Roads and Maritime welcomes customer feedback, including compliments, complaints and suggestions.

**Table A2.1: Number of complaints**

Number of complaints		
Roads	Customer service	32
	Digital services	78
	Graffiti	36
	Licence or registration	178
	Noise	72
	Other	425
	Road projects and conditions	637
	Rubbish/litter	70
	Signage	142
	Speed cameras	41
	Traffic incidents, closures, clearways	124
Maritime	Maritime property	7
	Maritime assets and infrastructure (incl. wharves, grants and harbour cleaning)	12
	Recreational boating (general, incl. moorings)	66
	Recreational boating compliance	69
	Commercial vessels	6
Total		1995

Reported complaint statistics are based on submissions made by customers on the Roads and Maritime website. Complaints or other forms of feedback provided orally or in written correspondence are not included. Written feedback and complaints are recorded through Ministerial, Chief Executive and other correspondence.

Roads and Maritime is supporting the implementation across the Transport cluster of a single, coordinated customer complaints, compliments and feedback framework and online system. This will provide a more accurate and transparent way of recording and managing customer feedback.



The policy framework implementation and IT system procurement are planned to start rolling out across the cluster in 2014–15 and continue into 2015–16. Transport for NSW is prioritising implementation at Roads and Maritime.

As detailed throughout this report, Roads and Maritime takes customer feedback seriously. All complaints are reviewed to ensure services are delivered appropriately.

## Appendix 3: Major work

**Table A3.1 Major work 2013–14**

Project Description	Location	Status (as at 30 June 2014)	Announced completion date	Announced estimate total cost (\$'000)	2013–14 exp (\$'000)	Expenditure in previ- ous years (\$'000)
Established Sydney Roads						
Alfords Point Road, Brushwood Drive to Georges River	Alfords Point	Planning	N/A	N/A	1,476	1,632
Centenary Drive improvements	Homebush	Planning	N/A	N/A	34	1,136
Mona Vale Road, McCarrs Creek Road to Powder Works Road	Ingleside	Planning	N/A	N/A	3,591	2,405
Northern Beaches Hospital Road upgrade	Frenchs Forest	Planning	2018	N/A	6,929	1,005
Prospect Highway and Blacktown Road, Reconciliation Road to St Martins Crescent	Prospect	Planning	N/A	N/A	1,598	1,691
Showground Road, Old Northern Road to Carrington Road	Castle Hill	Planning	N/A	N/A	1,483	1,630
Windsor Bridge over Hawkesbury River (replacement)	Windsor	Planning	N/A	N/A	2,113	12,487
WestConnex Motorway Enabling work						
General Holmes Drive, remove rail level crossing (State and Federal funding) * <sup>1</sup>	Mascot	Planning	N/A	N/A	2,712	2,362
Joyce Drive, O'Riordan Street to Mill Pond Road* <sup>1</sup>	Mascot					
Mill Pond Widening* <sup>1</sup>	Botany					
Western Sydney Growth Roads						
Bringelly Road, Camden Valley Way to King Street	Leppington	Planning	2017	N/A	5,243	6,875
Camden Valley Way, Bringelly Road to Ingleburn Road	Leppington	Construction	2015	95,000	19,198	11,928
Camden Valley Way, Ingleburn Road to Raby Road	Leppington, Catherine Field	Construction	2015	110,000	36,308	35,394
Camden Valley Way, Raby Road to Oran Park Drive	Catherine Field	Construction	2014	75,000	33,294	18,061

Note: \*<sup>1</sup> – now combined into WestConnex Enabling Works, Airport East (Wentworth/Joyce).  
N/A: Estimated total cost and completion dates are not available at this stage.

Project Description	Location	Status (as at 30 June 2014)	Announced completion date	Announced estimate total cost (\$'000)	2013–14 exp (\$'000)	Expenditure in previ- ous years (\$'000)
Campbelltown Road, Camden Valley Way to Denham Court Road	Ingleburn	Planning	N/A	N/A	1,097	2,949
Garfield Road, Windsor Road to Richmond Road	Riverstone	Planning	N/A	N/A	1,070	3,374
Memorial Avenue, Old Windsor Road to Windsor Road	Kellyville	Planning	N/A	N/A	816	59
Narellan Road, Camden Valley Way to Blaxland Road	Narellan – Campbelltown	Construction	2018	114,000	4,790	3,447
Erskine Park Link Road, Old Wallgrove Road to Lenore Lane (Western Sydney Employment Lands)	Eastern Creek	Completed	26/07/2013	45,000	2,176	42,875
Old Wallgrove Road, Erskine Park Link Road to M7 (Western Sydney Employment Lands)	Eastern Creek	Planning	2016	95,000	4,590	5,434
Richmond Road Stage 1, Bells Creek to Townson Road	Marsden Park – Colebee	Construction	2014	39,000	26,011	10,921
Richmond Road Stage 2, Townson Road to Grange Avenue* <sup>2</sup>	Marsden Park	Construction	2016	96,000	7,467	4,735
Richmond Road Stage 3A, Grange Avenue to Garfield Road* <sup>2</sup>	Marsden Park					
Richmond Road Stage 3B, North of Garfield Road* <sup>2</sup>	Marsden Park					
Schofields Road Stage 1, Windsor Road to Tallawong Road	Rouse Hill	Completed	30/06/2014	65,000	25,834	38,052
Schofields Road Stage 2, Tallawong Road to Vernon Road	Schofields	Construction	2017	135,000	32,889	7,015
Schofields Road Stage 3, Vernon Road to Richmond Road via South Street	Schofields	Planning	N/A	N/A	1,292	1,600
The Northern Road, Camden Valley Way to Peter Brock Drive	Oran Park	Planning	N/A	N/A	1,312	66
Werrington Arterial Road Stage 1, M4 to Great Western Highway (State and Federal funded)	Claremont Meadows	Planning	N/A	N/A	4,384	1,733
<b>Central Coast Roads</b>						
Central Coast Highway, Brisbane Water Drive, Manns Road intersection upgrade	West Gosford	Construction	2016	170,000	38,032	74,851
Central Coast Highway, Matcham Road to Ocean View Drive	Wamberal	Completed	29/08/2013	98,000	20,831	76,954

Note: \*<sup>2</sup> – Projects now combined and to be delivered as Richmond Road, Stages 2 & 3, Townson Road to North of Garfield Road.

Note: \*<sup>3</sup> – Project renamed Pacific Highway, Parsons Road to Ourimbah Street, Lisarow.

Project Description	Location	Status (as at 30 June 2014)	Announced completion date	Announced estimate total cost (\$'000)	2013–14 exp (\$'000)	Expenditure in previ- ous years (\$'000)
Pacific Highway Narara to Lisarow upgrade, Manns Road to Railway Crescent	Narara – Lisarow	Planning	N/A	N/A	658	9,401
Pacific Highway Railway Crescent upgrade, Lisarow to Ourimbah Street, Lisarow* <sup>3</sup>	Lisarow	Planning	N/A	N/A	910	230
Pacific Highway Ourimbah Street upgrade, Lisarow to Glen Road, Ourimbah	Ourimbah	Planning	N/A	N/A	457	14,489
Pacific Highway Wyong Road Intersection Upgrade	Tuggerah	Planning	2018	N/A	3,166	3,294
Pacific Highway Wyong Town Centre upgrade	Wyong	Planning			2,880	3,799
Pacific Motorway (F3), Kariong Interchange upgrade (State and Federal funded)* <sup>4</sup>	Kariong	Planning	N/A	N/A	2,263	743
Pacific Motorway (F3), Widening, Kariong Interchange to Somersby Interchange (State and Federal funded)	Somersby					
Pacific Motorway (F3), Widening, Wyong Road to Doyalson Link (State and Federal funded)	Tuggerah, Warnervale	Planning	N/A	N/A	1,540	3,652
Sparks Road, New Intersection for Warnervale Town Centre	Warnervale	Construction	2015	23,000	8,854	1,929
Terrigal Drive, Charles Kay Drive Intersection Upgrade	Terrigal	Construction	2016	25,000	1,521	2,860
Wyong Road, Enterprise Drive intersection Upgrade	Chittaway Bay	Planning	2016	N/A	1,254	314
Wyong Road, Mingara Drive to Tumby Road upgrade	Tumby Umbi	Planning	N/A	N/A	1,348	427
<b>Great Western Highway and Bells Line of Road</b>						
Woodford to Hazelbrook (State and Federal funded)	Woodford – Hazelbrook	Construction	2014	225,000	55,246	158,410
Bullaburra, Ridge Street to Genevieve Road	Bullaburra	Construction	2015	75,000	20,725	19,206
Bullaburra to Wentworth Falls, Genevieve Road to Tableland Road	Bullaburra – Wentworth Falls	Construction	2014	85,000	16,452	47,127
Katoomba to Lithgow safety Work (State and Federal funded)	Various	Planning	N/A	N/A	5,340	14,476
Forty Bends upgrade (Federal funded)	Hartley	Planning	2016	N/A	1,617	7,546
Kelso, Ashworth Drive to Stockland Drive	Kelso	Planning	2016	85,000	5,682	11,202

Note: \*4 – Project now combined with Kariong Interchange to Somersby interchange.

Project Description	Location	Status (as at 30 June 2014)	Announced completion date	Announced estimate total cost (\$'000)	2013–14 exp (\$'000)	Expenditure in previ- ous years (\$'000)
<b>Hunter Roads</b>						
Cormorant Road, Industrial Drive to Stockton Bridge	Kooragang Island	Planning	N/A	N/A	942	1,010
Hunter Expressway (State and Federal funded)	Seahampton – Branxton	Completed	22/03/2014	1,700,000	192,714	1,430,190
Nelson Bay Road, Bobs Farm to Anna Bay Stage 3	Anna Bay	Construction	2015	45,000	12,542	6,536
New England Highway, Belford to Golden Highway duplication	Belford	Planning	N/A	N/A	338	0
New England Highway, Gowrie Gates, widening rail underpass	Singleton	Planning	N/A	N/A	28	270
New England Highway, Muswellbrook Bypass (Federal funded)	Muswellbrook	Planning	N/A	N/A	681	1,794
New England Highway, Scone Rail Level Crossing (State and Federal funded)	Scone	Planning	N/A	N/A	221	1,415
New England Highway, upgrade of roundabouts	Maitland	Construction	2016	45,000	11,880	2,278
Newcastle Inner Bypass, Shortland to Sandgate	Sandgate	Completed	23/01/2014	143,000	35,119	104,095
Pacific Motorway (F3) and Weakleys Drive Intersection (State and Federal funded)	Beresfield	Planning	N/A	N/A	30	0
Pacific Motorway (F3) extension to Raymond Terrace	Hexham	Planning	N/A	N/A	1,033	13,635
<b>Pacific Highway</b>						
Hérons Creek to Stills Road (State and Federal funded)	Hérons Creek	Completed	6/12/2013	60,000	14,049	46,092
Oxley Highway to Kempsey (State and Federal funded)	Port Macquarie – Kempsey	Planning	N/A	N/A	11,764	81,153
Oxley Highway to Kundabung (State and Federal funded)	Kundabung – Thrumster	Construction	2017	820,000	38,746	968
Kundabung to Kempsey (State and Federal funded)	Kempsey – Kundabung	Construction	2016	230,000	1,944	86
Frederickton to Eungai (State and Federal funded)	Clybucca	Construction	2016	675,000	205,375	90,396
Warrell Creek to Urunga (State and Federal funded)	Nambucca Heads	Planning	N/A	N/A	11,560	75,062
Warrell Creek to Nambucca Heads (State and Federal funded)	Macksville	Planning	2017	830,000	37,398	5,136
Nambucca Heads to Urunga (State and Federal funded)	Urunga	Construction	2016	780,000	120,066	38,542
Coffs Harbour Bypass (State and Federal funded)	Coffs Harbour	Planning	N/A	N/A	5,143	45,548

Project Description	Location	Status (as at 30 June 2014)	Announced completion date	Announced estimate total cost (\$'000)	2013–14 exp (\$'000)	Expenditure in previ- ous years (\$'000)
Coffs Harbour (Sapphire) to Woolgoolga (State and Federal funded)	Woolgoolga	Construction	2014	860,000	207,396	627,526
Woolgoolga to Ballina (planning and preconstruction) (State and Federal funded)	Grafton – Maclean	Planning	N/A	N/A	63,947	197,000
Devils Pulpit Upgrade (State and Federal funded)	Tabbimoble	Completed	2/04/2014	90,000	26,508	54,435
Tintenbar to Ewingsdale (State and Federal funded)	Bangalow	Construction	2015	862,000	253,072	328,638
<b>Princes Highway</b>						
Princes Motorway (Mount Ousley Road) climbing lanes (State and Federal funded)	Cataract	Planning	N/A	N/A	3,823	2,362
Albion Park Rail Bypass, Yallah to Oak Flats	Albion Park Rail	Planning	N/A	N/A	2,280	246
Gerringong upgrade, Mount Pleasant to Toolijooa Road	Gerringong	Construction	2015	329,000	111,395	130,734
Foxground and Berry Bypass, Toolijooa Road to South Berry	Berry	Planning	2018	580,000	34,381	63,431
Berry to Bomaderry	Berry – Bomaderry	Planning	N/A	N/A	7,966	6,098
South Nowra, Kinghorne Street to Forest Road	Nowra	Completed	29/03/2014	72,000	26,590	43,353
Termeil Creek realignment	Termeil	Planning	N/A	N/A	491	1,305
Dignams Creek realignment	Dignams Creek	Planning	N/A	N/A	820	5,391
Bega Bypass (Federal funded)	Bega	Completed	16/10/2013	50,000	10,519	38,267
<b>Regional NSW Major Roads Upgrades</b>						
Barton Highway safety improvements (Federal funded)	Murrumbateman	Construction	2015	N/A	2,586	3,019
Hume Highway, Holbrook Bypass (Federal funded)	Holbrook	Completed	7/08/2013	227,000	10,872	203,589
Mitchell Highway, Goanna Hill realignment	Molong	Planning	N/A	N/A	1,673	1,036
Newell Highway, Trewilga realignment	Trewilga	Planning	N/A	N/A	983	893
New England Highway, Bolivia Hill upgrade (Federal funded)	Bolivia	Planning	N/A	N/A	287	1,423
New England Highway, Tenterfield Heavy Vehicle Bypass (Federal funded)	Tenterfield	Planning	N/A	N/A	578	974
Summerland Way, additional Clarence River crossing	Grafton	Planning	N/A	N/A	6,094	13,873
<b>Bridges for the Bush</b>						
Olympic Highway, Kapooka bridge replacement (State and Federal funded)	Kapooka	Construction	2016	N/A	3,212	2,293

Project Description	Location	Status (as at 30 June 2014)	Announced completion date	Announced estimate total cost (\$'000)	2013–14 exp (\$'000)	Expenditure in previ- ous years (\$'000)
Oxley Highway, Gunnedah Bridge over railway	Gunnedah	Planning	N/A	N/A	950	815
Kamilaroi Highway, Tulladunna Bridge replacement	Wee Waa	Construction	2016	12,200	1,670	673
Cobb Highway, second bridge over Murray River (NSW contribution)	Moama – Echuca	Planning	N/A	N/A	670	4,115
<b>Other major programs</b>						
Transport Access Program - commuter wharf upgrades	Various	Construction	2015	N/A	8,876	39,772

## Appendix 4: Driver, vehicle and maritime statistics

**Table A4.1 Number of vehicles registered in NSW as at 30 June 2014 by year of manufacture**

Year of manufacture	Number of vehicles
1900–1959	9,515
1960–1964	7,575
1965–1969	15,425
1970–1974	41,005
1975–1979	74,944
1980–1984	111,296
1985–1989	225,910
1990–1994	296,848
1995–1999	716,658
2000	215,828
2001	218,162
2002	245,676
2003	279,287
2004	294,922
2005	311,244
2006	305,996
2007	337,569
2008	333,134
2009	314,353
2010	358,412
2011	347,896
2012	388,729
2013	395,693
2014	133,571
<b>Total</b>	<b>5,979,648</b>

**Table A4.2 Number of vehicles registered in NSW as at 30 June 2014 by vehicle usage**

Vehicle type	Number of vehicles
Passenger vehicles	2,894,125
Off-road vehicles	1,150,975
People movers	71,158
Small buses	18,227
Mobile homes	8,232
Motor cycles	193,479
Scooters	14,972
Light trucks	598,261
Light plants	2592
Light trailers *	861,142
Other vehicles	123
<b>Total light vehicles</b>	<b>5,813,286</b>
Buses	13,028
Heavy trucks	91,381
Prime movers	18,835
Heavy plants	4570
Heavy trailers *	38,548
<b>Total heavy vehicles</b>	<b>166,362</b>
<b>Total</b>	<b>5,979,648</b>

\* Re-defined as light trailers with GVM up to 4.5t and heavy trailers with GVM > 4.5t.

**Table A4.3 Number of vehicles registered in NSW as at 30 June 2014 by vehicle usage**

Vehicle usage	Number of vehicles
Private	4,185,739
Pensioner concession	796,600
Primary producer concession	106,637
Business general	823,308
Taxi	7122
Public bus and coach	7752
Federal Interstate Registration Scheme	3508
Other vehicle usages	48,982
<b>Total</b>	<b>5,979,648</b>

**Table A4.4 NSW licensed drivers and riders by gender as at 30 June 2014**

Gender	No. of licence holders	% of total
Female	2,504,739	48.7%
Male	2,637,658	51.3%
<b>Total</b>	<b>5,142,397</b>	<b>100.0%</b>

**Table A4.5 NSW licensed drivers and riders by age group as at 30 June 2014**

Age group	No. of licence holders	% of total
16–19	285,033	5.5%
20–24	402,292	7.8%
25–29	434,865	8.5%
30–34	479,667	9.3%
35–39	468,938	9.1%
40–44	501,052	9.7%
45–49	458,228	8.9%
50–54	474,085	9.2%
55–59	426,599	8.3%
60–64	374,676	7.3%
65–69	326,976	6.4%
70–74	224,962	4.4%
75–79	147,656	2.9%
80–84	87,837	1.7%
85+	49,531	1.0%
<b>Total</b>	<b>5,142,397</b>	<b>100.0%</b>

**Table A4.6 NSW driver and rider licences on issue by licence class as at 30 June 2014**

Licence class	No. of licences	% of total class
Class C	4,584,126	80.5%
Class LR	90,950	1.6%
Class MR	130,243	2.3%
Class HR	202,267	3.6%
Class HC	107,581	1.9%
Class MC	22,959	0.4%
Class R	554,584	9.7%
<b>Total</b>	<b>5,692,710</b>	<b>100.0%</b>

Note: A person may hold a rider licence class as well as a driver licence class.

Outputs	2007–08	2008–09	2009–10	2010–11	2011–12	2012–13	2013–14
General boat driving licences (not including personal watercraft licences)	419,080	447,253	452,803	447,194	445,436	443,596	444,141
Personalised watercraft driving licences	32,616	36,396	38,718	40,247	41,369	42,202	44,985
Recreational vessel registrations (not including personal watercraft registrations)	209,767	214,614	218,161	214,705	217,511	218,950	221,276
Personalised watercraft registrations	7307	7708	8354	8623	9123	9666	10,502
Aquatic licences issued	675	637	655	697	711	722	710
Environmental assessments for mooring and aquatic licences	2734	2797	2800	2331	3153	2784	2967
Boating fatalities per 100,000 registered vessels (recreational and commercial)	9.3	5.2	9.7	4.3	8.1	11.3	2.9
Safety compliance rate: recreational vessels, including personalised watercraft (percentage)	87.1	88.3	89	92.8	90.8	91.0	90.8
Safety compliance rate: commercial vessels (percentage)	93.4	91	88.3	91.6	93.9	93.1	92.6

## Appendix 5: Research and development

Roads and Maritime has a Research and Development Program to identify and develop innovative solutions to materials, products, equipment, systems and processes to achieve business improvements. The program also develops a range of research projects focusing on road safety and the performance of roads and bridges to assist planning of long-term maintenance programs in order to minimise whole-of-life-cycle cost.

Specialist Roads and Maritime staff carry out the work, with some projects being conducted in collaboration with universities or outsourced to specialist research groups.

Roads and Maritime also contributes to research and development work funded by Austroads, in conjunction with other road agencies, to apply new technologies at a national level or assist with improving knowledge of the impact of increasing freight loads on road infrastructure.

### Pavements

Projects carried out in 2013–14 included:

- A new approach to sealing foamed bitumen materials to improve the seal performance.
- Ongoing improvements to the methods used to assess the suitability of non-complying marginal materials for pavement materials in Western Region.



- Development of five technical guides for best practice application of test methods. These new guides capture historical knowledge of laboratory technicians in the agency.
- A review of the performance of rural highways using materials with high-fly ash blends.
- The application and construction of the low noise diamond grinding on plain concrete pavement on the Hunter Expressway. This new surface type, adapted from the USA, reduced construction costs and provides opportunities to reduce tyre-road noise from major highways.

## Bridges

Projects carried out in 2013–14 included:

- Trials using sacrificial cathodic protection systems to assess the success of chloride ingress prevention. Small scale trials were carried out using four commercially available sacrificial anode systems at Ryde Bridge and the trials demonstrated that a combination of anodes systems is effective. Full scale trials using different anode systems are being monitored in seven bridges across the State.
- Trials on concrete culverts using passive re-alkalisation as a means to prevent further corrosion. A number of re-alkalisation products were applied to a culvert on the Hume Highway and one of the products was found to be effective in re-alkalising the carbonated concrete. A subsequent field trial including laboratory testing was carried out on a culvert under the Cumberland Highway. Depending on the outcomes of the field trials and the laboratory study, this product will be applied on a culvert in Western Region.
- Refined mixes for generic steel fibre reinforced reactive powder concrete (ultra-high performance, fibre-reinforced concrete). The material produced from these mixes has demonstrated good performance. Further tests are needed to demonstrate that it can perform in large-scale bridge elements such as girders. However, the cost of this concrete is expensive (around \$1500 per cubic metre) and its uses would be very limited. As a result, there is limited value in progressing testing further.
- Development work on the crawling robot focused on enabling its movement in a confined space. This project was conducted in collaboration with the University of Technology, Sydney (UTS). Testing of the robot will continue on Sydney Harbour Bridge to improve its operation. UTS is well advanced on a new foot design to allow the robot to move across different surfaces. The project is on track for completion in February 2015.
- Development of seismic design rules for inclusion into the revision of AS5100 Bridge Design Code. Roads and Maritime has developed design rules and these have been incorporated in the draft revision of AS5100 Parts 2, 4 and 5. After receiving public comments, the revised Design Code is scheduled for publication in June 2015.

## Geotechnical

In 2013–14 Roads and Maritime developed technical guides on mine subsidence, a short guide to treatments for slopes and walls, and mine risk assessment.

## Transport planning

This year Roads and Maritime completed studies on traffic generation and parking demand data for three land use types – high density residential developments and service stations, and finished a desktop review of major hospital survey data.

## Materials technology

In 2013–14 Roads and Maritime:

- Continued research on the development of long life, lane line markers for roads in the snow country.
- Developed a new thin surfacing for pedestrian access ways on steel bridge decks.

# Appendix 6: Threatened species recovery plans

In accordance with section 70(1) of the *NSW Threatened Species Conservation Act 1995*, Roads and Maritime must report on the actions, we have taken to implement measures identified in a recovery plan in its Annual Report.

**Table A6.1 Threatened Species Recovery Plans**

Measures	Action taken by Roads and Maritime	Status in 2013–14
<b><i>Acacia pubescens</i> (Downy Wattle) Recovery Plan (February 2003)</b>		
(12.3) Identify existing and potential threats (for example, weed invasion, hybridisation and reducing access to sites) to the population at Beverly Hills/ Narwee (adjacent to the M5, north of Windarra Street).	Roads and Maritime staff visited the site and mapped the area of the population in 2000.	No further action required.
(12.3) Develop and implement threat and habitat management programs for the population at Beverly Hills/ Narwee (adjacent to the M5, north of Windarra Street).	The population was included in the relevant roadside corridor management plan.	No action required.
(12.3) Monitor populations on a regular basis to assess the effectiveness of threat and habitat management programs for the population at Beverly Hills/Narwee (adjacent to the M5, north of Windarra Street).	No inspections were carried out in 2013–14.	No action this reporting period.
(12.3.2) Developments and activities are assessed with reference to this recovery plan, environmental assessment guidelines and any future advice from the National Parks and Wildlife Service regarding the distribution, threats, biology and ecology of <i>A.pubescens</i> .	Developments and activities in the vicinity of <i>A.pubescens</i> are assessed with reference to the recovery plan, environmental assessment guidelines and any advice from the Office of Environment and Heritage regarding the distribution, threats, biology and ecology of <i>A.pubescens</i> .	All projects with the potential to impact on <i>A.pubescens</i> referred to the recovery plan and environmental assessment guidelines.
(15.3.2) When planning decisions are made which affect populations of <i>A.pubescens</i> , this information will be forwarded to the National Parks and Wildlife Service. This includes information on decisions that protect habitat, as well as those that lead to reduction of habitat and/or individuals.	Roads and Maritime informs the Office of Environment and Heritage of projects where there are impacts to <i>A.pubescens</i> .	This action is a standard requirement of projects.

Measures	Action taken by Roads and Maritime	Status in 2013–14
<b>National Recovery Plan for Angus's Onion Orchid <i>Microtis angusii</i> (2010)</b>		
<p>(5.1) Roads and Maritime will ensure that roadworks and road maintenance at the known location at Ingleside, in potential habitat and in any newly discovered sites, will not cause the destruction or degradation of any part of a <i>M.angusii</i> population, its habitat or potential habitat.</p> <p>Roads and Maritime will achieve this by: (a) assessing and carrying out all activities with reference to the recovery plan and any future advice regarding the distribution and ecology of <i>M.angusii</i>, (b) ensuring that all relevant environmental and site personnel are familiar with the location of known <i>M.angusii</i> and potential habitat.</p>	<p>All activities by Roads and Maritime are carried out with reference to the recovery plan and any advice regarding the distribution, ecology and potential habitat of <i>M.angusii</i>.</p>	<p>Since 2012 Roads and Maritime has investigated the potential impacts to <i>M.angusii</i> from a proposed upgrade of Mona Vale Road. This planning continued in 2013–14.</p> <p>Roads and Maritime continues to liaise with Warringah Council, the Office of Environment and Heritage, and the Botanic Gardens to ensure the proposal would avoid or minimise destruction or degradation to the known location of <i>M.angusii</i> at Ingleside, or in potential habitat and/or newly discovered sites identified during investigations.</p>
<p>(6.3) Roads and Maritime will notify the Office of Environment and Heritage of any new sites and populations of <i>M.angusii</i> located through both targeted survey (for example, for environmental assessment purposes) and other sightings.</p>	<p>Roads and Maritime has located a number of new sites and/or populations of <i>M.angusii</i> through targeted survey.</p>	<p>The location of any new populations will be sent to Office of Environment and Heritage.</p>
<b>Cumberland Plain Threatened Species Recovery Plan (January 2011)</b>		
<p>(1.5) In circumstances where impacts on the threatened biodiversity listed in Table A10.1 are unavoidable, as part of any consent, approval or licence that is issued, ensure that offset measures are carried out within the priority conservation lands where practicable. (Note that offsets for impacts within the Growth Centres will continue to be provided in accordance with the Growth Centres Biodiversity Certification Order).</p>	<p>Roads and Maritime provides offsets for unavoidable impacts to species listed in the recovery plan. Offsets provided to date have been within the priority conservation lands where practicable.</p>	<p>Roads and Maritime has identified a number of projects in or adjacent to the Growth Centres that will require offsetting in accordance with the Growth Centres Biodiversity Certification Order.</p>
<p>(2.3) State Government and Federal Government agencies will manage, to best practice standards (as specified in Appendix 23), any lands which are under their ownership or for which they have care control and management, which:</p> <ol style="list-style-type: none"> <li>1. Contain any of the threatened biodiversity listed in Table A10.1.</li> <li>2. Are located within the priority conservation lands or, if located outside these lands, have conservation as a primary management objective.</li> </ol>	<p>Roads and Maritime will ensure actions carried out on these lands are undertaken in accordance with the standards identified in the recovery plan.</p>	<p>No additional action required.</p>

# Appendix 7: Waste reduction, including energy consumption

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## Vessel waste recovery

To protect the marine environment from the impact of sewage pollution from vessels and encourage the responsible disposal of vessel waste, Roads and Maritime maintains pump-out facilities at King Street Wharf and Blackwattle Bay, and monitors three additional pump-out facilities at Wharf 6 White Bay, Cabarita and Birkenhead Point.

During 2013–14, a total of 12.838 million litres of untreated sewage waste was pumped out from vessels through these facilities. This represented a 12 per cent increase on the previous financial year. Roads and Maritime also funds a mobile vessel pump-out facility on Myall Lakes. During the year 61,830 litres of untreated sewage waste was pumped out through these facilities, which is an increase of 4.8 per cent on the previous year.

## Energy use and greenhouse gas emissions\*

### Energy efficiency

In 2012–13 Roads and Maritime consumed 917,995 gigajoules (GJ) of energy. Electricity usage accounted for the greatest part, followed by diesel fuel usage, then Ethanol Blended Fuel.

The operation of exhaust fans and lighting systems in road tunnels consumes the most electricity of all Roads and Maritime's activities. Other significant electricity consuming activities include the running of Roads and Maritime's buildings, including motor registries, work depots and offices, and the energy used to run the State's traffic signals and street lights. Our energy use profile for 2012–13 is shown in Figure 3.

Roads and Maritime also used diesel and petrol to operate road machinery and vehicles. Minor amounts of LPG and natural gas were also used to heat buildings, as fuel for some light vehicles and to manufacture asphalt.

In order to reduce energy use, Roads and Maritime:

- Carries out energy audits of our highest energy consuming buildings and implements energy reduction measures such as installing energy efficient air conditioning and lighting systems to reduce greenhouse gas emissions.
- Continues to upgrade traffic signals by replacing quartz halogen lamps with LED lighting technology (see Figure 5).
- Considers the environmental performance of light vehicles along with safety and costs when purchasing. All light vehicles purchased are required to meet the minimum carbon dioxide emission standards as specified by NSW Procurement.

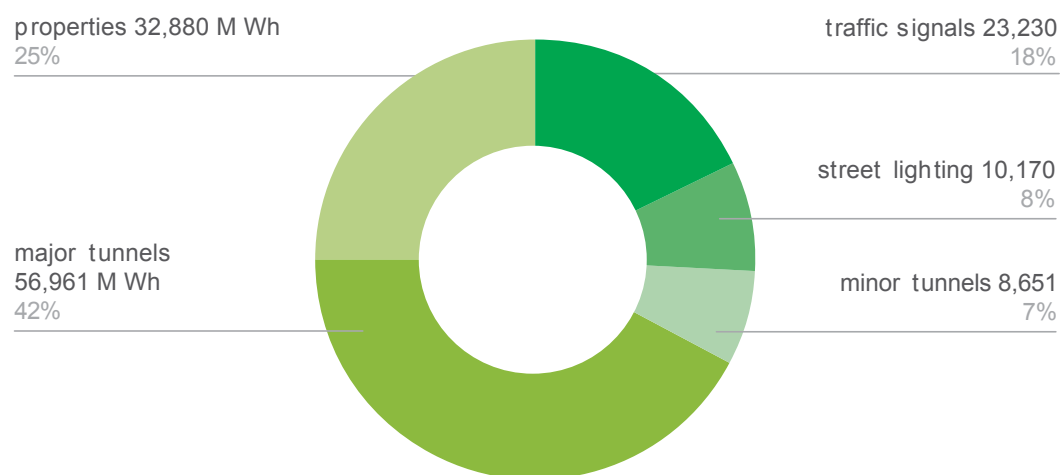
\* Roads and Maritime reports the annual energy consumption one year in arrears. All figures in this report relate to 2012–13.

### Greenhouse gas emissions

Roads and Maritime's annual greenhouse gas emissions are reported to the Office of Environment and Heritage annually. The 2012–13 report is the first annual energy and greenhouse gas report that includes data covering a full 12 months of operation of the M5 East Tunnel. It is also the first time that a full 12 months of operational energy data has been collated since the formation of Roads and Maritime.

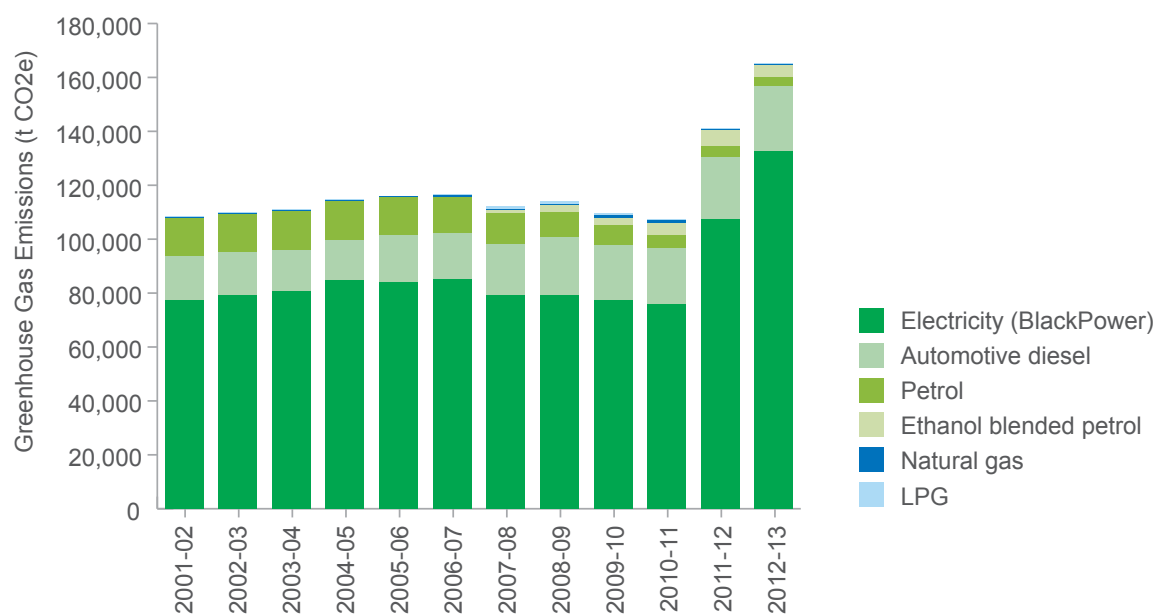
Compared to 2011–12 Roads and Maritime's greenhouse gas emissions increased significantly due to assuming responsibility for electricity use in the M5 East Tunnel. Prior to December 2011, electricity consumed by the M5 East was the responsibility of the private sector tunnel operator and as per accepted national greenhouse accounting practices was not included as part of our greenhouse gas emissions. Our total greenhouse gas emissions for 2012–13 is shown in Figure 4.

**Figure 3. Electricity consumption 2012–2013**



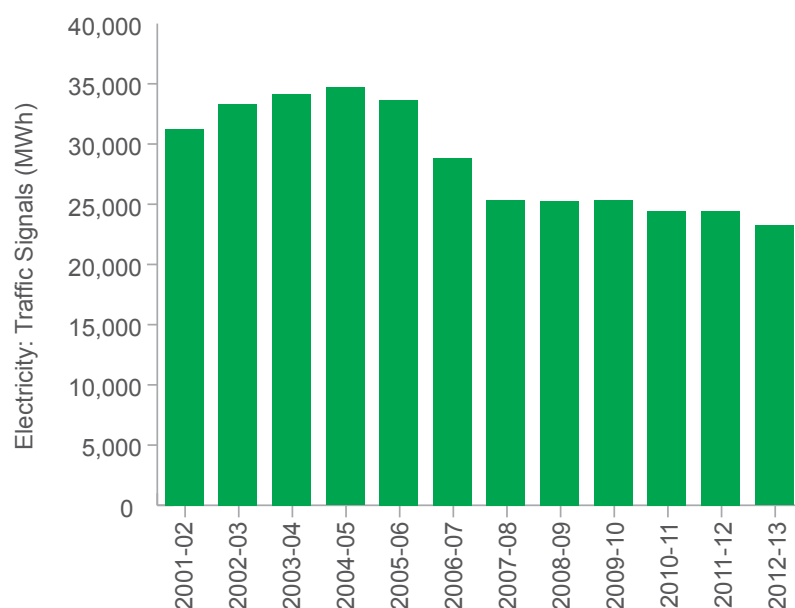
\*The annual data is reported one year in arrears.

**Figure 4. Total greenhouse gas emissions (tonnes of carbon dioxide equivalent) 2012–2013**



Roads and Maritime reports the annual greenhouse gas emissions one year in arrears. All figures in this report relate to 2012–13 period.

**Figure 5. Electricity traffic signals**



\* The annual data is reported one year in arrears.

## Waste reduction

Significant quantities of construction materials are used to construct the State's roads. Roads and Maritime is committed to reducing waste generation and maximising resource consumption.

Roads and Maritime reports every two years to the Office of Environment and Heritage on the progress made in implementing our Waste Reduction and Purchasing Plan. The most recent progress report was prepared in the 2012–13 financial year and was presented in the Roads and Maritime Annual Report 2012–13.

Table A7.1 provides the waste recovery rates for the main waste streams generated as part of the Road Maintenance Program during 2013–14. The waste recovery rates continue to exceed the NSW Government's 2014 waste recovery targets.

High rates of recycling can be attributed to the reduced construction costs associated with re-using materials generated on-site compared to the high costs of transporting and disposing of waste off-site and purchasing virgin materials. Additionally, Roads and Maritime has negotiated resource recovery exemptions with the NSW Environment Protection Authority to help facilitate the beneficial re-use of road construction materials.

**Table A7.1 Waste recovery rates**

Waste type	Roads and Maritime waste recovery rates (2013–14)	NSW Government waste recovery targets (by 2014)
Vegetation	94%	76%
Concrete	97%	76%
Steel	98%	76%
Asphalt	99%	76%
Virgin excavated natural material/fill	99%	76%

# Appendix 8: Environmental planning and assessment

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## The environmental framework

The *Environmental Planning and Assessment Act 1979* (EP&A Act) establishes the process for environmental impact assessment and approval of infrastructure and development projects. *The Environmental Impact Assessment Guidelines* provide a framework to ensure that Roads and Maritime's environmental assessments are of high quality and meet community expectations.

Roads and Maritime activities are assessed in accordance with the requirements of the EP&A Act either under Part 5.1 for State Significant Projects or under Part 5 of the Act for other projects and maintenance activities.

In 2013–14 some projects already under assessment were also approved under the former Part 3A of the EP&A Act, which has now been removed following legislative reform.

## Managing environmental requirements for projects of State significance

During the reporting period environmental assessments were finalised and approvals for State Significant Projects were received from the Minister for Planning, including:

- Foxground and Berry Bypass project, Kiama and Shoalhaven (formerly Part 3A).
- Windsor Bridge replacement project, Hawkesbury (Part 5.1).
- Woolgoolga to Ballina Pacific Highway upgrade project (Part 5.1).

Before they were approved, all three projects were exhibited for public comment, with Roads and Maritime preparing detailed submissions reports for consideration by the Department of Planning and Environment.

To support continued improvement towards best practice in environmental assessment, a Roads and Maritime procedure with supporting templates and guidance notes dealing with State Significant Project infrastructure under Part 5.1 of the EP&A Act has been developed and implemented.

Modification applications to a number of existing approved projects were also publicly exhibited and approved, including for the Pacific Highway upgrade and M2 Motorway.

## Managing environmental requirements for Part 5 projects

The majority of Roads and Maritime activities are not of sufficient scale or potential impact to be assessed as State Significant Projects. Instead, these activities are assessed in accordance with the requirements of Part 5 of the EP&A Act. For these projects Roads and Maritime is the proponent and prepares a comprehensive Review of Environmental Factors Report prior to determining whether the project should proceed.

The report examines the potential environmental impacts of activities, assesses whether the potential impacts would be significant, and identifies measures to avoid, minimise, mitigate and, in some cases, offset impacts. As part of our *Environmental Impact Assessment Guidelines*, Roads and Maritime has procedures with supporting templates and guidance notes to ensure quality assessment of work carried out under Part 5 of the EP&A Act.

Roads and Maritime exhibited Reviews of Environmental Factors for community input, prepared Submissions Reports and determined to proceed with a number of projects during the reporting period, including:

- Safety upgrade, Hartley Valley (Great Western Highway).
- Berry to Bombaderry upgrade (Princes Highway).



- Burrill Lake Bridge, Ulladulla (Princes Highway).
- Dignams Creek upgrade, Nowra (Princes Highway).
- Kapooka Bridge and road realignment, Wagga Wagga (Olympic Highway).
- Richmond Road upgrade Stage 3, Blacktown.
- Anzac Parade pathway, Moore Park.
- Sydney City Centre Bus Infrastructure improvements.
- Wharf upgrades at Drummoyne and Mosman Bay.

## Projects requiring Commonwealth environmental approvals

Roads and Maritime projects must also satisfy environmental assessment and approval requirements under the Commonwealth *Environment Protection and Biodiversity Conservation Act 1999*, including with respect to nationally listed threatened species and communities. During the reporting period Roads and Maritime referred and received approvals from the Commonwealth for the following projects:

- Mount Victoria Forty Bends upgrade, Lithgow (Great Western Highway).
- Kapooka Bridge and road realignment, Wagga Wagga (Olympic Highway).

# Appendix 9: Heritage

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Roads and Maritime is obliged to consider the impact of our activities on both Aboriginal and non-Aboriginal heritage. We aim to minimise its impact through sound investigation and integrating consideration of heritage impacts into all our operations.

Roads and Maritime abides by the legislation controlling heritage impacts. We have actively participated in the development of State agency heritage asset management policies at the invitation of the Heritage division of the Office of Environment and Heritage, and taken part in the State agency reference group established to support the creation of stand-alone Aboriginal Heritage Legislation.

## Heritage and Conservation Register

Roads and Maritime is continuing to manage its Section 170 Heritage and Conservation Registers (S170 Register), in accordance with the *Heritage Act 1977* (NSW). At present the Maritime and Roads registers are being maintained as separate entities.

The S170 register currently lists 391 State and locally significant heritage assets, including bridges, buildings, memorials and movable heritage items, among others; it also includes the 76 heritage assets managed by Maritime division.

Roads and Maritime began to catalogue, tag and re-house our significant movable heritage items, beginning with cash tolling on the Sydney Harbour Bridge in 2012. Work has been completed on assessing the items held in the main movable heritage storage area at Rockdale, which includes items of furniture made in the Department of Main Roads' workshops, as well as examples of equipment, machinery, signage and models made by the Roads and Traffic Authority and its predecessors.

Those items which meet our collection criteria will be included within the Roads and Maritime Movable Heritage Collection, which is part of the S170 Register.



## Aboriginal cultural heritage consultation and management

Many of Roads and Maritime's activities have the potential to impact Aboriginal cultural heritage, both archaeological sites and places with culturally significant associations. The Roads and Maritime *Procedure for Aboriginal Cultural Heritage Consultation and Investigation* ensures that Aboriginal cultural heritage is assessed and managed in a responsible and appropriate manner with the involvement of the Aboriginal community.

By integrating Aboriginal cultural heritage assessment into early design stages, Roads and Maritime can avoid or minimise many impacts. Where Aboriginal cultural heritage impacts cannot be avoided, we work with Aboriginal stakeholders to manage our impacts by salvage archaeology and additional documentation.

Some Roads and Maritime projects were required to seek approvals under the *National Parks and Wildlife Act 1974* and the *Heritage Act 1977 (NSW)*.

**Permits were sought for the following projects:**

Section 57 Exemption under Heritage Act	Section 60 Approval under Heritage Act	Section 90 (AHIP) under National Parks and Wildlife Act	Section 90 (AHIP) variation under National Parks and Wildlife Act
Bringelly Road upgrade – Upper Canal (Sydney Region)	Sydney Harbour Bridge – abutment lifts (Sydney Region)	Burrill Lake Bridge replacement (Southern Region)	Nelson Bay Road upgrade (Bobs Farm to Anna Bay) (Hunter Region)
Camden Valley Way upgrade (Sydney Region)	Middle Falbrook Bridge over Glennies Creek – capacity upgrade	Entrance Bridge cathodic protection (Hunter Region)	Princes Highway upgrade (Gerrigong) (Southern Region)
		Kyalite Bridge (Western Region)	Princes Highway (Foxground and Berry Bypass) (Southern Region)
		Old Wallgrove Road upgrade (Sydney Region)	The Northern Road – Cranebrook (Sydney Region)
		Richmond Road upgrade (Sydney Region)	

## Timber Truss Bridge Strategy

In August 2012 the NSW Heritage Council endorsed the Roads and Maritime Timber Truss Bridge (TTB) Strategy, which sets out how Roads and Maritime will manage and conserve the remaining timber truss bridges within our control.

In 2013–14:

- Kempsey Shire Council successfully sought the removal of Five Day Creek Bridge, also known as Comara Bridge, from the NSW State Heritage Register. Roads and Maritime had already duplicated this single-span, McDonald truss bridge by providing a new bridge. The old bridge was delisted on the basis that its continued conservation would be an economic hardship for Kempsey Council and that the TTB strategy ensured the conservation of a representative suite of comparable bridges into the future.
- Three timber truss bridges were removed from the Roads and Maritime Section 170 Heritage and Conservation Register following the construction of replacement bridges. These are Gundaroo Bridge over the Yass River, Boonanga Bridge over the Barwon River and Mungindi Bridge over the Barwon River.
- A Section 60 application was approved by the NSW Heritage Council for the capacity upgrade of the Middle Falbrook Bridge over Glennies Creek. Roads and Maritime also produced the Movable Span Bridge Study, which was one of the requirements of the TTB Strategy.

## Roads and Maritime Heritage Committee

The Heritage Committee meets quarterly to discuss issues relating to the management of heritage assets and policy development for heritage conservation. The Committee includes representatives from:

- Engineers Australia.
- Heritage division, Office of Environment and Heritage.
- The National Trust of Australia (NSW).
- The Royal Australian Historical Society.

Four meetings were held in 2013–14, and the Committee's specialist expertise contributed to improved outcomes for:

- The proposed State Heritage Register listing of Glebe Island Bridge.
- Windsor Bridge replacement.
- The provision of step-free access for Sydney Harbour Bridge.
- The Campbelltown Road upgrade project.

## Notable achievements

- Roads and Maritime was highly commended for the Dunmore Bridge capacity upgrade in the 2013 Engineers Australia Colin Crisp Awards. The criteria relevant to this commendation were "Conservation of an engineering work of historic or heritage significance" and "Engineering work that facilitates or is essential to the successful conservation of an historic or heritage structure or building".
- With the support of the Royal Australian Historical Society and members of the Heritage Committee, a commemorative book was produced to celebrate the completion of the duplication of the Hume Highway. *The Old Hume Highway: history begins with a road* documents the many historic sights and stops along successive lines of the Hume Highway that have been progressively by-passed as the road has been upgraded. The last bypass opened to traffic on 23 August 2014. Each section of the guide was written by members of the local historical society and focused on what they identified as the most important and interesting places telling their stories. Limited print copies of the book are available from the Roads and Maritime Library at cost, or it is freely downloadable from [www.rms.gov.au](http://www.rms.gov.au).
- Planning started for activities to celebrate the 50th anniversary of the opening of Gladesville Bridge, which, when opened in 1964, was the longest concrete arch in the world.

# Appendix 10: Biodiversity projects

**Table A10.1 Biodiversity projects 2013–14**

Activity	Purpose	Progress
Biodiversity performance reviews	To identify key issues for the future development of policy, guidelines and training and as a method of promoting ways to minimise impacts on biodiversity.	Four biodiversity performance reviews were carried out for projects on Bells Line of Road, and the Pacific Highway, Schofields Road and Camden Valley Way upgrades.
NSW Wildlife Council	To manage wildlife on roads.	<p>Roads and Maritime continues to provide an annual contribution of \$25,000 to the NSW Wildlife Council (NSWWC) – the peak body for the rescue and rehabilitation of sick and injured wildlife in NSW.</p> <p>In the last 12 months the International Fund for Animal Welfare in partnership with the NSWWC released a new internet based “app” to assist the community locate and contact wildlife carers should they encounter injured wildlife, including animals injured on roads.</p>
Code of Practice for Minor Work in NSW Waterways	To streamline the consultation process between NSW Department of Primary Industries and Roads and Maritime regarding low-risk dredging and/or reclamation work.	A draft Code of Practice has been prepared and is awaiting final agreement of both agencies.
Biodiversity offsets	To offset unavoidable biodiversity impacts.	Roads and Maritime continued to implement biodiversity offset strategies for a range of projects, including those associated with the Pacific Highway and Great Western Highway upgrades. We are close to finalising a Biodiversity Offset Strategy for unavoidable biodiversity impacts within the North West and South West growth centres.

# Appendix 11: Funds granted to non-government community organisations

**Table A11.1 Funds granted to non-government community organisations 1 July 2013–30 June 2014**

Division	Grant recipient	Grant	Program area	Project description	Target audience
Maritime	Croki Progress Association	\$1890	Better Boating Program	Initial investigation for construction of a new concrete boat ramp to replace the informal ramp at Young Street, Croki.	Recreational boating community
Maritime	Middle Harbour Yacht Club	\$23,153	Better Boating Program	Installation of a new public sewage pump-out facility to replace the old facility at the Middle Harbour Yacht Club.	Recreational boating community
Maritime	North Arm Cove Residents Association	\$31,375	Better Boating Program	Construction of dinghy racks and water access ramps for dinghies at Casuarina Park Reserve and Water St Reserve, North Arm Cove.	Recreational boating community
<b>Total</b>		<b>\$56,418</b>			

## Appendix 12: Access to government information

### Review of proactive release program

Under section 7 of the *Government Information (Public Access) Act 2009* (GIPA Act), agencies must review their programs for the release of government information to identify the kinds of information that can be made publicly available. This review must be carried out at least once every 12 months.

Roads and Maritime performs a wide range of functions and through the performance of these functions, we actively release information about current and planned transport projects and initiatives.

A vast array of information about Roads and Maritime activities is available on our website, which includes detailed reports about infrastructure and maintenance projects, statistics and services provided by Roads and Maritime. There is also a range of publications, available free of charge, providing assistance to our customers.

### Number of access applications received

During the reporting period Roads and Maritime received a total of 2668 access applications (including withdrawn applications but not invalid applications).

### Number of refused applications for Schedule 1 information

During the reporting period Roads and Maritime refused a total of nine access applications because the information requested was information referred to in Schedule 1 to the GIPA Act. Of those applications, three were refused in full and six were refused in part.

## Statistical information about access applications

**Table A12.1 Number of applications by type of applicant and outcome\***

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	10	3	2	0	1	1	0	2
Members of Parliament	2	2	1	0	0	0	0	0
Private sector business	1319	284	127	70	52	3	1	10
Not for profit organisations or community groups	2	1	29	17	0	0	11	8
Members of the public (application by legal representative)	83	27	49	36	5	2	2	8
Members of the public (other)	159	41	57	49	0	0	0	17

\*More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision. This also applies to Table A12.2.

**Table A12.2 Number of applications by type of application and outcome**

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications*	124	15	24	6	2	1	0	1
Access applications (other than personal information applications)	1443	341	241	166	56	5	14	44
Access applications that are partly personal information applications and partly other	8	2	0	0	0	0	0	0

\*A *personal information application* is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual).

**Table A12.3 Invalid applications**

Reason for invalidity	Number of applications
Application does not comply with formal requirements (section 41 of the Act)	47
Application is for excluded information of the agency (section 43 of the Act)	0
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	47
Invalid applications that subsequently became valid applications	22

**Table A12.4 Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 of the Act**

	Number of times consideration used*
Overriding secrecy laws	0
Cabinet information	4
Executive Council information	0
Contempt	0
Legal professional privilege	5
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0

\*More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table A12.5.

**Table A12.5 Other public interest considerations against disclosure: matters listed in table to section 14 of the Act**

	Number of occasions when application not successful
Responsible and effective government	10
Law enforcement and security	8
Individual rights, judicial processes and natural justice	603
Business interests of agencies and other persons	10
Environment, culture, economy and general matters	0
Secrecy provisions	215
Exempt documents under interstate Freedom of Information legislation	0

**Table A12.6 Timeliness**

	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	2434
Decided after 35 days (by agreement with applicant)	159
Not decided within time (deemed refusal)	75
<b>Total</b>	<b>2668</b>

**Table A12.7 Number of applications reviewed under Part 5 of the Act (by type of review and outcome)**

	Decision varied	Decision upheld	Total
Internal review	0	0	0
Review by Information Commissioner*	0	0	0
Internal review following recommendation under section 93 of Act	0	1	1
Review by ADT	0	0	0
<b>Total</b>	<b>0</b>	<b>1</b>	<b>1</b>

\*The Information Commissioner does not have the authority to vary decisions, but can make recommendations to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made.

**Table A12.8 Applications for review under Part 5 of the Act (by type of applicant)**

	Number of applications for review
Applications by access applicants	0
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	1

## Appendix 13: Senior executive service performance statements

**Table A13.1 Senior Service Level 2 to 6**

	Financial Year 2013–14				
Transport Senior Service Level	Female	Male	Total	Average of TRP	% of Total Employee related expenditure relating to Senior Executives
Senior Service Level 2	8	38	46	\$218,853	3.1%
Senior Service Level 3	3	15	18	\$267,199	
Senior Service Level 4	1	2	3	\$268,196	
Senior Service Level 5	1	5	6	\$338,991	
Senior Service Level 6	-	3	3	\$543,000	
<b>Total</b>	<b>13</b>	<b>63</b>	<b>76</b>		

Note: Table A13.1 reflects Transport Senior Service staff Level 2 to Level 6 identified for transition to Executive Service, following introduction of the proposed Government Sector Employment Alignment Legislation (inclusive of WestConnex Executive members). 211 Senior Service Level 1 staff are not included in this profile. In May this year, there were 962 men employed on Transport Senior Service contracts within the NSW transport cluster. There were 266 women employed on Transport Senior Service contracts within the NSW transport cluster, representing 27 per cent of the total number. Many senior management roles at Roads and Maritime were transitioned to new arrangements in 2013–14 and, as a result, the agency has only two senior staff member remaining on an SES contract as at 30 June 2014.

**Table A13.2 SES number 2011–12 to 2013–14**

SES level	2013–14	Male	Female
Chief Executive under S.11A*	0	0	0
Level 6	0	0	0
Level 5	0	0	0
Level 4	0	0	0
Level 3	1	1	0
Level 2	1	0	1
Level 1	0	0	0
<b>Total</b>	<b>2</b>	<b>1</b>	<b>1</b>

Note: Many senior management roles at Roads and Maritime were transitioned to new arrangements in 2013–14 and, as a result, the agency has only two senior staff member remaining on an SES contract as at 30 June 2014.

## Individual statements

Name	Peter Duncan AM FIPAA
Position	Chief Executive Roads and Maritime Services
Level	Exec
Period	1 July 2013 – 30 June 2014
Qualifications	Cert L&ESD, Grad. Cert Traffic Eng, A.Dip Land Studies, G.Dip Mgt.

## Significant achievements in 2013–14

- Delivered a record \$3 billion capital program of work, including major State-shaping projects.
- Led Roads and Maritime towards delivery of its goals and targets in NSW 2021, the Long Term Transport Master Plan and the Roads and Maritime Services 2013–14 Strategy and Delivery Plan.
- Implemented significant organisational reform and transformation to drive greater operational and service capabilities aligned to Roads and Maritime's core accountabilities of building infrastructure, managing journeys, maintaining assets, and the enabling functions to support these core accountabilities.
- Met with more than 1400 staff across NSW to share the agency's vision and purpose, reinforce the OneRMS message and answer staff questions in relation to the priorities of Roads and Maritime.
- Ensured the effective management of Roads and Maritime's \$3 billion capital program and \$2 billion operating expenditure.
- Achieved the Roads and Maritime annual savings target of more than \$245 million.
- Continued to support staff in delivering customer-focused solutions through the Key Behaviours Skills Training as outlined in the Customer Charter, including the development of a tailored training program for maintenance field staff.
- Oversaw the establishment of the Sydney Maintenance Contestability Contracts for procurement and delivery of road asset maintenance and upgrades in Sydney worth more than \$2 billion across the next 10 years.
- Completed the delivery of the \$1.7 billion, 40 kilometre Hunter Expressway.
- Completed the delivery of the Hume Highway duplication, providing a dual carriageway highway in both directions for more than 800 kilometres between Melbourne and Sydney.
- Coordinated the work of the private sector partners to develop the NorthConnex Environmental Impact Statement.



- Provided oversight and strategic direction to the WestConnex project as a key member of the WestConnex Delivery Authority Board.
- Led the delivery of significant road network infrastructure, including delivery of: the Pacific Highway Devil Pulpit upgrade, the Bega Bypass, the Bulahdelah Bypass, the Holbrook Bypass, the Shortland to Sandgate section of the Newcastle Inner City Bypass, the Woolgoolga Bypass and continued the construction of the Frederickton to Eungai upgrade.
- Oversaw the management of the Wharf Maintenance Program including beginning planning or construction of Cremorne Point, McMahons Point and Mosman Bay commuter wharves.
- Championed Work Health and Safety accountability of all staff and collaborated with industry partners to drive Work Health and Safety outcomes.
- Expanded the available travel time information services to customers by delivering real-time information to six locations across the Pacific Highway.
- Supported the establishment of 18 new Service NSW service centres delivering face-to-face services for Roads and Maritime customers.
- Eased congestion at traffic hot spots by delivering 12 intersection upgrades in Western Sydney under the Pinch Point Program and four bus priority projects.
- Supported road safety activities through the delivery of 145 Black Spot treatments, the installation of red light speed camera equipment to 21 intersections, the installation of 24 point-to-point speed cameras and the roll out of the school zone flashing lights to a further 101 schools.
- Supported the development of the National Heavy Vehicle Regulator and oversaw the implementation of the National Maritime Safety Regulator service delivery arrangements for domestic commercial vessels.
- Enabled safe and efficient journeys across NSW by ensuring that Roads and Maritime delivery is aligned to the Transport for NSW outcomes.
- Oversaw the delivery of the life jacket awareness initiative, including the \$1.5 million Lifejacket WearIt campaign, part of the 2012–15 Boating Safety Communication and Education Strategy.

## Individual statements

Name	Greg Evans
Position	Director Asset Maintenance
Level	SS5
Period	1 July 2013 – 30 June 2014
Qualifications	BE, CPEng

## Significant achievements 2013–14

- Maintained the durability, waterproofing and skid-resistance of the State Road network by resurfacing more than 11.1 million square metres of bitumen spray seals.
- Improved the smoothness of the State Road network by resurfacing 2.2 million square metres of asphalt surface.
- Improved the smoothness and durability of the State Road network by rebuilding 3.4 million square metres of existing road pavements.
- Improved the safety of the State Road network by re-marking 15,000 kilometres of longitudinal lines (edge lines, lane lines and centre lines).

- Delivered a \$156.4 million program of work to address the effects of previous natural disasters throughout NSW.
- Exceeded the target for improved road maintenance delivery practices.
- Implemented Stewardship Maintenance Contracts for the South and West Sydney zones as part of road maintenance contestability reform.
- Established two new contracts for the maintenance of Intelligent Traffic Systems in the Sydney region, which are valued at \$15 million each per year.
- Updated the 10-year Roads and Maritime Asset Management Plan.
- Replaced the timber truss bridge over Crookwell River at James Park as part of the Bridges for the Bush Program.
- Completed construction of overtaking lanes on the Oxley Highway between the Pacific Highway and Wauchope, and at five locations on the Newell Highway.
- Consulted with councils to improve performance under existing Road Maintenance Council Contracts.
- Reformed Roads and Maritime's Engineering Services to improve industry collaboration and increase technical capability.
- Maintained the Sydney Harbour Bridge by renovating key ancillary systems, including lane changing devices, crucial to the operation of the bridge.
- Completed structural upgrades on the ANZAC Bridge.
- Maintained the NSW network of navigational aids to support safe boating across coastal and inland waterways.

## Individual statements

Name	Geoff Fogarty
Position	Director Infrastructure Development
Level	SS5
Period	1 July 2013 – 30 June 2014
Qualifications	BE (Civil Hons)

## Significant achievements in 2013–14

- Delivered a \$2.1 billion program of capital work to plan.
- Completed major infrastructure development work including:
  - The 40 kilometre Hunter Expressway, linking Newcastle with the greater Hunter region.
  - Two key sections of the Pacific Highway upgrade – Devils Pulpit and Herons Creek to Stills Road.
  - The M2 upgrade, Windsor Road to Lane Cove Road.
  - M5 West widening, King Georges Road to Camden Valley Way – bridge widenings at Queen Street and Nuwarra Road.
  - Erskine Park Link Road.
  - Newcastle Inner Bypass, Shortland to Sandgate.
  - Princes Highway upgrade, Bega Bypass.

- Princes Highway upgrade, South Nowra, Kinghorne Street to Forest Road.
- Terrigal Drive, Jessie Hurley Drive intersection upgrade.
- Hume Highway, Holbrook Bypass.
- Central Coast Highway, Matcham Road to Ocean View Drive.
- Barton Highway, Murrumbateman Road intersection and curve improvement project.
- Continued planning and delivery of major programs of work on Pacific Highway, Princes Highway and Great Western Highway upgrades.
- Continued planning work on other critical projects in regional NSW including: New England Highway, Bolivia Hill upgrade; Scone level crossing replacement; Mitchell Highway, Goanna Hill realignment; and Tabulam Bridge over the Clarence River replacement.
- Continued planning and delivery work on critical urban and metropolitan projects including: upgrades on sections of Campbelltown Road, Schofields Road, Richmond Road, The Northern Road, Bringelly Road, Camden Valley Way, Mona Vale Road and Memorial Avenue. The upgrade of sections of the Pacific Highway, Central Coast Highway, Terrigal Drive, Charles Kay Drive and Sparks Road on the Central Coast; WestConnex enabling work (Airport East package); and supporting work for the Northern Beaches Hospital development.
- Started construction work on: Tulladunna Bridge and Holman Bridge replacements as part of the Bridges for the Bush Program; and upgrades to sections of Nelsons Bay Road, Central Coast Highway, Pacific Motorway and the Pacific Highway on the Central Coast.
- Started work on Mosman Bay and Drummoyne ferry wharf upgrades as part of the NSW Government's \$770 million Transport Access Program.
- Managed the acquisition of 458 properties at a value of \$128 million to enable progress on infrastructure projects.
- Introduced innovative solutions in project procurement and contract management processes, including hosting 'Positive guidance sessions' and introducing contracts with 'early contractor involvement' on selected projects to reduce tenderer costs and improve the quality of bids for Roads and Maritime.
- Oversaw the re-certification of the project management system (ProjectPack) by SAI Global confirming the system is compliant with international quality standard ISO 9001.
- Released an updated version of Roads and Maritime's urban design policy (*Beyond the Pavement*).
- Introduced a new Roads and Maritime standard for pedestrian bridge design when the bridge is to be located in built-up areas with high visibility and minimal space for ramps.
- Introduced updated contaminated land management guidelines to meet current legislative requirements and industry practices.

## Individual statements

Name	Maryanne Graham
Position	Director Strategy and Engagement
Level	SS3
Period	1 July 2013 – to 30 June 2014
Qualifications	BComms

### Significant achievements 2013–14

- Led the development of the Roads and Maritime 2014–18 Strategic Plan and 2014–15 Delivery Plan, ensuring alignment with the broader cluster and NSW State Government's priorities.
- Developed and finalised the functional model and branch designs for Journey Information and Digital and Audit and Risk branches in support of organisational reform.
- Implemented a divisional partnership model providing specialised skills and advice in parliamentary and briefing services, risk management, planning and performance, communications and stakeholder engagement, media services, issues management and strategy. This model supports the executive in strategic planning, decision making, investment prioritisation, stakeholder engagement and ensuring Roads and Maritime delivers value for money services.
- Completed a full review of the audit and risk portfolio to deliver stronger alignment of strategic planning and risk management practices.
- Reviewed, developed and implemented a new Fraud and Corruption Prevention Framework.
- Initiated a real-time data project in collaboration with Journey Management division and Transport for NSW to develop new solutions to provide Roads and Maritime's customers with greater access to relevant, timely and accurate information on their journeys.
- Represented Roads and Maritime on the Transport for NSW Policy Review Committee to ensure alignment of various policies across the Transport cluster.
- Developed an overarching Stakeholder Engagement Strategy and framework and revised the core community relations manual to ensure consistent, meaningful engagement with Roads and Maritime's key stakeholders.
- Developed a new, consolidated Roads and Maritime website, significantly improving customer experience, increasing online transaction accessibility and improving transparency and access to journey information.
- Worked consultatively with Transport for NSW in the development of a cluster-wide Social Media Policy in preparation for a trial in early 2014–15.
- Completed an Enterprise Risk Management Review and developed an agency-wide Risk Management Framework.
- Led the strategic communications for the WestConnex Business Case and supported the implementation of the WestConnex Delivery Authority.
- Provided key liaison and support services to the Office of the Minister for Roads and Freight.
- Sponsored and implemented a range of key reform initiatives, including provision of strategic communications and implementation support for the delivery of the Maintenance Contestability Program.
- Developed and implemented a new Complaint Management System.
- Provided strategic planning, issue management and communication advice to support the delivery of major projects, including WestConnex, NorthConnex, Pacific Highway duplication, Hume Highway duplication, Hunter Expressway and the Commuter Wharf Upgrade Program.

- Supported the successful introduction and transition of Service NSW.
- Delivered more than 930 community and stakeholder meetings.
- Developed and implemented communication and stakeholder engagement strategies to support more than 4000 active projects across NSW.

## Individual statements

Name	Paul Hesford
Position	Director Corporate Services
Level	SS5
Period	1 July 2013 – 30 June 2014
Qualifications	BSc (Hons), CA (ICAEW)

## Significant achievements in 2013–14

- Ensured Roads and Maritime operated within budget and delivered on its savings targets for 2013–14.
- Participated as a member of the Executive Reform Committee to implement the new operating model for OneRMS.
- Implemented the functional model and divisional design for the newly formed Corporate division as part of OneRMS.
- In line with Transport for NSW Corporate Services Reforms, participated as a member of the Transport Enterprise Resource Planning Steering Committee to develop the whole-of-cluster Enterprise Resource Planning Strategy.
- Sponsored the agency impact assessment of the Enterprise Resource Planning Program on Roads and Maritime.
- Embedded the Roads and Maritime Chief Procurement Office and continued the accreditation with Finance and Services.
- Sponsored the review of the accounting for infrastructure and property accounting to ensure compliance with accounting standards.
- Managed the delivery and reporting against 17 “roadmaps” to drive savings and efficiency targets in partnership with the Roads and Maritime Executive, Transport for NSW and the Fiscal and Effectiveness Office within the NSW Treasury.
- Directed the 2014–15 Budget negotiations with Transport for NSW and NSW Treasury.
- Implemented NSW Treasury-mandated early hard close arrangements including Internal Control and Accounting Systems Certification.
- Represented Roads and Maritime at the Finance Management Committee chaired by Transport for NSW, which provides governance over the transport budget.
- Sponsored the delivery of human resource services to Roads and Maritime in line with the Human Resources Strategy.
- Finalised the implementation of the review of Work Health and Safety services for Roads and Maritime.
- Supported the Chief Executive in his review of the proposed Work Health and Safety Strategy.
- Represented Roads and Maritime on the Special Number Plates Concession Committee to drive increased revenue for Roads and Maritime.

- Represented Roads and Maritime on the Accelerate Digital Steering Committee to improve customer outcomes in an effective manner.
- Sponsored the delivery of Information Management and Information Technology services to Roads and Maritime in line with the Information and Communications Technology Strategy.
- Continued to chair the Information and Communications Technology Executive Committee, providing governance and leadership to the Roads and Maritime Information and Communications Technology function.
- Continued to support the Review and Advisory Panel to work with the Information and Communications Technology Executive Committee to prioritise the Information and Communications Technology requests.
- Provided leadership in the effective commercial management and development of the Roads and Maritime property portfolio, generating \$75.2 million of revenue from rental income and sales of surplus property.
- Expanded the outdoor advertising portfolio by increasing the number of outdoor advertising sites, which generated \$22.4 million of revenue to fund road safety.

## Individual statements

Name	Ken Kanofski
Position	Director Journey Management
Level	SS5
Period	1 July 2013 – 30 June 2014
Qualifications	BBus, MBA, FCPA, AICD

## Significant achievements in 2013–14

- Implemented the new Journey Management division structure to drive a customer-focused organisational culture.
- Led the development of a new Roads and Maritime investment prioritisation process.
- Led a program of work to ease Sydney's congestion:
  - Delivered 12 intersection upgrades in Western Sydney under the Pinch Point Program.
  - Championed the development and implementation of the Sydney Clearways Strategy, including clearway extensions on Victoria Road, Rozelle in March 2014 and studies and consultations for the remaining four priority routes.
  - Delivered three bus priority infrastructure improvement projects in 2013–14.
- Led a program of work to improve the safety of the NSW road network:
  - Delivered 73 Federal Black Spot projects and 72 State Black Spot projects in 2013–14.
  - Rolled out school zone flashing lights to a further 101 schools before the start of the 2014 school year. Started community consultation, procurement and site surveying leading up to the launch of the accelerated School Zone Flashing Lights Program in July 2014.
  - Delivered safety work on Mona Vale Road, which was completed in January 2014.
  - Delivered the Heavy Vehicle Safety and Productivity Program with six heavy vehicle rest area upgrades and 15 livestock initiative projects delivered at a cost of \$12.6 million.
- Supported the development and initial implementation of the Sydney City Centre Access Strategy by:
  - Partnered with Transport for NSW, City of Sydney Council and other stakeholders to achieve the NSW Government release of the Strategy.

- Worked with Transport for NSW to ensure that the CBD and South East Light Rail is integrated into the road network.
- Carried out community and stakeholder consultation for Sydney City Centre Bus Infrastructure in collaboration with Strategy and Engagement division.
- Started community and stakeholder consultation on the Castlereagh Street, Liverpool Street and Park Street cycleways in collaboration with Strategy and Engagement division.
- Worked with the WestConnex Delivery Authority to ensure effective integration of the motorway into the broader road network.
- Led planning for the Albert (“Tibby”) Cotter Walkway by working with the Strategy and Engagement division and the Environment branch to carry out consultation and secure NSW Heritage Council approval for the project.
- Oversaw Roads and Maritime active transport programs:
  - Delivered more than 46 kilometres of cycleways in regional areas in partnership with local councils.
  - Delivered more than 16.2 kilometres of Strategic Cycleways in Sydney and carried out planning and design for projects in future years.
  - Delivered the Roads and Maritime Pedestrian Program with 182 projects delivered at a total cost of \$13.4 million.
- Completed the rollout of the alpha-numeric route numbering system, updating 63 routes between May and December 2013 and installing more than 11,000 sign cover plates.
- Chaired the Road Freight Industry Council Overheight Vehicle Working Group and oversaw the Overheight Vehicle Incident Reduction Program.
- Delivered real-time travel time information to customers by rolling out new variable message signs at six locations along the M1 Pacific Motorway.
- Delivered proactive traffic management for major events and peak periods including the International Fleet Review, the “snow season”, the Australian round of the World Rally Championship, and the Christmas/New Year and April holiday seasons.
- Assessed 4409 development proposals.
- Conducted 210 speed zone reviews across NSW, resulting in 132 speed zone changes.
- Sponsor for the development of Roads and Maritime’s office accommodation strategy to support the NSW Government Decade of Decentralisation initiative.

## Individual statements

<b>Name</b>	<b>Angus Mitchell</b>
Position	Director NSW Maritime
Level	SS3
Period	1 July 2013 – 30 June 2014*
Qualifications	BEd (Hons)

\* Angus Mitchell commenced in the position of Director NSW Maritime on 2 June 2014. Michael Wright held the position of Acting Director NSW Maritime from 30 June 2013 to 2 June 2014. The significant achievements listed below provide an overview of initiatives delivered by the NSW Maritime division throughout 2013–14.

### Significant achievements in 2013–14

- Allocated \$5.41 million to support 72 boating infrastructure initiatives across NSW, including 66 in regional areas as part of the Better Boating Program.
- Collaborated with Transport for NSW and industry partners to progressively deliver the Sydney Harbour Boating Storage Strategy, including the commencement of the Sydney Boathouse “dry stack” storage facility at Rozelle Bay.
- Worked with Transport for NSW to inform the draft Regional Boating Plans designed to identify boating infrastructure and safety programs across NSW.
- Delivered new and improved modular boat ramp signage to 40 priority locations around the State.
- Worked in collaboration with Transport for NSW to deliver the \$1.5 million Lifejacket WearIt initiative, which included a mobile OLD4NEW lifejacket promotional vehicle to take the campaign Statewide.
- Delivered more than 42,000 on-water compliance checks for commercial and recreational/private water craft vessels, resulting in more than 90 per cent compliance rates respectively.
- Created 18 new Boating Education Officer roles across the State to raise boating safety awareness and provide safety information to the public from the shore.
- Contributed to the Marine Compliance Taskforce, established to progress a series of reforms to help on-water agencies deliver operations effectively, including participating in co-location trials at Sans Souci and the Tweed where more than 250 joint patrols and more than 3000 on-water compliance activities were carried out.
- Enhanced the Maritime division’s capability to respond to marine pollution incidents through preparation of contingency plans and the provision of training for 81 employees.
- Responded to five marine oil pollution incidents.
- Implemented the National Maritime Safety Regulator service delivery arrangements for domestic commercial vessels.
- Removed more than 1900 cubic metres of rubbish from Sydney Harbour.
- Delivered year two of initiatives under the Safe Boating Education and Communications Strategy 2012–15, including seven safety campaigns across the 2013–14 boating season.



## Individual statements

Name	Jim Peachman
Position	Director Reform and Implementation
Level	SS4
Period	1 July 2013 – 30 June 2014
Qualifications	BBus

### Significant achievements 2013–14

- Oversaw the implementation of organisation structures to support the establishment of Roads and Maritime's "Build, Manage, Maintain, Enable" operating model.
- Completed an assessment of technical capability for engineering services.
- Worked with Strategy and Engagement division to develop and deliver information to keep staff informed on the reform program.
- Supported a commissioning process to establish new contracts to deliver road and intelligent transport system maintenance in the Sydney area.
- Program-managed the transition of Roads and Maritime services at 18 motor registries and the customer contact centre to support the establishment of Service NSW sites.
- Co-ordinated Roads and Maritime input to a due diligence process to assess the operations of the Customer Service branch in preparation for a transition to Service NSW.
- Delivered regional and metropolitan workshops to more than 170 Maritime staff to support integration, improve operations and drive operation delivery focus on boating safety.
- Contributed to the development of the Roads and Maritime strategy to support the NSW Government Decade of Decentralisation initiative.
- Validated system data and developed a framework to monitor recruitment and improve accountability.
- Sponsored reform projects to improve systems and operations.

## Individual statements

Name	Peter Wells
Position	Director Safety and Compliance
Level	SS5
Period	1 July 2013 – 30 June 2014
Qualifications	BSC, MScMed, MAICD

### Significant achievements in 2013–14

- Oversaw the establishment of the Safety and Compliance division in November 2013 to achieve efficiencies, ensure consistency of delivery and effectiveness of outcomes and meet best practice in relation to regulation and governance.
- Facilitated an efficient transfer of customer service transactions to Service NSW, with a major transition effective from 1 July 2014.
- Delivered, jointly with NSW Police, compliance activities to further reduce heavy vehicle speeding by 10 per cent in the past year, as part of an 89 per cent reduction in speeding (greater than 105 km/h) by trucks and buses over 12 tonnes since 2011.
- Ensured that road-based public transport services (buses, taxis and hire cars) were regulated effectively to improve safety and reliability of services and protect the public from fraud, by:
  - Developing one accreditation model for all third-party schemes.
  - Establishing an intelligence function to allow targeted compliance activities.
  - Developing and implementing mechanisms and tools for the management of bus safety in NSW.
- Expanded the camera program in line with agreed targets and maintained a high uptime for enforcement cameras to deliver road safety outcomes.
- Supported the implementation of the National Heavy Vehicle Regulator, ensuring that Roads and Maritime was legally prepared to conduct regulatory services on its behalf.
- Developed the approved road network for oversize and overmass transport and for Performance Based Standards vehicles.
- Delivered significant access improvements for heavy vehicles for productivity gains.
- Collaborated with NSW Police, the NSW Environment Protection Authority and industry to improve safety standards (stability control, antilock brakes and age of prime movers and trailers), leading to significant national improvements in fuel tankers and safer bulk fuel deliveries for Australia.
- Maintained the Intelligent Access Program system and ISO Accreditation to facilitate both heavy vehicle access and asset protection.
- Enhanced the E-Toll business to remain the dominant provider in NSW, with account holders growing to 1.2 million tag accounts and 280,000 eMU passes sold in 2013–14.
- Delivered around 50 public addresses at state and national industry conferences and forums to enhance Roads and Maritime's policy and delivery outcomes.

# Appendix 14: Overseas travel by Roads and Maritime officers

**Table 14.1 Overseas travel by Roads and Maritime officers 2013–14**

Position	Countries/cities visited	Purpose of visit
<b>Part or all costs met by Roads and Maritime</b>		
Executive Manager Transport Strategy	Kobe and Tokyo, Japan	To attend the 20th Intelligent Transport Systems (ITS) World Congress in Tokyo, Japan and International Organisation for Standardisation (ISO TC204) meeting in Kobe, Japan
Systems and Traffic Systems Applications Manager	Kobe and Tokyo, Japan	To attend the 20th Intelligent Transport Systems (ITS) World Congress in Tokyo, Japan and International Organisation for Standardisation (ISO TC204) meeting in Kobe, Japan
Acting Manager National Heavy Vehicle Regulator	Wellington, New Zealand	To complete the Roads and Maritime approved Masters in Public Administration
General Manager, Infrastructure Asset Management	Brussels and Liege, Belgium*	To attend the World Road Association's technical committee meeting as an Austroads nominated delegate
General Manager, Heavy Vehicles branch	Wellington, New Zealand	To attend Austroads Freight Taskforce meeting
Director Safety and Compliance	Lyon, France*	To attend the Truck and Bus World Forum
Chief Executive	Singapore, Hong Kong and United Arab Emirates	To attend meetings with the Minister for Roads and Freight
Project Engineer, Traffic Systems	Amsterdam, Netherlands and Washington, USA*	To participate in the Austroads Young Professionals Study tour in the USA and Europe
Principal Systems Analyst	Auckland, New Zealand	To participate in the 13th Intelligent Transport Systems ITS Asia Pacific Forum
Traffic Systems Applications Manager	Oslo, Norway	To attend the ISO TC204 meeting
Director Infrastructure Development	Tokyo, Japan	To represent Roads and Maritime at a series of meetings arranged by the Australian Japan Business Co-operation Committee
Manager, Aboriginal Programs	Wellington, New Zealand*	To attend ANZSOG final residential program for the Executive Masters of Public Administration
Chief Executive	Christchurch, New Zealand	To attend Austroads Board meeting as Deputy Chair
General Manager, Road Network Operations	Christchurch, New Zealand	To attend Austroads Board meeting as Network Program Manager
Manager Spatial Information	San Diego, USA*	To attend the Esri International User Conference 2013
Bitumen Inspector	Papua New Guinea*	To test and calibrate bitumen sprayers on a fee for service basis
<b>At no cost to Roads and Maritime</b>		
None		

\* Part cost met by Roads and Maritime.

## Appendix 15: Ombudsman inquiries

Roads and Maritime welcomes inquiries from the NSW Ombudsman as part of our commitment to continually improving our service delivery to the public.

In 2013–14 78 inquiries from the NSW Ombudsman were recorded. This was an increase from the 42 referrals made by the NSW Ombudsman in the period July 2012 to June 2013. In 2013 the Roads and Maritime Customer Liaison Team became the single point of contact for all NSW Ombudsman inquiries, allowing for accurate recording of this data.

**Table A15.1 Inquiries received by subject**

Subject	Number of inquiries
Tolling	19
Registration	18
Licensing	14
Number plates	8
Infrastructure projects	4
Customer service	4
Claims	4
Penalty infringement notices	3
Proof of identity	2
Property	1
Parking	1
Driving record	1

## Appendix 16: Legal change

### Acts and subordinate legislation administered by the Minister for Roads and Freight (title changed from Minister for Roads and Ports on and from 23 April 2014)

(Act then regulation)

**City of Sydney Act 1988 (Part 4A and Schedule 2, jointly with the Minister for Transport)** (remainder with the Minister for Local Government)

#### **Driving Instructors Act 1992**

Driving Instructors Regulation 2009

**Heavy Vehicle (Adoption of National Law) Act 2013** (commenced on 10 February 2014)

Heavy Vehicle (Adoption of National Law) Regulation 2013 (commenced on 10 February 2014)

**Heavy Vehicle National Law (NSW)** (commenced on 10 February 2014)

Heavy Vehicle (Fatigue Management) National Regulation (NSW) (commenced on 10 February 2014)

Heavy Vehicle (General) National Regulation (NSW) (commenced on 10 February 2014)

Heavy Vehicle (Mass, Dimension and Loading) National Regulation (NSW) (commenced on 10 February 2014)

Heavy Vehicle (Vehicle Standards) National Regulation (NSW) (commenced on 10 February 2014)

#### **Marine Pollution Act 1987**

Marine Pollution Regulation 2006

**Marine Pollution Act 2012** (uncommenced)

**Marine Safety Act 1998**

Marine Safety (General) Exemption Order 2009

Marine Safety (General) Regulation 2009

**Marine Safety Legislation (Lakes Hume and Mulwala) Act 2001**

**Maritime Services Act 1935**

Management of Waters and Waterside Lands Regulations – NSW

Port Authority – Land Traffic Control Regulations – NSW

**Motor Vehicles Taxation Act 1988**

Motor Vehicles Taxation Regulation 2008

**Navigation Act 1901** (repealed on 2 June 2014)

**Photo Card Act 2005**

Photo Card Regulation 2005

**Ports and Maritime Administration Act 1995**

Ports and Maritime Administration Regulation 2012

**Recreation Vehicles Act 1983, Parts 4 and 6** (remainder, the Minister for the Environment)

**Road Transport Act 2013** (commenced 1 July 2013)

Road Transport (General) Regulation 2013 (commenced 1 July 2013)

Road Transport (Driver Licensing) Regulation 2008

Road Rules 2008

**Road Transport (Vehicle and Driver Management) Act 2005** (previous to 1 July 2013 named the *Road Transport (General) Act 2005*) (to 9 February 2014, repealed 10 February 2014)

Road Transport (Vehicle and Driver Management) Regulation 2005 (previous to 1 July 2013 named the Road Transport (General) Regulation 2005) (to 9 February 2014, repealed 10 February 2014)

Road Transport (Mass, Loading and Access) Regulation 2005 (on 10 February 2014 made a Regulation under the *Road Transport Act 2013* by the *Heavy Vehicle (Adoption of National Law) Amendment Act 2013*)

**Roads Act 1993** (except parts, the Minister for Primary Industries, parts, the Minister for the Environment, and parts, the Minister for Local Government)

Roads Regulation 2008

**Sydney Harbour Tunnel (Private Joint Venture) Act 1987**

**Tow Truck Industry Act 1998**

Tow Truck Industry Regulation 2008

**Transport Administration Act 1988**, Part 4A, Divisions 1 to 3, so far as it relates to Roads and Maritime Services, Part 6, and so much of the Act as relates to Roads and Maritime Services (remainder, the Minister for Transport)

Transport Administration (General) Regulation 2005 (provisions relating to the parts of the Act administered by the Minister for Roads and Freight – until 31 August 2013)

Transport Administration (General) Regulation 2013 (provisions relating to the parts of the Act administered by the Minister for Roads and Freight – from 1 September 2013)

Transport Administration (Staff) Regulation 2012 (provisions relating to the parts of the Act administered by the Minister for Roads and Freight)

**Table A16.1 Changes to Acts and subordinate legislation administered by the Minister for Roads and Freight 2013–14**

Legislation name	Commencement	Description of change
Management of Waters and Waterside Lands Amendment (Fees) Regulation 2013 (2013 No 195)	1 July 2013	Amended the Management of Waters and Waterside Lands Regulation – NSW to adjust the fees relating to occupation licences payable under the <i>Maritime Services Act 1935</i> .  Fee increases were generally in line with movements in the Consumer Price Index.
Marine Safety (General) Amendment (Fees) Regulation 2013 (2013 No 196)	1 July 2013	Amended the Marine Safety (General) Regulation 2009 to increase certain fees payable under the <i>Marine Safety Act 1998</i> .  Fee increases were generally in line with movements in the Consumer Price Index.  Certain other fees are not being increased and the fee for one type of licence is being reduced.
Driving Instructors Amendment (Fees) Regulation 2013 (2013 No 217)	1 July 2013	Amended the Driving Instructors Regulation 2009 to increase certain fees payable in connection with the administration of the <i>Driving Instructors Act 1992</i> .  The increases are generally in line with movements in the Consumer Price Index.
Photo Card Amendment (Fee and Penalty Notices Offences) Regulation 2013 (2013 No 218)	1 July 2013	Amended the Photo Card Regulation 2005:  (a) increase the fee for the issue of a Photo Card,  (b) to increase the penalties for certain offences dealt with by way of a penalty notice.  The increases are generally in line with movements in the Consumer Price Index.
Road Transport Legislation Amendment (Fees, Penalty Levels and Charges) Regulation 2013 (2013 No 219)	1 July 2013	Amended the following Regulations:  Road Transport (Driver Licensing) Regulation 2008  Road Transport (General) Regulation 2013  Road Transport (Vehicle Registration) Regulation 2007  (a) to increase certain fees, penalty levels and charges, and  (b) to provide for annual registration charges for chargeable heavy vehicles for the 2013–14 financial year.  The fees and tow-away charge increases are generally in line with movements in the Consumer Price Index.  The registration charges are consistent with those set for the 2013–14 financial year by the National Transport Commission.
Road Transport (Mass, Loading and Access) Amendment (Fees) Regulation 2013 (2013 No 220)	1 July 2013	Amended the Road Transport (Mass, Loading and Access) Regulation 2005 to increase fees for the issue of certain permits.  The increases are generally in line with movements in the Consumer Price Index.

Legislation name	Commencement	Description of change
Road Amendment (Penalty Notice Offences) Regulation 2013 (2013 No 221)	1 July 2013	Amended the Roads Regulation 2008 to increase the penalty for offences dealt with by way of a penalty notice issued under section 243 the <i>Roads Act 2008</i> .  The increases are generally in line with movements in the Consumer Price Index.
Tow Truck Industry Amendment (Fees) Regulation 2013 (2013 No 222)	1 July 2013	Amended the Tow Truck Industry Regulation 2008:  (a) to increase the application fee for the amendment of a licence or drivers certificate and an administration fee, and  (b) to increase certain maximum fees that can be charged by the holder of a tow truck operators licence or a tow truck drivers certificate for the towing, salvage or storage of a motor vehicle that has been involved in an accident or that has been stolen, or any service that is related to the towing, salvage or storage of such a motor vehicle.  The fee increases are generally in line with movements in the Consumer Price Index.
Marine Safety Amendment (Domestic Commercial Vessel National Law) Regulation 2013 (2013 No 239)	Clause 3 and Schedule 3 (Amendment of Marine Safety (General) Regulation 2009 consequent on enactment of National law) commenced on 1 July 2013  (Remainder of regulation had commenced on 31 May 2013)	The Marine Safety (Commercial Vessels) Regulation 2010 was repealed.  Consequential amendments were made to the Marine Safety (General) Regulation 2009 (by Schedule 3).
Road Transport Amendment (Learner, Provisional and Visiting Drivers) Regulation 2013 (2013 No 258)	1 July 2013	The Regulation amended:  (a) the Road Transport (Driver Licensing) Regulation 2008:  (i) to impose certain additional licence conditions on holders of learner licences, P1 licences and P2 licences, and  (ii) to provide an offence for failure to comply with licence conditions – NSW and other Australian jurisdiction driver licences, and  (iii) to clarify the kinds of driver licensing requirements under the <i>Road Transport Act 2013</i> and the Regulations from which interstate or foreign visiting licensed drivers are exempted, and  (b) the Road Rules 2008 to increase the default speed limit for holders of learner driver licences issued in NSW from 80km/h to 90km/h.

Legislation name	Commencement	Description of change
<i>Road Transport Act 2013</i> (2013 No 18) Commencement Proclamation 2013 No 328	1 July 2013	The Act consolidated most of the existing statutory provisions concerning road users, road transport and the improvement of road safety in NSW, (section 3(a) Objects of Act).  Other purposes as set out in section 3(b) – (d).
<i>Road Transport Legislation (Repeal and Amendment) Act 2013</i> (2013 No 19) Commencement Proclamation 2013 No 329	1 July 2013	Repealed the following road transport legislation: <i>Road Transport (Driver Licensing) Act 1998.</i> <i>Road Transport (Safety and Traffic Management) Act 1999.</i> Road Transport (Safety and Traffic Management) Regulation 1999. <i>Road Transport (Vehicle Registration) Act 1997</i> , (Schedule 1). Renamed (as the <i>Road Transport (Vehicle and Driver Management) Act 2005</i> ) and makes other amendments to the <i>Road Transport (General) Act 2005</i> , (Schedule 2). Made numerous amendments to other legislation to replace references to Road Transport Acts with “ <i>Road Transport Act 2013</i> ”, (Schedule 3). Made numerous consequential amendments to other legislation to replace references to road transport acts with “ <i>Road Transport Act 2013</i> ”, (Schedule 4).
<i>Road Transport (Statutory Rules) Act 2013</i> (2013 No 20)	1 July 2013	Amended existing road transport statutory rules that were continued in force (Schedule 1): Road Rules 2008. Road Transport (Driver Licensing) Regulation 2008. Road Transport (Mass, Loading and Access Regulation 2005. Road Transport (Vehicle Registration) Regulation 2007. Renamed (as the Road Transport (Vehicle and Driver Management) Regulation 2005) and amended the Road Transport (General) Regulation 2005, (Schedule 2). Made the Road Transport (General) Regulation 2013, (Schedule 3).
Road Transport (General) Amendment (Documentation) Regulation 2013 (2013 No 345)	1 July 2013	The Regulation amended the Road Transport (General) Regulation 2013: (a) to enable certain types of documents prepared for use in administering or enforcing the former road transport legislation to be used, for a 12-month transitional period, in administering or enforcing the new road transport legislation, and (b) to relocate an existing saving and transitional provision.



Legislation name	Commencement	Description of change
<i>Marine Safety Amendment (Domestic Commercial Vessel National Law Application) Act 2012</i> (2012 No 90)	1 July 2013	<p>Various amendments to the <i>Marine Safety Act 1998</i> to apply the <i>Domestic Commercial Vessel National Law</i> (by Schedule 1)</p> <p>Various related amendments of other legislation (by Schedule 2) including the following administered by the Minister for Roads and Ports:</p> <p>Management of Waters and Waterside Lands Regulations – NSW (by Schedule 2.5).</p> <p><i>Marine Pollution Act 2012</i> (by Schedule 2.6).</p> <p>Marine Pollution Regulation 2006 (by Schedule 2.7).</p> <p><i>Maritime Services Act 1935</i> (by Schedule 2.8).</p> <p><i>Navigation Act 1901</i> (by Schedule 2.9).</p> <p><i>Ports and Maritime Administration Act 1995</i> (by Schedule 2.13).</p> <p><i>Transport Administration Act 1988</i> (by Schedule 2.15 [3])</p>
<i>Statute Law (Miscellaneous Provisions) Act 2013</i> (2013 No 47)	5 July 2013	See following items
Amendments by the Act: Transport Administration (General) Regulation 2005		<p>Clause 35 (Additional classes of person to whom Roads and Maritime may delegate functions).</p> <p>Updated references to “RTA” to “RMS”.</p> <p>Updated reference to an agreement authorising the performance of functions relating to vehicle registration (“ANVIS agreement” to “DVRS agreement” &amp; “Authorised New Vehicle Inspection Scheme” to “Dealer Vehicle Registration Scheme”), (by Schedule 2.33)</p>
Road Transport (Vehicle Registration) Regulation 2007		Clause 95 (Transitional provision – registration labels) repealed, (by Schedule 3, clause 1)

Legislation name	Commencement	Description of change
<p><i>Ports Assets (Authorised Transactions) Amendment Act 2013</i></p> <p>(2013 No 52)</p> <p>The Act:</p> <p>(a) amended the principal Act to extend that Act to the Port of Newcastle so as to authorise and facilitate the transfer to the private sector of the State's ports assets at the Port of Newcastle, and</p> <p>(b) make consequential amendments to the <i>Ports and Maritime Administration Act 1995</i> to extend the private ports regulatory scheme to the private port operator of the Port of Newcastle and to authorise the private port operator to impose navigation service charges for the port.</p>	1 July 2013	<p>An Act to:</p> <p>(a) amend the principal Act to extend that Act to the Port of Newcastle so as to authorise and facilitate the transfer to the private sector of the State's ports assets at the Port of Newcastle, and</p> <p>(b) make consequential amendments to the <i>Ports and Maritime Administration Act 1995</i> to extend the private ports regulatory scheme to the private port operator of the Port of Newcastle and to authorise the private port operator to impose navigation service charges for the port.</p>
<p>Marine Safety (General) Amendment Regulation 2013</p> <p>(2013 No 395)</p>	1 October 2013	<p>The Regulation defines the waters of Lake Oberon as alpine waters for the purpose of making the wearing of lifejackets compulsory on board vessels operating on that lake.</p>
<p>Road Transport (Vehicle Registration) Amendment (Heavy Vehicles) Regulation 2013</p> <p>(2013 No 406)</p>	1 August 2013	<p>The Regulation amended the Road Transport (Vehicle Registration) Regulation 2007 to enable Roads and Maritime to suspend the registration of a heavy vehicle for up to three months if an offence is committed under:</p> <p>(a) specified rules of the Road Rules 2008 involving driving a vehicle past a sign erected for the purposes of those rules on or near a road, bridge, causeway or tunnel, or</p> <p>(b) specified sections of the <i>Heavy Vehicle National Law</i> (NSW) (when it comes into force) involving driving the vehicle on a road, bridge or causeway, or through a tunnel, in contravention of a mass or dimension requirement.</p> <p>The vehicle registration can be suspended immediately if it appears to Roads and Maritime that one of the offences has been committed in <i>circumstances of aggravation</i>, namely, the vehicle has been involved in an accident or caused damage to any road infrastructure, a danger or obstruction to traffic, or an adverse effect on public amenity.</p>

Legislation name	Commencement	Description of change
<i>Road Transport Amendment (Obstruction and Hazard Safety) Act 2013</i>	23 August 2013	Amended the <i>Road Transport Act 2013</i> section 117 Negligent, furious or reckless driving to make it clear that a court is to take into account the presence of obstructions and hazards on a road in determining whether a person has committed an offence of driving a motor vehicle negligently, furiously, recklessly or at a speed or in a manner dangerous to the public.
<i>Road Transport Amendment (Electronic Traffic Infringement Notices Trial) Act 2013</i> (2013 No 61)	3 September 2013	Amendment of the <i>Road Transport Act 2013</i> (new section 196A) to establish a two year trial (able to be extended by regulation) for the service of penalty notices by authorised police officers (only) to email addresses or mobile phone numbers where persons (aged 16 years or older) voluntarily elect to have the penalty notices served on them in that way.
<i>Road Amendment (Riding on a Footpath) Rules 2013</i> (2013 No 526)	6 September 2013	Amended the Road Rules 2008 to exempt bicycle riders who are carrying a child under 10 years old as a passenger (either on the bicycle or in or on a bicycle trailer being towed by the bicycle) from the offence of riding a bicycle on a footpath.
<i>Heavy Vehicle (Adoption of National Law) Amendment Act 2013</i>	24 September 2013	<p>Schedule 1 Amendment of <i>Heavy Vehicle (Adoption of National Law) Act 2013</i>.</p> <p>Schedule 2.2 [29] <i>Road Transport Act 2013</i> insert new Part 3 Provisions consequent on enactment of <i>Heavy Vehicles (Adoption of National Law) Amendment Act 2013</i>.</p> <p>Schedule 2.4 [10] Road Transport (General) Regulation 2013 insert new clause 144A Number plate confiscation notices.</p> <p>Schedule 2.6 Road Transport (Vehicle and Driver Management) Regulation 2005 omit Part 4 Number plate confiscation.</p>
Road Transport (Vehicle Registration) Amendment (Indicator Lights) Regulation 2013 (2013 No 577)	4 October 2013	<p>The Regulation replaced certain requirements in a vehicle standard under the Road Transport (Vehicle Registration) Regulation 2007 for the spacing of direction indicator lights on motor bikes and the front of motor trikes with those that apply under Australian Design Rule 19/02 - Installation of Lighting and Light Signalling Devices on L-Group Vehicles to motor bikes and motor trikes manufactured on or after 1 January 1997.</p> <p>In substituting the relevant vehicle standard, this Regulation also repeals and restates existing requirements for the spacing of such lights at the rear of motor trikes and on other vehicles.</p>

Legislation name	Commencement	Description of change
Transport Administration (General) Amendment (WestConnex Delivery Authority) Regulation 2013 (2013 No 608)	1 November 2013	<p>The Regulation amended the Transport Administration (General) Regulation 2013:</p> <ul style="list-style-type: none"> <li>(a) to insert a new Part 4A to constitute the WestConnex Delivery Authority as a public subsidiary corporation of Roads and Maritime Services and to enable the corporation to exercise certain functions of Roads and Maritime (primarily under the <i>Roads Act 1993</i>) in relation to the delivery of the WestConnex program of work in Sydney, and</li> <li>(b) to provide for the transfer of assets, rights and liabilities to or by the WestConnex Delivery Authority, and</li> <li>(c) to provide for a board of the WestConnex Delivery Authority to provide advice in connection with the WestConnex program of work.</li> </ul>
<i>Marine Safety Act 1998</i> (Commencement Proclamation 2013 No 632)	The identified provisions commenced on 8 November 2013	The Proclamation commenced certain formal provisions of the <i>Marine Safety Act 1998</i> including its long title and some headings to Parts and Schedules.
Road Transport (Vehicle Registration) Amendment (Vehicle Standards) Regulation 2013 (2013 No 634)	8 November 2013	<p>The Regulation amended the Road Transport (Vehicle Registration) Regulation 2007:</p> <ul style="list-style-type: none"> <li>(a) to provide that, if modifications to a vehicle are carried out in a manner that complies with certain specifications accepted by Roads and Maritime or published by the Commonwealth Department of Infrastructure and Transport, those modifications, or the vehicle, as the case may be, will be taken to comply with the applicable vehicle standards and a compliance certificate may be issued in relation to the vehicle, and</li> <li>(b) to provide for Roads and Maritime to publish guidelines as to how to ensure that a vehicle complies with the applicable vehicle standards.</li> </ul>
<i>Road Transport Act 2013</i>  Road Transport (Driver Licensing) Regulation 2008  Road Transport (General) Regulation 2013  Road Transport (Vehicle Registration) Regulation 2007	1 December 2013	<p>Consequential and related amendments were made to the specified Act and Regulations by the <i>Fines Amendment Act 2013</i>. The amendments replaced references to the State Debt Recovery Office with references to the Commissioner of Fines Administration; amended the visiting driver provisions of the Road Transport (Driver Licensing) Regulation 2008; and provided a transitional provision concerning authorised officers in the Road Transport (General) Regulation 2013.</p> <p>(Reference: Schedules 2.13, 2.14, 2.15 &amp; 2.16)</p>
Road Amendment (Emergency Worker) Rules 2013 (2013 No 695)	13 December 2013	The Rules amended the Road Rules 2008 to ensure that emergency services workers and vehicles of the Commonwealth and other States and Territories (including Airservices Australia) operating in NSW are treated in the same way as NSW emergency services workers and vehicles under the Road Rules 2008.

Legislation name	Commencement	Description of change
Road Transport (Driver Licensing) Amendment (Miscellaneous) Regulation 2013 (2013 No 696)	13 December 2013	<p>The Regulation amended the Road Transport (Driver Licensing) Regulation in 2008:</p> <ul style="list-style-type: none"> <li>(a) to allow a NSW police officer, and anyone residing with that police officer, to display an address other than a residential address on their driver licence, if those details have been suppressed in the driver licence register, and</li> <li>(b) to make provision for the date on which certain exemptions given to interstate drivers cease, and</li> <li>(c) to allow Roads and Maritime to carry out a manual search of the NSW driver licence register to verify the validity of a driver licence issued in NSW and provide the retrieved information to a participant in the Document Verification System (DVS) if a verification request from that participant via the DVS has failed to verify the validity of that driver licence.</li> </ul>
Marine Safety (General) Amendment (Exemptions Relating to Safety Equipment and Facilities) Regulation 2013 (2013 No 739)	20 October 2013	<p>The Regulation modified existing exemptions from the provisions of the Marine Safety (General) Regulation 2009 that require certain safety equipment to be carried on recreational vessels and lifejackets to be worn on those vessels and that regulate the construction of hatches and exterior doors.</p> <p>The amendments have particular relevance to surf row boats, vessels used in connection with lifesaving or surf rescue. References are updated to Surf Life Saving New South Wales.</p>
Road Amendment (Booster Seats and Child Restraints) Rules 2013 (2013 No 742)	October 2013	<p>The Rules updated the definitions of <i>approved booster seat</i> and <i>approved child restraint</i> in the Road Rules 2008 to reflect the introduction of certain new types of approved booster seats and child restraints that are designed under the relevant Australian Standard.</p>
<i>Marine Pollution Act 2012</i> <i>Marine Safety Act 1998</i> <i>Photo Card Act 2005</i> <i>Roads Act 1993</i> <i>Tow Truck Industry Act 1998</i>	01 January 2014 being the "establishment day" under section 7 of the <i>Civil and Administrative Tribunal Act 2013</i>	<p>Acts amended to update references from the Administrative Decisions Tribunal to the NSW Administrative and Civil Tribunal (NCAT).</p> <p>Amendments made by the <i>Civil and Administrative Legislation (Repeal and Amendment Act 2013</i> (Schedules 2.93, 2.94, 2.115, 8.16 and 2.145).</p>
<i>Marine Safety Act 1998</i> <i>Photo Card Act 2007</i> Road Rules 2008	03 January 2014	<p>Amendments made by the <i>Statute Law (Miscellaneous Provisions) Act (No 2) 2013</i>:</p> <p>The <i>Marine Safety Act 1998</i> was amended by Schedule 4, clause 2 to remove redundant content in Schedule 2.</p> <p>The <i>Photo Card Act 2005</i> was amended by Schedule 1.7 to update references in the Act to provisions of the <i>Crimes Act 1900</i>.</p> <p>The Road Rules 2008 were amended by Schedule 3.25 to insert a missing word "than" in Rule 297(4).</p>

Legislation name	Commencement	Description of change
<i>Heavy Vehicle (Adoption of National Law) Act 2013</i> (2013 No 42)	10 February 2014	An Act to make provision for a national scheme for facilitating and regulating the use of heavy vehicles on roads; and for other purposes.
<i>Heavy Vehicle (Adoption of National Law) Amendment Act 2013</i> (2013 No 71)	10 February 2014	<p>To support the original Act for introduction of the national regulator and national law in NSW.</p> <p>The Act:</p> <p>Section 4:</p> <ul style="list-style-type: none"> <li>repeals the <i>Road Transport (Vehicle and Driver Management) Act 2005</i> and the Road Transport (Vehicle and Driver Management) Regulation 2005.</li> <li>provides that the Road Transport (Mass, Loading and Access) Regulation 2005 is taken to have been made under the <i>Road Transport Act 2013</i>.</li> </ul> <p>Schedule 1 (this Schedule commenced on Assent).</p> <p>Schedule 2 (Items 2.2[29], 2.4[10] and 2.6 of this Schedule commenced on Assent).</p> <ul style="list-style-type: none"> <li>Amended other NSW road transport legislation: <ul style="list-style-type: none"> <li>Road Rules 2008.</li> <li><i>Road Transport Act 2013</i>.</li> <li>Road Transport (Driver Licensing) Regulation 2008.</li> <li>Road Transport (General) Regulation 2013.</li> <li>Road Transport (Mass, Loading and Access) Regulation 2005.</li> <li>Road Transport (Vehicle and Driver Management) Regulation 2005.</li> <li>Road Transport (Vehicle Registration) Regulation 2007.</li> </ul> </li> </ul> <p>Schedule 3</p> <ul style="list-style-type: none"> <li>Amended other NSW legislation: <ul style="list-style-type: none"> <li><i>Law Enforcement (Powers and Responsibilities) Act 2002</i>.</li> <li>Passenger Transport Regulation 2007.</li> <li><i>Roads Act 1993</i>.</li> <li><i>Transport Administration Act 1988</i>.</li> </ul> </li> </ul> <p>Schedule 4</p> <ul style="list-style-type: none"> <li>Makes the Heavy Vehicle (Adoption of National Law) Regulation 2013.</li> </ul> <p>The remainder of the Act commenced on the “participation day”, which is the day that section 4 (Application of Heavy Vehicle National Law) of the <i>Heavy Vehicle (Adoption of National Law) Act 2013</i> commenced, 10 February 2014.</p>

Legislation name	Commencement	Description of change
Road Amendment (Vehicle Registration) Amendment (State Emergency Services Vehicles) Regulation 2014 (2014 No 70)	21 February 2014	<p>Amended the Road Transport (Vehicle Registration) Regulation 2007 to enable State Emergency Services vehicles to be fitted with sirens and flashing or rotating lights for use in emergency situations by amending the dictionary definition of “emergency vehicle” to provide that a vehicle driven by a person who is a member of the State Emergency Service vehicle is included.</p> <p>Amendments of a law revision nature are also made.</p>
Ports and Maritime Administration Amendment (Transport for NSW) Regulation 2014 (2014 No 125)	01 April 2014	<p>Amended the Ports and Maritime Administration Regulation 2012 to make changes as a consequence of the fact that functions and staff of Sydney Ports Corporation that are currently dedicated to the Port Botany Landside Improvement Strategy are to be transferred to Transport for NSW.</p> <p>Also provided for the delegation and sub-delegation of functions of the Minister under the marine legislation to Transport for NSW and to members of staff or employees of the Transport Service. Those functions are not limited to those relating to the Port Botany Landside Improvement Strategy.</p>
Road Amendment (Sirens and Prohibited Lights) Rules 2014 (2014 No 138)	21 March 2014	<p>Amended the Road Rules 2008 to:</p> <ul style="list-style-type: none"> <li>(a) Specifically enable the use of restricted rotating and flashing lights by police officers for law enforcement purposes.</li> <li>(b) Generally limit the use of devices capable of making a sound like a siren to certain vehicles responding to an emergency or being used for law enforcement purposes.</li> <li>(c) Prescribe the unauthorised use of such devices as a penalty notice offence and prescribe a penalty amount.</li> <li>(d) Make amendments of a law revision nature.</li> </ul>
Road Transport (General) Amendment (North Sydney Local Health District) Regulation 2014 (2014 No 263)	16 May 2014	<p>The Regulation amended the Road Transport (General) Regulation 2013 at Schedule 2 (Declared Organisations) to prescribe the Northern Sydney Local Health District as a declared organisation in respect of specified carparks at the Royal North Shore Hospital.</p> <p>This made the Northern Sydney Local Health District the parking authority for the carparks.</p>



Legislation name	Commencement	Description of change
Road Transport (Vehicle Registration) Amendment (Motor Bikes) Regulation 2014 (2014 No 269)	23 May 2014	The Regulation amended the Road Transport (Vehicle Registration) Regulation 2007:  (a) to extend the date until which a superficially-damaged motor bike will be exempt from certain requirements to 31 December 2015 so that motor bikes assessed as a total loss up until that date may in some circumstances be eligible for an authorisation to repair and an exemption from the obligation to be the subject of a certificate of compliance, and  (b) to make other miscellaneous amendments of a statute law revision nature.
<i>Navigation Act 1901</i>	Repeal provision commenced on 2 June 2014	The Act was repealed by commencement of the repeal provision in Schedule 2 of the <i>Marine Safety Act 1998</i> .
<i>Ports and Maritime Administration Act 1995</i>  (Certain amendments to s.23 (Functions under marine legislation), 25 (Particular marine safety functions), & 42 (Waterways fund)).	2 June 2014	The amendments were made by commencement of Schedule 3.17 [3], [5], [6] & [8] of the <i>Marine Safety Act 1998</i> .
<i>Marine Safety Act 1995</i>  (Clause 6 of Schedule 4 “Savings, transitional and other provisions” relating to the operations of s.34 “Proof of certain matters not required” of the <i>Maritime Services Act 1935</i> ).	2 June 2014	The amendment was made by commencement of clause 6 of Schedule 4 “Savings, transitional and other provisions” relating to the operations of s.34 “Proof of certain matters not required” of the <i>Maritime Services Act 1935</i> .
Road Transport (General) Amendment (Enforcement Documents) Regulation 2014 (2014 No 358)	13 June 2014	The Regulation amended the Road Transport (General) Regulation 2013 to extend until 30 September 2014 the transitional period during which existing enforcement documents prepared under the former road transport legislation can be used under the new road transport legislation.
Road Transport (General) Amendment (Penalty Notice Offences) Regulation 2014 (2014 No 369)	13 June 2014	The Regulation amended the Road Transport (General) Regulation 2013 to prescribe offences under clause 74 of the Road Transport (Mass, Loading and Access) Regulation 2005 as penalty notice offences.
<i>Maritime and Transport Licensing Legislation Amendment Act 2014</i> (2014 No 38)	Schedule 2 commenced on 24 June 2014  Remainder uncommenced	Schedule 2 of the Act amended the <i>Ports and Maritime Administration Act 1995</i> to enable the regulations under that Act to make provision for the management of dangerous goods in ports and to make a consequential amendment to the Work Health and Safety Regulation 2011.



## Significant judicial decisions

### Roads and Maritime Services v Porret [2014] NSWCA 30

Roads and Maritime was successful in this Appeal of a decision made by the District Court in the Court of Appeal.

The Defendant was charged and convicted with drink driving and was disqualified for three months. During that three month disqualification, the Defendant was again caught driving and was charged with “Drive While Disqualified” and was convicted of that offence. She was disqualified for a *further* 12 months.

After the second conviction, the Defendant appealed against the first conviction for drink driving and was successful in having the disqualification quashed and the original penalty reduced to a non-conviction.

The Defendant then appealed the subsequent “Drive While Disqualified” conviction on the basis that had not been disqualified, as the first penalty had been reduced to a non-conviction on appeal.

The District Court accepted the Defendant’s argument and also quashed the 12 month disqualification – the rationale being that as the original drink/drive matter had resulted in a non-conviction on appeal, the Defendant was never actually “disqualified” in the first place and the conviction for her subsequent “Drive While Disqualified” could not stand.

Roads and Maritime challenged that proposition, as it served to undermine the deterrence value of the Driver Licence Disqualification Scheme. Roads and Maritime was of the view that when the Defendant was caught driving disqualified, she was in fact properly disqualified *at that point in time* and was fully aware of that fact (as the Defendant had not yet filed any appeal against the original sentence).

Roads and Maritime was also of the view that the appeal decision quashing the original disqualification should have operated prospectively, not retrospectively, and that a successful appeal does not void the existence of the original disqualification – merely mitigates it from the time of the appeal.

Roads and Maritime filed proceedings in the Court of Appeal, seeking *certiorari*, a setting aside of the decision of the District Court on the basis of error of law. The matter was heard before the full bench of the Court of Appeal, which included the Chief Justice, on 15 July 2013.

The Decision was handed down on 28 February 2014, the Court agreeing with Roads and Maritime. Two important points arose from this case:

- For Roads and Maritime, the question of “standing”, which was first explored in *RTA v Higginson [2011] NSWCA 151*, was settled beyond doubt. This means that Roads and Maritime has the legal standing to commence appeal proceedings in any matter affecting the Road Transport Legislation, notwithstanding that it may not have been a party in the proceedings in the Courts below.
- For the law generally, a decision made by the District Court under section 20 of the *Crimes (Appeal and Review) Act 2001* to set aside or vary a sentence does not operate retrospectively. If someone commits an offence in clear breach of an original Local Court decision before their appeal is heard, then in the absence of a stay pending appeal, they are liable for that offence.

### Legal proceedings arising from Operation Overland

A B-Double operated by Zaens Pty Ltd (trading as Lennons Transport Services) was involved in the fatality of three members of the Logan family in an incident on the Hume Highway at Menangle in January 2012.

Following this incident Roads and Maritime carried out a large-scale, joint police operation that involved the execution of a search warrant on the operator. Roads and Maritime also conducted an analysis of heavy vehicle speeding using a range of data. Roads and Maritime focused on the companies most represented in the data and commenced proceedings in May 2012 for a representative selection of offences against four groups of defendants.

Roads and Maritime alleged similar offences against each corporation:

- Each corporation was the operator of a heavy vehicle and the heavy vehicle was under its control when a driver committed a speeding offence, contrary to clause 156(3) of the former Road Transport (General) Regulation 2005.
- Each corporation was the operator of a heavy vehicle which was not speed limiter compliant, contrary to section 69C of the former *Road Transport (Safety and Traffic Management) Act 1999*.

Roads and Maritime also alleged the directors of each corporation were liable for corresponding offences, pursuant to the director liability provision, section 178 of the former *Road Transport (General) Act 2005*.

The defendants sought a brief of evidence in advance of entering a guilty plea and also sought particulars of the offences, on the basis of the High Court's decision in *Graeme Joseph Kirk & Anor v Industrial Court of New South Wales & Anor [2010] HCA 1*. The Local Court dismissed each application in both respects, finding that Kirk had no application because there was no general duty imposed under the road transport legislation.

The Damorange Pty Ltd group of defendants was charged with 276 offences and entered a guilty plea to 249 offences, with the remainder being withdrawn. On 24 September 2013 the Local Court fined the defendants a total of \$50,800 with a moiety to Roads and Maritime and awarded costs of \$52,000. Roads and Maritime appealed against this decision to the Supreme Court of NSW. On 29 May 2014 the Supreme Court dismissed the appeal: while the Court identified an error of law, it declined to exercise its discretion to vary the sentence. The Court awarded costs to the defendant in an amount to be agreed.

The Scotts Transport Industries Pty Ltd group of defendants was charged with 268 offences and entered a guilty plea to 211, with the remainder being withdrawn. In separate judgments, the latest being 28 May 2014, the Local Court fined the defendants a total of \$1,276,590 with a moiety to Roads and Maritime and awarded costs to Roads and Maritime totalling \$110,000. At the time of preparation of this report, the defendants' appeal to the District Court of NSW against the severity of the sentence had not been determined.

The Zaens Pty Ltd (trading as Lennons Transport Services) group of defendants was charged with a total of 251 offences and entered a guilty plea to 192 offences with the remainder being withdrawn. The Local Court fined the defendants a total of \$1,316,469 with moiety to Roads and Maritime and awarded costs to Roads and Maritime totalling \$100,000.

### Legal proceedings arising from Operation Octagon

Given the results of Operation Overland, Roads and Maritime conducted a further operation on the same basis. Roads and Maritime focused on the companies most represented in the speed data and commenced legal proceedings in late 2012 for a representative selection of offences against five groups of defendants.

Roads and Maritime alleged similar offences against each corporation:

- Each corporation was the operator of a heavy vehicle and the heavy vehicle was under its control when a driver committed a speeding offence, contrary to clause 156(3) of the former Road Transport (General) Regulation 2005.
- Each corporation was the operator of a heavy vehicle which was not speed limiter compliant, contrary to section 69C of the former *Road Transport (Safety and Traffic Management) Act 1999*.

Roads and Maritime also alleged the directors of each corporation were liable for corresponding offences, pursuant to the director liability provision, section 178 of the former *Road Transport (General) Act 2005*.

The Logistics 1 Pty Ltd group of defendants was charged with 120 offences and entered a guilty plea to all offences. On 19 September 2013 the Local Court imposed total fines of \$259,100 with a moiety to Roads and Maritime and ordered the defendant to pay Roads and Maritime costs of \$35,000. The defendants appealed to the District Court of NSW against the severity of the sentence. On 23 June 2014 the District Court upheld the

appeal, reducing the fines imposed to a total of \$76,500 and confirming the costs awarded to Roads and Maritime totalling \$35,000.

The Prestons Leeton Pty Ltd group of defendants was charged with 36 offences and entered a guilty plea to all offences. On 31 October 2013 the Local Court fined the defendants a total of \$85,700 with a moiety to Roads and Maritime and ordered the defendants to pay Roads and Maritime costs of \$18,000. The defendants appealed to the District Court of NSW against the severity of the sentence. On 4 August 2014 the District Court reduced the total fines to \$63,000 and varied the award of costs to Roads and Maritime to a total of \$24,000.

The P & A Transport Pty Ltd group of defendants was charged with 12 offences and entered a guilty plea to all offences. On 17 December 2013 the Local Court fined the defendants a total of \$30,000 with a moiety to Roads and Maritime and ordered the defendants to pay Roads and Maritime costs of \$24,000. At the time of preparation of this report, the defendants' appeal to the District Court of NSW against the severity of the sentence had not been determined. P & A Transport Pty Ltd was a subcontractor to Border Express Pty Ltd.

The Border Express Pty Ltd group of defendants was charged with 26 offences and entered a guilty plea to 17 offences. On 24 April 2014 the Local Court found the offences proven. For the level 3 speeding offences the Court recorded a conviction but imposed no penalty, pursuant to section 10A of the *Crimes (Sentencing Procedure) Act 1999*; for the level 2 speeding offences the Court dismissed the offences without recording a conviction, pursuant to section 10 of the *Crimes (Sentencing Procedure) Act 1999*. No costs were awarded.

## Appendix 17: Reporting of contracts with private sector entities

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Under Part 3 of the *Government Information (Public Access) Act 2009* (GIPA Act), Roads and Maritime is required to maintain a register of government contracts that records information about each government contract to which Roads and Maritime is a party that has (or is likely to have) a value of \$150,000 (GST inclusive) or more.

The Premier's Memorandum No 2007–01 mandates the disclosure of particular information about invitations to tender.

Roads and Maritime's government contracts register and tender disclosure information is available on the Office of Finance and Services' eTender website at [tenders.nsw.gov.au](http://tenders.nsw.gov.au).

Roads and Maritime also maintains a separate register of government contracts, which is available on its website and available for view by class of contract.

# Appendix 18: Public interest disclosures report to Minister

In accordance with section 31 of the *Public Interest Disclosures Act 1994*, the following information (as stipulated by Clause 4 of Public Interest Disclosures Regulation 2011) is being supplied by Roads and Maritime to the Minister for Roads and Freight and the Minister for Transport. The Act came into effect on 1 January 2012 and the reporting period for this report is 1 July 2013 to 30 June 2014.

On 1 January 2014 the following three categories of Public Interest Disclosures were established:

- Public Interest Disclosures made by public officials performing their day to day functions.
- Public Interest Disclosures made under a statutory or other legal obligation.
- All other Public Interest Disclosures.

The table below takes into account the new categories as of 1 January 2014.

**Table A18.1 Roads and Maritime Public Interest Disclosures**

	January to June 2014				
	July to December 2013	PIDs made by public officials performing their day to day functions	PIDs made under a statutory or other legal obligation	All other PIDs	Total PIDs for 2013–14
Number of public officials who made PIDs directly	6	1	0	4	11
Number of PIDs received	8	1	0	5	14
Of PIDs received, number primarily about:					
Corrupt conduct	8	1	0	3	12
Maladministration	0	0	0	2	2
Serious and substantial waste	0	0	0	0	0
Government information contravention	0	0	0	0	0
Local government pecuniary interest contravention	0	0	0	0	0

In 2013–14 Roads and Maritime finalised 11 public interest disclosures received since 1 January 2012.

In accordance with section 6D of the *Public Interest Disclosures Act 1994*, Roads and Maritime has a public interest disclosures internal reporting policy.

The Chief Executive of Roads and Maritime has taken action to ensure staff awareness of the policy as required under section 6E (1) (b) of the Act. The actions taken by the Chief Executive of Roads and Maritime include:

- Providing a policy briefing to senior managers.
- Publishing a statement of commitment and posting this on the agency's intranet site and reinforcing this message in OneRMS News.
- Developing a communication plan.

- Sending a message to all staff, providing links to the NSW Ombudsman's eLearning module on public interest disclosures and various fact sheets.
- Including information on public interest disclosures in the Code of Conduct eLearning module, which is completed by all new staff and is also discussed at the face-to-face "On Boarding" day.
- Incorporating public interest disclosures information in the training provided to new Customer Service Officers and Heavy Vehicle Inspectors.

## Appendix 19: Privacy management plan

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In compliance with section 33 of the *Privacy and Personal Information Protection Act 1998* (PPIP Act), Roads and Maritime has a Privacy Management Plan, which includes: information about the development of policies and practices to ensure compliance by the agency with the requirements of the PPIP Act and the *Health Records and Information Privacy Act 2002* (HRIP Act); the communication of those policies and practices to persons within Roads and Maritime; the procedures that the agency adopts in relation to any internal review under Part 5 of the PPIP Act; and other matters as are considered relevant by Roads and Maritime in relation to privacy and the protection of personal information held by the agency.

The Plan is located on the Roads and Maritime website.

Roads and Maritime, along with the other agencies in the Transport cluster, has been working towards creating greater consistency in the management of personal information to achieve the best possible results for members of the public. This work is demonstrated in the review and development of the privacy management plans for transport agencies. The new plans are designed to provide the highest standard of information about compliance with the information protection and health records principles in the PPIP and HRIP Acts.

The new Privacy Management Plan for Roads and Maritime will be released later in 2014.

Questions, compliments or complaints about the management of personal and health information should be initially directed to the Privacy Officer at Transport for NSW, who will direct the inquiry to Roads and Maritime.

Post: The Privacy Officer  
Information & Privacy Unit  
Transport for NSW  
PO Box K659  
Haymarket NSW 1240

Phone: 02 8202 3768

Email: [privacy@transport.nsw.gov.au](mailto:privacy@transport.nsw.gov.au)

### Privacy reviews

During 2013–14 Roads and Maritime conducted 12 applications for internal review about conduct relating to the use, access or release of personal information.

Investigations were carried out on the internal reviews and of the 12 applications, no breaches of privacy were found.

## Appendix 20: Insurance

### Principal-arranged insurance

Roads and Maritime continues to provide principal-arranged insurance via its broker AON. The program covers its contractors and sub-contractors for all construction and maintenance work on roads and bridges, for the contracted work, third-party liability and professional indemnity. A similar program for Roads and Maritime's property portfolio is in place for all building construction, maintenance and repair contracts for contract work and third-party liability.

### Treasury Managed Fund

The Treasury Managed Fund is a NSW Government-arranged indemnity scheme (operated by the NSW Treasury), which provides indemnity cover for workers compensation, motor vehicle, property damage, legal liability, fidelity guarantee and travel.

Premium details and claim performance on the major insurance categories for the period 1 July 2013 to 30 June 2014 are as provided in Table A20.1.

**Table A20.1 Premium details and claim performance on major insurance categories**

Insurance type	Premium (\$0'm)	Claim performance
Workers compensation	\$8.4 million	4.9 claims per 100 employees
Motor vehicle	\$1.6 million	10.2 claims per 100 employees
Property	\$7.0 million	N/A
Liability	\$14.2 million	N/A

## Appendix 21: Industrial relations and policy

### Communication and consultation

Communication and consultation regarding industrial and employee related matters is incorporated through regular forums with unions and professional associations representing salaried and wages staff.

The Single Bargaining Unit (SBU) is the peak negotiation and consultation forum for wages staff. It includes representatives from five wages unions. The SBU meets on a quarterly basis.

The Peak Consultative Committee (PCC) is the primary point of consultation between Roads and Maritime and the salaried staff associations and unions. The PCC meets on a monthly basis and includes union officials and delegates from six unions. In addition to the regular consultative forums, the Workplace Relations team works closely with unions and the organisation to consult and communicate about various Roads and Maritime projects, for example, Reform and Maintenance Contestability.

### Advice

The Workplace Relations team provides advice to the organisation on individual matters and projects in compliance with the broader industrial relations strategy as defined by Transport for NSW and Roads and Maritime.

## Human resources policies

In 2013–14:

- Roads and Maritime worked closely with Transport for NSW and other cluster agencies to start the development of a range of common HR policies to apply across the cluster.
- Policy development work facilitated the implementation of working with children checks for school crossing supervisors as a result of the proclamation of the *Child Protection (Working with Children) Act 2012*.
- Work continued on amalgamating HR policies and procedures following the merge of RTA and NSW Maritime.

## Award negotiations and movements in salaries and wages

Roads and Maritime has consolidated and rationalised industrial instruments covering employee entitlements and conditions. As of 1 July 2014 Roads and Maritime will have four awards that cover Roads and Maritime employees. These include: the Roads and Maritime Services Consolidated Salaried Award 2014; Roads and Maritime Services (Wages Staff) Award; Crown Employees (Roads and Maritime Services – School Crossing Supervisors) Award; and the Crown Employees (Roads and Maritime Services – Traffic Signals) Award.

## Industrial Relations Commission

The Workplace Relations team represents Roads and Maritime before the NSW Industrial Relations Commission on disputes, unfair dismissals and during award negotiations.

## Lost time due to staff participation in industrial action

The number of days lost due to staff participation in industrial action for 2013–14 was 101 days.

# Appendix 22: Work place diversity

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A new Transport cluster-wide Diversity and Inclusion Plan and Policy (the Plan) was developed in 2013–14. The Plan identifies priority areas for action to ensure that the cluster reflects the community it serves, enabling it to increase and better leverage the diversity of its workforce to deliver customer-focused services.

The Plan has a particular concentration on developing leader awareness, accountability and capability. Implementation has progressed through:

- The first cluster-wide Leadership Development Program that incorporates diversity and inclusion principles and capabilities.
- An International Women's Day conference for Transport executives.
- Specific awareness sessions (including unconscious bias training and disability awareness training) for recruiting staff and hiring managers on recruitment panels.

Staff awareness of employment equity was built by:

- Establishing a cross-cluster employee resource group for key diversity areas.
- Promoting and participating in cluster-wide events associated with Mardi Gras, NAIDOC week and International Women's Day.

The cluster is progressively measuring the implementation of diversity and inclusion outcomes to drive accountability. This includes measuring against diversity targets in the recruitment of Tertiary Talent Program participants.



In 2013–14:

- Cluster-wide Discrimination-Free Work Place and Anti-Bullying and Harassment policies were published.
- Strategic partnerships were developed to build diversity and inclusion across the cluster. This includes specialised employment agencies and participating in outreach programs in partnership with Wollongong University that target women in non-traditional occupations.

## Increasing the employment and development of Aboriginal people

The Aboriginal Employment Strategy sets a strategic framework for improving recruitment, development and retention of Aboriginal people across Roads and Maritime and is a response to central government requirements.

The strategy is supported by the “Walk the road with our mob” DVD, which profiles current Aboriginal staff, their roles and the services they provide to the community.

Targeted recruitment campaigns within NSW communities helped to improve Aboriginal employment, career development and retention rates across salary levels at a rate similar to non-Aboriginal staff.

Aboriginal.Jobs@rms.nsw.gov.au received regular inquiries from individuals and job service centres and acted as a distribution network for identified roles.

In partnership with the Aboriginal Education Consultative Group NSW, Roads and Maritime supported 11 secondary scholarships for Aboriginal Year 11 and 12 students studying maths and English subjects. The program has now been expanded from engineering to all disciplines across Transport for NSW.

A female Aboriginal archaeology cadet has continued under the National Indigenous Cadetship Program and will carry out work placements within our Environment branch throughout her degree studies, where she will receive policy and operational experience.

A senior Aboriginal employee completed the Executive Masters in Public Administration degree through the Australian New Zealand School of Government (ANZSOG) tertiary program.

The Roads and Maritime Aboriginal Cultural Education Training Program aims to:

- Build internal relationships.
- Provide support to managers and Aboriginal employees.
- Improve service delivery to Aboriginal customers and stakeholders.

The program is available to Roads and Maritime employees, including managers and supervisors of Aboriginal employees, as well as frontline customer service staff, policy officers and senior management. More than 250 employees attended the 27 workshops held across NSW in 2013–14.

Relationships with secondary and tertiary institutions and the Department of Premier and Cabinet were strengthened to increase opportunities for Aboriginal people within Roads and Maritime.

**Table A22.1 Representation of EEO groups**

EEO group	Benchmark	2011–12	2012–13	2013–14
Women	50%	35.4%	35.4%	34%
Aboriginal people and Torres Strait Islanders	2.6%	1.6%	1.4%	0.98%
People whose first language is not English	19%	15.3%	9.08%	8.28%
People with a disability	N/A	6.2%	3.3%	2.10%
People with a disability requiring adjustment	1.5%	1.9%	0.93%	0.89%



**Table A22.2 Trends in the distribution of EEO groups**

EEO group	Benchmark	2011–12	2012–13	2013–14 <sup>(i)</sup>
Women	100	89	89	83
Aboriginal people and Torres Strait Islanders	100	84	89	96
People whose first language is not English	100	114	113	112
People with a disability	100	99	97	102
People with a disability requiring adjustment	100	105	103	103

<sup>(i)</sup> Estimated figures are only calculated for those agencies with a response rate of greater than 65 per cent. For those agencies with a response rate less than 65 percent, actual figures are used to calculate the representation and distribution of these groups.

Note: A Distribution Index of 100 indicates that the centre of the distribution of the equal employment opportunity (EEO) group across salary levels is equivalent to that of other staff. Values less than 100 indicate that the EEO group tends to be more concentrated at lower salary levels than is the case for other staff. The more pronounced this tendency, the lower the index will be. In some cases the index may be more than 100, indicating that the EEO group is less concentrated at lower salary levels. The Distribution Index is not calculated where group numbers are less than 20.

## Appendix 23: Multicultural Policies and Services Plan

Roads and Maritime is committed to providing high quality service and support for the entire community, including those members from diverse cultural, linguistic and religious backgrounds.

Under the *Community Relations Commission and Principles of Multiculturalism Act 2000*, Roads and Maritime is required to deliver and report against current multicultural policies and services which address the Community Relations Commission Multicultural Planning Framework.

Roads and Maritime has collaborated with Transport for NSW on a cluster-wide Multicultural Policies and Services Plan. The Plan outlines how the Transport cluster will respond to the Government's multicultural objectives and incorporate multicultural principles into processes and systems.

The purpose of the Plan is to ensure Roads and Maritime's policies and practices are inclusive of people from diverse cultural and linguistic backgrounds. Four key objectives of the Plan are to ensure people from culturally and linguistically diverse backgrounds:

- Are able to confidently use transport services: Realised through taking actions to target Culturally and Linguistically Diverse (CALD) communications and programs aimed at improving understanding of how to use transport systems.
- Are able to equitably access transport services and information: Realised through taking actions to ensure fair and accessible transport communications, services and programs that respond to the needs of people from CALD backgrounds.
- Are satisfied with the quality of communications and cultural sensitivity of transport service and program delivery: Realised through taking actions to increase cultural competency across the workforce in the provision of services to CALD customers and communities.
- Are able to have their views and concerns heard on policy and program development and service delivery: Realised through taking actions to ensure appropriate consultation, feedback and complaints mechanisms.

A further objective is to:

- Embed multicultural activity as a core function of the transport agencies: Realised through ensuring that processes for corporate and business planning and managing organisational performance demonstrate support for multicultural principles and objectives.

Key activities for the reporting period are identified against the seven outcomes identified in the Community Relations Commission's planning framework.

## **Planning**

Roads and Maritime business areas recognise the need to use CALD data to inform corporate direction, business and communication planning and stakeholder mapping.

## **Consultation and feedback**

Roads and Maritime is represented at the cluster-wide steering committee to develop clear strategic drivers for implementing the principles of multiculturalism in core business practices across the Transport cluster.

CALD Employee Resource Groups (ERGs) have been established with the aim of providing CALD employees in the Transport cluster with the opportunity to provide input into policy and program development and service delivery, and provide advice on their cultural appropriateness. Roads and Maritime extensively promoted the CALD Employee Resource Groups through internal communication channels during the reporting period.

Roads and Maritime currently provides translated community consultation materials where appropriate.

## **Leadership**

The Chief Executive has actively promoted Roads and Maritime's commitment to the principles of multiculturalism through the Chief Executive message and supports the development of Roads and Maritime's implementation plan. An executive sponsor has also been appointed.

## **Human resources**

Roads and Maritime values the skills of staff with cultural and linguistic skills. Roads and Maritime has a register of staff with linguistic skills to assist in operational service delivery.

## **Access and equity**

Roads and Maritime has a strong commitment to reducing barriers for people from culturally and linguistically diverse backgrounds. During the reporting period Roads and Maritime customers accessed the following CALD services:

- 2829\* people received an interpreter to assist them in completing the computer driver/rider/heavy vehicle knowledge and qualification tests.
- 30,629\* people used Roads and Maritime-translated tests available in nine commonly used languages.

The Translating and Interpreting Service (TIS) for non-English speakers is promoted clearly on the [transport.nsw.info](http://transport.nsw.info) website. Customers can call 131 500 and ask for an interpreter or call the TIS directly to be connected to 131 500.

Roads and Maritime's staff induction includes training on the multicultural values of our customers, the differing needs of our customers and the importance of service delivery to the community.

\* These figures are available on the Roads and Maritime website.

## Communication

Several Roads and Maritime publications are translated into commonly used languages.

Roads and Maritime's publications reflect the visual identity of people from different backgrounds. Guidelines for publications are being reviewed and will include visual representation as part of the policy.

## Social and economic development

Roads and Maritime continues to promote the principles of multiculturalism at all levels through internal communication channels, attendance at events and through community consultation sessions.

Roads and Maritime held Harmony Day events across the State and carried out a staff poster campaign in June 2014, which promoted the principles of multiculturalism to all staff. Posters were placed at staff entry and exit points, as well as the kitchens in all Roads and Maritime offices across the State.

Flexible work practices enable staff to observe religious obligations and space is made available for religious observance in the majority of work locations.

## Reporting against CRC assessment criteria

The items below are those which each operating agency within the Transport cluster is required to report against.

CRC assessment area	Strategies: ongoing	Actions	Current status (30 June 2014)
Planning and performance measurement	Establish a Multicultural Plan which implements the Principles of Multiculturalism.	Develop Operating Agency Multicultural Implementation Plan aligned with the overarching Transport for NSW Multicultural Plan.	Roads and Maritime drafted an agency implementation plan that has been endorsed by the Chief Executive. Roads and Maritime will continue to implement the actions outlined in the multicultural plan.
Planning and performance measurement	Develop an internal monitoring system to evaluate and report on implementation of strategies in the Multicultural Plan.	Report on multicultural achievements in the Annual Report and submit final copy to the CRC.	We are monitoring and an evaluation system is in place.
Client and community feedback	Ensure consultation is carried out with the CALD community for the consideration of information, policy, program, service delivery and other initiatives being progressed by transport agencies.	Develop a database of CALD stakeholders for consultation and engagement, for information sharing.	Roads and Maritime will include Transport for NSW's CALD database of external stakeholders on the intranet once it is provided and promote to agency staff for their use once it has been finalised and distributed.

CRC assessment area	Strategies: ongoing	Actions	Current status (30 June 2014)
Client and community feedback	Ensure consultation and analysis is carried out with the CALD community for the consideration of information, policy, program, service delivery and other initiatives being progressed by transport agencies.	Review existing guidelines for stakeholder and community engagement. Developed new guidelines for stakeholder and community engagement, which addressed culturally appropriate consultation and engagement practices and tools and which ensure staff participating in CALD consultations have appropriate cultural diversity expertise.	Roads and Maritime will work with Transport for NSW when its guidelines are finalised for comment and implementation. Roads and Maritime is conducting a review of its procedures for community consultation.
Participation on advisory boards	Identify opportunities for staff with cultural diversity experience and members of CALD communities to participate in decision making forums.	Identify and investigate the appropriateness of any advisory boards, committees, forums and consultations in which staff and CALD groups might participate.	Roads and Maritime staff who possess cultural and language skills are identified and contactable. Staff are available to assist in customer or community interactions where appropriate. Roads and Maritime extensively promoted the CALD ERGs through internal communication channels.
Active involvement of senior management	The Executive and senior managers lead the promotion and adherence to Principles of Multiculturalism through a range of communications, planning and corporate activities.	Leadership forums and management meetings include multicultural, equity and diversity themes and issues, with briefings filtered down to staff. Make use of existing and new internal communication channels.	Roads and Maritime's Chief Executive has endorsed the multicultural plan. The cluster-wide plan is included in all business unit plans. Roads and Maritime will continue to promote cultural, equity and diversity themes through events, a regular agency steering group and through the review of intranet content and stories to promote to staff.

CRC assessment area	Strategies: ongoing	Actions	Current status (30 June 2014)
Active involvement of senior management	The Executive and senior managers lead the promotion and adherence to Principles of Multiculturalism through a range of communications, planning and corporate activities.	Identify and pursue opportunities for the Executive to actively promote various multicultural activities within the Transport cluster and within the community (e.g. Harmony Day, International Refugee Day, International Human Rights Day).	Roads and Maritime will continue to promote the principles of multiculturalism at all levels through internal communication channels, attendance at events and through community consultation sessions. Roads and Maritime held Harmony Day events across the State and carried out a staff poster campaign in June and July 2014 promoting the principles of multiculturalism to all staff. Posters were placed at staff entry and exit points as well as the kitchens in all Roads and Maritime offices across the State.
Accountability of senior management	Embed responsibility for implementation of the Multicultural Plan and strategies in agency business plans and in the performance agreements of key senior managers, where appropriate.	Appoint multicultural coordinators from senior management to support implementation of the Multicultural Plan.	Roads and Maritime's Director Strategy and Engagement is the Executive Sponsor. Communications and Stakeholder Engagement, specifically the Stakeholder Engagement team, represent Roads and Maritime on the cluster-wide steering committee and will oversee the monitoring and actions under the agency's Implementation Plan.
Staffing reflects business needs	Determine the need for linguistic and inter-cultural skills in identified customer contact positions, and the required levels of competency, to ensure that business needs are serviced by appropriate human resourcing.	Identify customer contact positions in identified business areas and locations, and identify the required linguistic and inter-cultural skills to ensure culturally appropriate service delivery.	The transition of key customer facing Roads and Maritime roles to Service NSW has prompted a review of services and skills. Roads and Maritime is also reviewing the use of third-party providers, such as translation services.

CRC assessment area	Strategies: ongoing	Actions	Current status (30 June 2014)
Staffing reflects business needs	Determine the need for linguistic and inter-cultural skills in identified customer contact positions, and the required levels of competency, to ensure that business needs are serviced by appropriate human resourcing.	Establish and maintain a register of people with linguistic skills to assist in operational service delivery and community engagement.	Roads and Maritime has a register of staff with linguistic skills to assist in operational service delivery. Contracts with third-party providers continue to provide translation services.
Staffing reflects business needs	Ensure attraction and retention strategies, policies and practices are values focused and enhance the cultural competency of the organisation.	Encourage the use of images of people from diverse cultural and religious backgrounds in all agency promotion and recruitment initiatives to encourage engagement with all communities.	Roads and Maritime's publications reflect the visual identity of people from different backgrounds. Guidelines for publications are being reviewed and will include visual representation as part of the policy.
Cultural and linguistic competence	Identify the need for the Community Language Scheme (CLAS), based on research, and monitor its use.	Identify any existing staff who are currently being paid a CLAS allowance. Investigate the appropriateness of centralising any resources and knowledge.	Review of CLAS usage and recipients completed. In light of this review, new guidelines and a communication strategy are being developed to support a more consistent approach to harnessing the benefits offered by this scheme. Roads and Maritime staff are currently being paid CLAS allowance as per the CLAS policy.
Cultural and linguistic competence	Identify the need for the Community Language Scheme (CLAS), based on research, and monitor its use.	Review current CLAS and if appropriate, develop guidelines for managers and staff in regard to its use, including the circumstances in which CLAS can be used, and monitor and report on usage.	New cluster-wide CLAS Guidelines drafted for review and dissemination across the cluster. Roads and Maritime CLAS policy remains in place and available on the intranet.

CRC assessment area	Strategies: ongoing	Actions	Current status (30 June 2014)
Staff development and support	Ensure staff in public contact, policy and management positions, including regional staff, are trained to work in a culturally diverse environment and in implementation of the Multicultural Plan.	Provide staff in public contact positions with relevant skills-based training on culturally sensitive service provision or cultural competency training.	Customer facing staff receive diversity and/or multicultural training as part of their on-boarding process. Roads and Maritime's staff induction includes training on multicultural values of our customers. Key Behaviours training is again being implemented across NSW. Although not specific to CALD communities, staff receive training on the differing needs of Roads and Maritime's customers and the importance of service delivery to the community.
Interpreter service use	Develop strategies to improve access to interpreter services and availability of bilingual staff.	Develop and make staff aware of guidelines on the use of interpreters and translation services.	Translating and Interpreting Service (TIS) for non-English speakers is promoted clearly on transportnsw.info. Specific guidelines for Transport for NSW staff are being investigated. Roads and Maritime will work with Transport for NSW on specific guidelines for the use of interpreters and translation services.
Planned communication	Improve accessibility of culturally appropriate information to CALD communities about transport services, programs, rights and complaints mechanisms.	Review agency communications (including printed documentation, web-based and multimedia communications, site/venue signage) for CALD accessibility. Related to research and consultation aimed at identifying existing internal capabilities and information.	Roads and Maritime currently provides translated community consultation materials where appropriate. A review will be carried out and guidelines established to support future community consultation activities.

CRC assessment area	Strategies: ongoing	Actions	Current status (30 June 2014)
Building potential through partnerships	Develop and implement strategies to raise awareness of, and celebrate the contribution of people from CALD backgrounds.	Establish a multicultural calendar to identify significant multicultural events.	Roads and Maritime is currently reviewing its intranet content. Once the review is complete, content will include a link to Transport for NSW's diversity and inclusion pages. This includes links to the multicultural calendar, diversity resource centre, diversity data and equal employment opportunity requirements.
Building potential through partnerships	Partner with other government agencies and community groups to strengthen the settlement prospects of migrants and humanitarian entrants/refugees.	Work with Department of Immigration and Border Protection (DIBP), other government agencies and community groups to develop practical and culturally appropriate information to help newly arrived immigrants and refugees to become familiar with how to use NSW transport systems, their rights, and feedback and complaints mechanisms (e.g. how to buy a ticket, read a timetable, how to get a driver licence, use of interpreter services).	Roads and Maritime provided support to Transport for NSW in reviewing operational policy and meeting with the Department of Social Services to establish a relationship with this key service provider.

Roads and Maritime has prepared a Multicultural Policies and Services Plan (MPSP) for 2014–15. Actions include participation in the Transport for NSW cluster-wide steering committee, providing regular reporting against the cluster-wide priorities and its implementation plan, and annual reporting. Specific actions have been identified under the TfNSW MPSP and support the integration of multicultural principals within the organisation.

## Appendix 24: Disability Action Plan

In 2012 Transport for NSW developed a five year Disability Action Plan that detailed more than 150 actions to improve transport accessibility for people with disability. In 2013–14 Roads and Maritime continued to deliver against the Disability Action Plan.

In 2013–14 Roads and Maritime:

- Reviewed and improved pedestrian crossing timings around the health and disability service areas of Prince of Wales and Westmead hospitals.
- Delivered pedestrian infrastructure to support accessibility for people with a disability:
  - A total of 182 pedestrian program projects were delivered in 2013–14 at a total cost of \$13.4 million.



- Partnered with local councils to help them develop pedestrian network plans through Pedestrian Access and Mobility Plans and to help finance the construction of local road crossing facilities.
- Continued to help bring down certification costs for modified vehicles by increasing the number of licensed certifiers. The number of Vehicle Safety Compliance Certification Scheme certifiers has increased from 25 in 2011 to 80 in June 2014.
- Continued to promote improved and standardised road signage:
  - Signs installed by Roads and Maritime on State Roads conform to Australian Standard AS1742 Manual of Uniform Traffic Control Devices and AS1743 Road Sign – Specifications.
  - Roads and Maritime works with local councils to support them in meeting Australian Standards AS1742 and AS1743.
- Continued to ensure that all commuter wharf upgrades review disability access requirements and that the upgrades are disability compliant where feasible.

## Appendix 25: Waterways fund – financial overview 2013–14

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The Waterways Fund was established under section 42 of the *Ports and Maritime Administration Act 1995* and is administered by Roads and Maritime.

It accounts for all revenues and expenditures associated with the boating safety, property management and infrastructure functions delivered in accordance with NSW marine legislation. An independently chaired Waterways Fund Management Committee provides oversight of the integrity and transparency of the Waterways Fund and provides advice to the Chief Executive as part of the Roads and Maritime governance framework. The Director NSW Maritime and Director Corporate division are the Roads and Maritime executive members on the Committee.

The Waterways Fund supports delivery of the NSW Government's Maritime Policy Agenda, which sets out the 16 priority boating safety, waterway access and customer actions delivered by Roads and Maritime and Transport for NSW.

The Waterways Fund is subject to financial controls and monitoring to ensure the Fund receives all revenue payable to it and that expenses met by the Fund accord with the governing legislation.

The main sources of revenue are from maritime property, boat driver licensing, vessel registrations, mooring fees and commercial vessel fees.

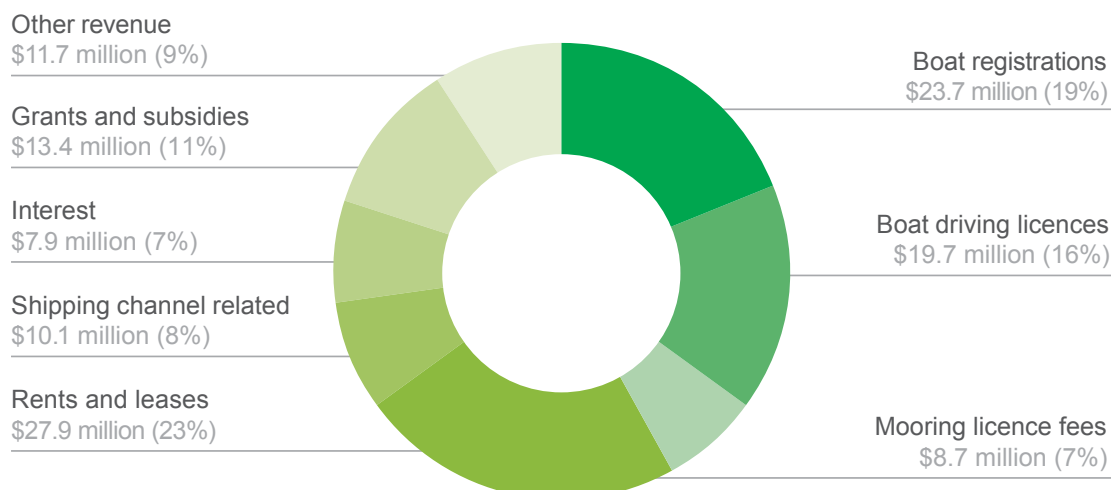
The operating and capital costs of the fund are incurred in delivering safety, education and compliance services to the boating public and improved maritime infrastructure.

During 2013–14 Transport for NSW (Maritime Management Centre) continued to set the maritime and boating strategic policy agenda.

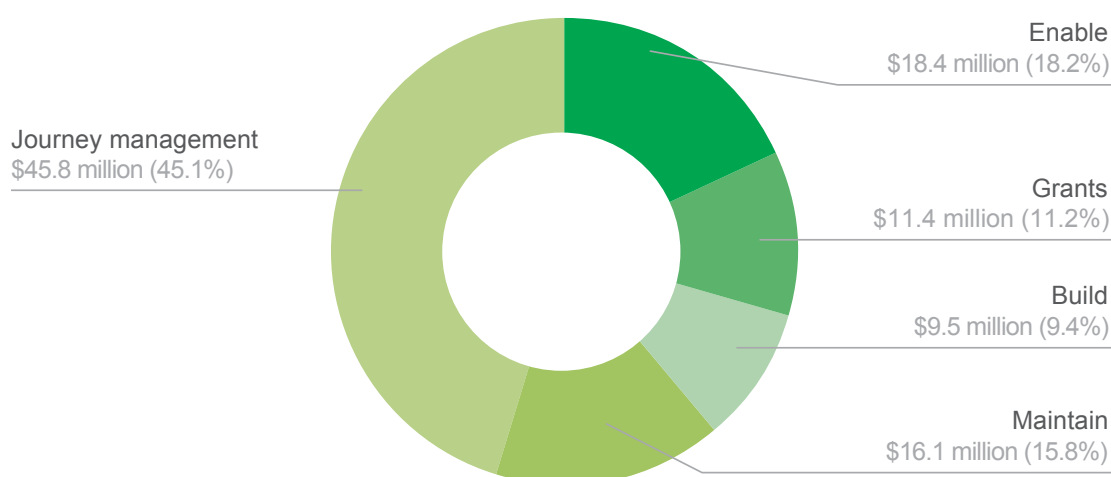
Roads and Maritime implemented its new operating model focused on the core functions of build, manage journeys, maintain and enable during 2013–14. As a result, maritime-related infrastructure programs, including the Commuter Wharf Upgrade Program, navigation aid, signage, wharf and related asset maintenance, maritime property and information management functions were consolidated within the Infrastructure, Asset Maintenance and Corporate divisions of Roads and Maritime.

Information relating to the Waterways Fund is aggregated within the broader Roads and Maritime Financial Statements contained within this Annual Report. The following is intended to provide maritime stakeholders with summary information on Waterways Fund revenue and expenditure during 2013–14 and reflects the new Roads and Maritime operating model, as further explained below.

**Figure 6. Waterways Fund revenue 2013–14 – \$122.8 million**



**Figure 7. Waterways Fund expenditure 2013–14 – \$101.4 million**



## Build

Roads and Maritime is supporting the building and development of the maritime transport system of the future. Major maritime capital work carried out during 2013–14 comprised:

- Transport Access Program Sydney Harbour Commuter Ferry Wharf upgrades (\$8.91 million) – with construction underway on the Drummoyne (Wolseley St) and Mosman Bay Wharf upgrade projects.

## Journey management

Journey management represents the largest portion of Waterways Fund expenditure. It includes the operations of the Maritime division, which is focused on core boating safety, education and compliance, mooring and aquatic event management, marine pollution preparedness and response, commercial vessel survey and certification functions, and broader Roads and Maritime customer service (\$39.2 million). It also includes functions delivered by Transport for NSW (Maritime Management Centre) (\$5.6 million) and the Freight and Regional Development division (\$0.9 million), which delivers marine pollution preparedness and response functions under delegation from Roads and Maritime.

During 2013–14 Transport for NSW and Roads and Maritime started delivery of new boating safety, access and infrastructure initiatives aligned to the Maritime Policy Agenda. These included:

- A \$1.5m lifejacket awareness campaign.
- A new Boating Education Officer Program that includes 18 officer positions dedicated to raising awareness and contributing to a safe boating culture.
- Roll out of new boating safety signage at 40 key boat ramps across NSW.
- Implementation of the Sydney Harbour Boating Destination Plan to enhance public access to marina services and amenities, including water, fuel, cafes and toilets, by providing commercial concessions to marina operators.

## Maintain

Roads and Maritime maintains maritime assets including property, wharves and aids to navigation to benefit our customers and the users of the ferry network. Maintenance initiatives progressed in 2013–14 comprised:

- Routine maintenance at Sydney Harbour commuter ferry wharves, navigation aids, signage, courtesy and emergency vessel moorings, and the patrol vessel fleet (\$8 million).
- Completing utility and enabling work at Rozelle Maritime Precinct (\$3.34 million).
- Starting a major refresh of the Circular Quay ferry wharves to improve customer experience (\$3 million).

## Enable

Enabling functions support every part of the agency, including those connected to the property portfolio and information management and technology. In 2013–14 direct expenditure comprised:

- \$15 million on administration and management of the maritime property portfolio, which is valued at more than \$1 billion and includes the beds of Sydney Harbour, Port Botany, Port Kembla and Port of Newcastle, and some adjoining lands. This included contract (\$5.5 million), legal (\$2.5 million) and remediation costs (\$1.1 million).
- \$3 million to support delivery of boat driver, aquatic and mooring licences and vessel registrations via the Government Licensing Service.

Other enable related expenditures are embedded within build, journey management and maintain programs, and are funded by corporate charging.

## Grants

Roads and Maritime provides grants to support recreational boating infrastructure, safe navigation and volunteer marine rescue services. Grants paid in 2013–14 totalled \$11.44 million and included:

- \$5.44 million for the Better Boating Program to support local councils deliver boat ramps and other boating infrastructure.
- \$3.50 million to NSW Trade and Investment to support priority regional navigation channel dredging.
- \$1.56 million to Marine Rescue NSW to support its operations.
- \$0.94 million to the Australian Maritime Safety Authority.

Roads and Maritime also collected a contribution on behalf of Marine Rescue NSW as part of boat licence and vessel registration fees. These monies (\$6.3 million) were forwarded to the Ministry of Police and Emergency Services for the funding of Marine Rescue NSW.

## Planned 2014–15 initiatives

The Waterways Fund will support delivery of the following key initiatives during 2014–15:

- Implementation of actions arising from 11 Regional Boating Plans currently under development. The final plans, due in late 2014, will identify priority safety, access and infrastructure actions to be implemented over the next five years.
- Roll out of NSW Boating Now, a new Boating Infrastructure Program providing \$70m over the next five years to support new and improved boat ramp, jetties, pontoons, parking and related facilities identified through Regional Boating Plans.
- Continuation of the Sydney Harbour Commuter Ferry Wharf upgrade program, with construction completing at Drummoyne (Wolseley Street) and Mosman Bay, and planning or construction starting for Balmain East, Sydney Olympic Park, Cremorne Point, Pyrmont Bay and McMahons Point wharves.
- Allocation of “special grants” to support major upgrades of Coffs Harbour boat ramp (\$1 million) and Palm Beach ferry wharf (\$1.5 million) for construction in 2014–15.

## Appendix 26: Land disposal

Roads and Maritime owns property for administrative purposes and acquires property for the construction of road and maritime construction. Properties that are surplus to requirements are disposed of in accordance with NSW Government policy. Proceeds from property sales are used to support road safety initiatives and support and improve the State’s road and maritime infrastructure.

In 2013–14 contracts were brought to account for the sale of 85 properties for a total value of \$45.577 million. Of these, 26 properties were valued at more than \$500,000 each, to a total value of \$34.351 million.

**Table A26.1 Major sales in 2013–14**

Property	Total (\$0'm)
Flinders St, Surry Hills	6.620*
Pringle Ave, Belrose	3.840
Fern Pl, Bondi Junction	1.900
Bonville Station Rd, Bonville	1.585
Church Ln, Prospect	1.507
Central Coast Hwy, West Gosford	1.485
Bottlebrush Rd, Prestons	1.350
Jedda Rd, Prestons	1.350
Park Ave, Ashfield	1.181
Hume Hwy, Woomargama	1.180
Hoxton Park Rd, Liverpool	1.121
Loch Maree Pl, Vaucluse	1.100
Factory St, North Parramatta	.974
Belfast Rd, Glendenning	.950
Taylors Rd, Greendale	.877
Princes Hwy, FigTree	.815
Park Ave, Ashfield	.781
Hume Hwy, Woomargama	.760

Property	Total (\$0'm)
Farrell Rd, Bulli	.745
Camden Valley Way, Narellan	.705
Park Ave, Ashfield	.680
Princes Hwy, Figtree	.675
Great Western Hwy, Wentworth Falls	.563
East Bonville Rd, Bonville	.560
Old Canterbury Rd, Lewisham	.536
Longworth Ave, Wallsend	.510

\*The sale of this property was through a publicly advertised expression of interest, followed by a formal tender process.  
No properties were sold to people with a family or business connection to the person responsible for approving the disposal.  
All documents relating to the disposal of properties are available under the *Government Information (Public Access) Act 2009*.

## Appendix 27: Payments to consultants

Details of the amounts paid to consultants in 2013–14 are provided in tables A27.1 and A27.2.

The Department of the Premier and Cabinet's "Guidelines for the Engagement and Use of Consultants" issued in July 2004, defines consultant as "a person or organisation engaged under contract on a temporary basis to provide recommendations or high level specialist or professional advice to assist decision-making by management". Roads and Maritime has adopted this definition in this Annual Report.

**Table A27.1 Consultants paid more than \$50,000**

Project description	Consultant	Total expenditure 1 July 2013 – 30 June 2014
Carry out a review of Roads and Maritime technical capability within the context of the new Roads and Maritime operating model	GHD Pty Ltd	\$369,372
<b>Total</b>		<b>\$369,372</b>

**Table A27.2 Consultants paid less than \$50,000**

Total cost of engagements	\$ 0
Total number of engagements	1
Total cost of payments to consultants	\$ 369,372

## Appendix 28: Accounts payment performance 2014

In 2013–14 Roads and Maritime settled 91 per cent of invoices issued to it within the due date. The main factor affecting timely payment of accounts is the tendency for most vendors to send their invoices to business units rather than Roads and Maritime's shared services provider. This causes a delay in processing invoices and is the cause of late payments incurring an interest penalty to small business suppliers. Roads and Maritime instructed vendors to send invoices directly to the shared services provider. The shared services provider has introduced an automated invoice scanning and management process, which provides the visibility needed to manage and pay invoices within 30 days of receipt of a correctly rendered invoice.

### Payment of accounts for goods and services

**Table A28.1 Aged analysis at the end of each quarter**

Quarter	Current (i.e. with due date) \$'000	Less than 30 days overdue \$'000	Between 30 and 60 days overdue \$'000	Between 61 and 90 days overdue \$'000	More than 90 days overdue \$'000
<b>All suppliers</b>					
September	\$234,642	\$39,064	\$10,810	\$3117	\$2175
December	\$195,439	\$41,487	\$9308	\$2467	\$2814
March	\$163,722	\$55,963	\$11,236	\$3740	\$3629
June	\$216,666	\$43,514	\$12,007	\$3416	\$2656
<b>Small business suppliers</b>					
September	\$3128	\$229	\$0	\$0	\$0
December	\$2435	\$85	\$0	\$0	\$0
March	\$2555	\$18	\$0	\$0	\$0
June	\$7426	\$0	\$0	\$0	\$0

**Table A28.2 Accounts due or paid within each quarter**

Measure	September \$'000	December \$'000	March \$'000	June \$'000
<b>All suppliers</b>				
Number of accounts due for payment	30,397	29,824	28,215	26,745
Number of accounts paid on time	28,457	27,371	24,950	24,186
Actual percentage of accounts paid on time (based on number of accounts)	94%	92%	88%	90%
Dollar amount of accounts due for payment	\$289,808	\$251,515	\$238,291	\$278,259
Dollar amount of accounts paid on time (based on \$)	\$234,642	\$195,439	\$163,722	\$216,666
Actual percentage of accounts paid on time (based on \$)	81%	78%	69%	78%
Number of payments for interest on overdue accounts	-	-	-	-
Interest paid on overdue accounts	-	-	-	-

Measure	September \$'000	December \$'000	March \$'000	June \$'000
<b>Small business suppliers</b>				
Number of accounts due for payment to small businesses	1202	1104	972	1043
Number of accounts due to small businesses paid on time	1137	1082	961	1043
Actual percentage of small business accounts paid on time (based on number of accounts)	95%	98%	99%	100%
Dollar amount of accounts due for payment to small businesses	\$3357	\$2520	\$2573	\$7426
Dollar amount of accounts due to small businesses paid on time	\$3128	\$2435	\$2555	\$7426
Actual percentage of small business accounts paid on time (based on \$)	93%	97%	99%	100%
Number of payments to small businesses for interest on overdue accounts	10	-	-	-
Interest paid to small businesses on overdue accounts	\$1	\$0	\$0	\$0

## Appendix 29: Digital information security policy attestation



Transport  
Roads & Maritime  
Services

I, Peter Duncan, am of the opinion that the Roads and Maritime Services agency had an Information Security Management System in place during the financial year being reported on materially consistent with the Core Requirements set out in the Digital Information Security Policy for the NSW Public Sector.

I, Peter Duncan, am of the opinion that the security controls in place to mitigate identified risks to the digital information and digital information systems of Roads and Maritime Services are adequate for the foreseeable future.

I, Peter Duncan, am of the opinion that all public sector agencies, or part thereof, under the control of Roads and Maritime Services with a risk profile sufficient to warrant an independent Information Security Management System have developed an Information Security Management System in accordance with the Core Requirements of the Digital Information Security Policy for the NSW Public Sector.

I, Peter Duncan, am of the opinion that, where necessary in accordance with the Digital Information Security Policy for the NSW Public Sector, certified compliance with AS/NZS ISO/IEC 27001 Information technology – Security techniques – Information security management systems Requirements had been maintained by all or part of Roads and Maritime Services and all or part of any public sector agencies under its control.

The Agency continues to provide innovative services while focusing on the protection and privacy of customers' information.

In the upcoming reporting year particular attention will be given to further development of capabilities, including the classification and labelling of information to ensure efficient and effective management of sensitive information.

Further, opportunities will be taken to enhance the awareness of information security requirements and responsibilities for personnel across the Agency and its service partners.

A handwritten signature in black ink, appearing to read 'P. Duncan'.

13 August 2014

Peter Duncan AM  
Chief Executive  
Roads and Maritime Services

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### Roads and Maritime Services

101 Miller Street North Sydney NSW 2060 | Locked Bag 928 North Sydney NSW 2059 DX10516 | [www.rms.nsw.gov.au](http://www.rms.nsw.gov.au) | 131 782



# Appendix 30: Sydney motorways project office/WestConnex Delivery Authority

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## Overview

WestConnex is Australia's largest urban road infrastructure project. It will provide a crucial missing link in Sydney's motorway network, connecting Sydney's west and south west to the city, airport and port. The 33 kilometre motorway includes about 14 kilometres of surface roads and up to 19 kilometres of tunnels.

WestConnex motorway was a key recommendation of the NSW Long Term Transport Master Plan that was developed as a result of detailed technical analysis, research and extensive consultation with the people of NSW, key stakeholders, experts and customers. WestConnex will be delivered in three stages across 10 years:

- Stage 1: M4 Widening (Church Street to Homebush Bay Drive) and the M4 East (Homebush Bay Drive to Haberfield).
- Stage 2: M5 Airport Link (Beverly Hills to St Peters).
- Stage 3: M4 South (Haberfield to St Peters).

## Sydney Motorways Project Office formation

Sydney Motorways Project Office (SMPO) was established as a project office located in Roads and Maritime, and operated from 3 October 2012 to 31 October 2013. The Office was charged with preparing a WestConnex Business Case for government consideration and preparatory work for delivery of the project.

SMPO included representatives of Transport for NSW, Infrastructure NSW, Roads and Maritime, UrbanGrowth NSW and private sector experts.

Leading Australian and international construction experts were engaged in four industry partner groups to develop feasible WestConnex design and construction options for SMPO. Economic modelling and scoping of financing options were also carried out by specialist advisers to SMPO.

The Business Case was submitted to the NSW Government and endorsed by the NSW Government.

In 2013 WestConnex received a funding commitment of \$1.8 billion from the NSW Government and \$1.5 billion from the Federal Government. In May 2014 the Federal Government also provided a \$2 billion concessional loan to enable construction of WestConnex M5 to be fast tracked.

Key activities performed by the SMPO during 2013–14 included:

- Preparation of the Business Case.
- Engagement with the community, local councils, industry, government and stakeholders.
- Establishing a dedicated project email address, phone line and website for community consultation.

## WestConnex Delivery Authority formation

During 2013–14 the functions of SMPO were transferred to the WestConnex Delivery Authority.

The NSW Government established WDA on 1 November 2013 to manage the delivery of the WestConnex motorway. WDA was established as a public subsidiary corporation of Roads and Maritime by regulation under the *Transport Administration Act 1988* (the regulation commenced on 1 November 2013).

The work of WDA is overseen by a Board, reporting to the NSW Minister for Roads and Freight.

The role and functions of WDA and the Board are set out in the Transport Administration (General) Amendment (WestConnex Delivery Authority) Regulation 2013. However, its core responsibilities include:

- Procuring and managing contracts relating to the development, construction, funding, operation and maintenance of WestConnex.
- Developing and making recommendations on scope, staging and any other matter in connection to the WestConnex scope of work.
- Seeking planning approval, management of environmental assessments and related community consultation for each stage.
- Administering agreements relating to the development, construction, funding, operation and maintenance of WestConnex.

## Governance

### The WDA Board

The WDA Board offers market-leading construction, finance and engineering capabilities that reflect the innovative way the motorway is being built and financed.

The WDA Board was established to provide the following functions:

- Provide an assurance role to government through project oversight and advice.
- Review and endorse all critical recommendations relating to the delivery of WestConnex.
- Develop and make recommendations regarding the future financing of WestConnex and work collaboratively with NSW Treasury (the Treasurer remains responsible for financing decisions and structures).
- Provide advice to the Chief Executive and, where appropriate, function as a Peer Review Panel and delegation for Gateway requirements.

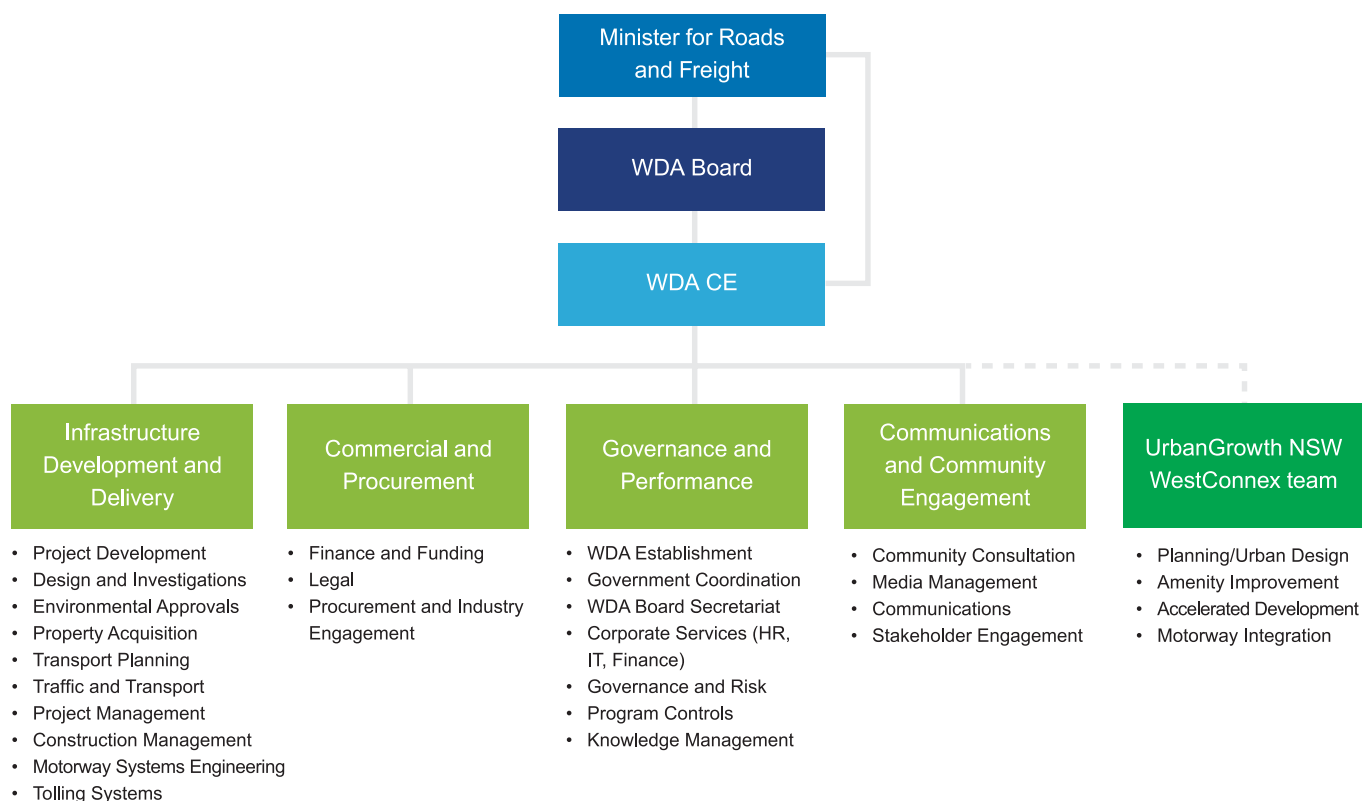
### WDA Board members:

- Tony Shepherd AO (Chair).
- Peter Brecht.
- Rod Pearse OAM.
- Robert Hamilton.
- David Stewart.
- Peter Duncan AM.
- Peter Regan.\*

\* Peter Regan resigned as a WDA Board member and Executive Director, NSW Treasury when he was appointed Chief Financial Officer, WDA in April 2014.

An interim structure for WDA was in place following the transition from SMPO and the appointment of an acting Chief Executive of WDA. The following figure demonstrates the WDA interim divisions and their responsibilities during this period.

**Figure 8. SMPO/WDA transitional structure**



## Community engagement activities

In 2013–14 SMPO/WDA carried out a range of community events to support our commitment to stakeholder engagement. SMPO/WDA:

- Held more than 160 meetings or briefings with industry groups, councils, chambers of commerce, clubs and organisations.
- Held or maintained around 23 staffed or static displays.
- Carried out publication and unaddressed distribution of around:
  - 95,000 WestConnex overview community updates in September 2013.
  - 75,000 M4 widening concept design community updates in October 2013.
  - 105,000 M4 East concept design community updates in December 2013.
- Advertised to inform the community of concept displays and invite feedback.
- Issued email updates to subscribers.
- Attended public meetings and project briefings.
- Doorknocked properties in the immediate vicinity of projects.

## Financial achievements in 2013–14

- WDA secured \$1.8 billion of Restart NSW funding for WestConnex.
- A Memorandum of Understanding was signed on 16 May 2013 between the NSW and the Federal Government to confirm \$1.5 billion in grant funding and a \$2 billion subordinated debt facility from the Commonwealth. This allows WDA to accelerate the delivery of WestConnex Stage 2 (M5) from completion in mid-2020 to 2019.
- WDA worked with NSW Treasury's Infrastructure Financing Unit to develop an innovative financing strategy for WestConnex that maximises value for money for the State.

Table A30.1 Creating WDA and other key achievements for 2013–14

	October–November 2012	September 2013	October–November 2013	December–January 2014	February–March 2014	April 2014	May–June 2014
<b>SMPO/WDA activities</b>	<ul style="list-style-type: none"> <li>Sydney Motorway Project Office (SMPO) established in Oct 2012 to develop and deliver the Business Case for WestConnex.</li> </ul>	<ul style="list-style-type: none"> <li>Business Case for WestConnex endorsed and NSW Government announced decision to proceed with project.</li> </ul>	<ul style="list-style-type: none"> <li>WDA established as a public subsidiary of Roads and Maritime and Board appointed.</li> <li>Industry engagement with Stage 1.</li> </ul>		<ul style="list-style-type: none"> <li>Robert Rust appointed as Chief Operating Officer and acting Chief Executive of WDA in February 2014.</li> </ul>	<ul style="list-style-type: none"> <li>Peter Regan appointed Chief Financial Officer in April 2014.</li> </ul>	
<b>M4 Widening</b>		<ul style="list-style-type: none"> <li>Planning application lodged in Sept 2013.</li> </ul>	<ul style="list-style-type: none"> <li>EOI for design and construct contract released Nov 2013.</li> <li>Preliminary concept design published for comment in Oct–Nov 2013.</li> </ul>	<ul style="list-style-type: none"> <li>Issues Report on community feedback published in Dec 2013.</li> </ul>		<ul style="list-style-type: none"> <li>Request for Tenders released in April 2014.</li> </ul>	
<b>M4 East</b>			<ul style="list-style-type: none"> <li>Planning application lodged in Nov 2013.</li> </ul>		<ul style="list-style-type: none"> <li>Preliminary concept design published for comment in Nov 2013 to Feb 2014.</li> </ul>	<ul style="list-style-type: none"> <li>Community Feedback Report published in April 2014.</li> </ul>	<ul style="list-style-type: none"> <li>Expressions of Interest for design and construct contract released in May 2014.</li> </ul>
<b>M5 Airport Link</b>							<ul style="list-style-type: none"> <li>King Georges Road Interchange Upgrade planning application lodged in May 2014.</li> </ul>

Section 13

# Compliance Index

# Compliance Index

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This index lists the legislative requirements set out in the NSW Treasury checklist for public sector annual reporting and the pages on which the relevant information can be found. The checklist, including a detailed description of each requirement, is available at [www.treasury.nsw.gov.au](http://www.treasury.nsw.gov.au).

## A – C

### Access

- Accessibility to networks, 43
- Access to people from CALD backgrounds, 205–212

Agreements with the Community Relations Commission, 205–206

Aims and objectives, 14, 18, 34, 43

Annual reports size – presentation to Parliament, 2, 228

Budgets, 46,81

Charter and Executive Charter, 18, 30

Consultants, 89, 217

Customer feedback, 148–149

## D – F

Digital information security policy attestation, 220

Disability Plans, 212–213

Disclosure of Controlled Entities, 32, 221

Disclosure of Subsidiaries, 32

Economic or other factors, 36, 37, 109, 134, 207, 221

Environmental Planning, 163

Exemptions, 162, 193

Financial Statements, 30, 31, 46–145, 213

Funds granted to non-government community organisations, 168

## G – I

Government Information (Public Access) Act 2009, 19, 168, 199

Human resources, 15, 22, 202–13

Identification and inclusion of audited financial statements, 46–145

Internal audit and risk management policy attestation, 32

Investment performance, 10–11, 47, 80

## J – L

Land Disposal, 216

Legal Change, 184

Letter of Submission, 2

## M – O

Management structure and activities, 13–22

Multicultural Policies and Services Program, 22, 205–212

## P – R

Payment of Accounts, 218

Performance and numbers of senior executives, 171

Presentation of annual report to Parliament, 2

Printing and distribution requirements, 228

Public availability of annual reports, 228

Public Interest Disclosures, 200–201

Research and development, 156–157

Risk management and insurance activities, 30–32, 121,176

## S – V

Summary review of operations, 5-8

Time for Payment of Accounts, 218

## W – Z

Waste, 28, 45, 160–162, 200

Work Health and Safety, 15, 23-25, 173, 177

Workforce Diversity, 203–204

# Contact details

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## General inquiries

13 22 13  
(8.30am–5pm Monday to Friday,  
8.30am–noon Saturday)

## Traffic inquiries

132 701 (24 hours)

## To report traffic conditions, incidents and signal faults

131 700 (24 hours)

## Maritime Contact Centre

13 12 56

## Roads and Maritime Sydney and Regional Offices

131 782  
International callers (outside Australia)  
+61 2 4920 5500  
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Saturday AEST)

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