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Annual Report 2003



NATIONAL ROAD TRANSPORT COMMISSION
Incorporating functions of the National Transport Commission

29 September 2003

The Hon. John Anderson, MP
The Hon. Peter Batchelor, MP
The Hon. Steve Bredhauer, MLA
The Hon. Paul Swain, MP
The Hon. Michael Wright, MP
The Hon. Alannah MacTiernan, MLA
The Hon. Michelle Roberts, MLA
Mr Bill Wood, MLA
The Hon. Kon Vatskalis, MLA
The Hon. Craig Knowles, MP
The Hon. Michael Costa, MLC
The Hon. Carl Scully, MLA
The Hon. Jim Cox, MHA

Dear Ministers,

In accordance with the *National Road Transport Commission Act 1991*, I am pleased to submit the Annual Report for the National Road Transport Commission (NRTC) for the year ended 30 June 2003.

This is the final Annual Report for the NRTC. Thank you for your contribution to national road transport reform over the past year. I look forward to another productive year ahead as we move towards becoming the National Transport Commission.

Yours sincerely,



Stuart Hicks

Chairman

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Chairman's Report



Exciting times

We live in an exciting period of Australian transport regulatory reform.

This sentence effectively summarises where the National Road Transport Commission finds itself at the end of another business year. I would have liked these words to have been my own but the sentiment was first expressed in a letter to me from Minister John Anderson, Chairman of the Australian Transport Council (ATC).

In that letter earlier this year Minister Anderson advised that Heads of Government had endorsed an ATC decision to establish the National Transport Commission (NTC). The new body was to be created to address road, rail and intermodal regulatory and operational issues.

While the context of the Minister's words related specifically to the establishment of the NTC, there were other significant events that were equally exciting for us over the past year. They include putting the finishing touches to landmark reforms such as the draft Compliance and Enforcement Bill and the Heavy Vehicle Driver Fatigue Review. We've also seen the development of a Heavy Vehicle Safety Strategy and co-hosted an international conference to showcase our work on Performance-Based Standards to the world.

A significant part of the past year was spent preparing ourselves for the task of becoming the NTC as rail and intermodal capacity was required to be operative within the Commission by 1 July 2003.

The review

The NTC decision taken by Ministers and Heads of Government was based on an independent review of the performance of the NRTC over the past six years. The review was directed by a steering committee of seven senior people representing governments and the transport industry.

They estimated that the total net benefits from road transport reform up to the end of this year will be in the order of \$400 million.

These benefits were achieved predominantly within the heavy vehicle sector, where the bulk of the programme has been focussed since 1991. However, the figure does not include the broader community benefits and outcomes.

In real terms, it has never been cheaper to move freight around Australia. These efficiencies in heavy vehicle operations have made a significant contribution to the high standard of living that we all enjoy as Australians.

The review committee also noted there is strong support from all stakeholders for continued road transport reform focussing on safety, environment, compliance and enforcement.

They believe benefits from road transport reform have been enhanced by the NRTC's "strong sense of direction" and by "strong mechanisms for consultation, which have given stakeholders ownership of the road transport reform agenda".

I confess I read that report with a degree of pride, and would suggest that for a small organisation, we've had as much impact on an industry as any since federation.

We live in an exciting period of Australian transport regulatory reform.



A solid foundation

Over the past 12 years, the NRTC has developed effective mechanisms and skills to achieve its objectives, establishing the processes and consultative networks necessary to work co-operatively within a federal system.

Early on, the reforms developed by the NRTC were identified specifically in the Heavy Vehicles Agreement and Light Vehicles Agreement that established the Commission in conjunction with the NRTC Act.

More recently, the NRTC developed strategic planning processes to identify more reforms that will continue to deliver desired outcomes for the road transport sector.

In the transition to the National Transport Commission, regulatory reform issues for rail and inter-modal transport are being identified and prioritised with a new range of stakeholders.

Experience has taught us that our work programmes must be focussed and realistic. We must balance the expectations of a broad set of stakeholders with our ability to deliver reforms within the national framework. The NTC will continue to improve the prioritisation of reform issues and where possible, deliver projects in manageable pieces.

The growing number and diversity of stakeholders could cause the expectations of what should be achieved through regulatory reform to shift and lose clarity. We will address this risk by working with proponents of particular reforms to more clearly scope projects and improve understanding of what they are expected to achieve.

Industry and government agencies will also need time to develop mechanisms to be able to respond to NTC processes, including participation in working groups developing proposals, and consultation. The road transport reform process has made significant demands on agency resources. I sincerely appreciate the level of co-operation we have received from people at every level in road authorities around Australia.

The NTC will not be a solution for all of Australia's transport problems. We have a tightly defined role in an important area, and we will work hard, with all our partners, to achieve the outcomes that are expected of us.

I thank Transport Ministers for their faith in the Commission to continue and broaden the reform process. I also thank industry associations, including the Australian Trucking Association and the Bus Industry Confederation, for supporting the Commission's work over the past year.

Finally, as always, I acknowledge the major contributions made by my fellow Commissioners and the staff of the NRTC.

Stuart Hicks
Chairman

Australian Transport Council

Membership as at 30 June 2003



The Hon. John Anderson, MP
Deputy Prime Minister and Minister for
Transport and Regional Services
Commonwealth

The Hon. Peter Batchelor, MP
Minister for Transport
Victoria

The Hon. Steve Bredhauer, MLA
Minister for Transport, and
Minister for Main Roads
Queensland

The Hon. Alannah MacTiernan, MLA
Minister for Planning and Infrastructure
Western Australia

The Hon. Michelle Roberts, MLA
Minister for Police and Emergency Services
Western Australia

The Hon. Kon Vatskalis, MLA
Minister for Transport and Infrastructure
Northern Territory

The Hon. Craig Knowles, MP
Minister for Infrastructure and Planning
New South Wales

The Hon. Michael Costa, MLC
Minister for Transport Services
New South Wales

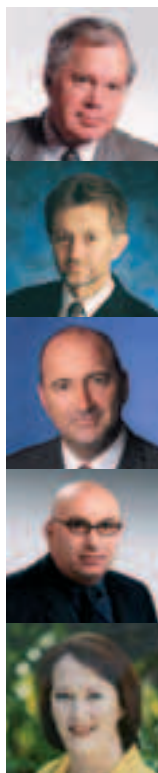
The Hon. Carl Scully, MLA
Minister for Roads
New South Wales

The Hon. Michael Wright, MP
Minister for Transport
South Australia

The Hon. Jim Cox, MHA
Minister for Infrastructure
Tasmania

Mr Bill Wood, MLA
Minister for Urban Services
Australian Capital Territory

The Hon. Paul Swain, MP
Minister of Transport
New Zealand



Main picture:

Back row (L to R)

The Hon. Jim Cox MHA (Tas)
The Hon. Steve Bredhauer MLA (Qld)
The Hon. Paul Swain MP (NZ)
Cr Mike Montgomery (ATC observer)

Front row (L to R)

The Hon. Kon Vatskalis MLA (NT)
The Hon. Alannah MacTiernan MLA (WA)
The Hon. John Anderson MP (Commonwealth)
The Hon. Carl Scully MLA (NSW)
The Hon. Michael Wright MP (SA)

Missing from main picture:

(from top) Mr Bill Wood MLA (ACT)
The Hon. Peter Batchelor MP (VIC)
The Hon. Craig Knowles MP (NSW)
The Hon. Michael Costa MLC (NSW)
The Hon. Michelle Roberts MLA (WA)

The National Road Transport Commission

Our mission is to contribute to Australia's economic, social and environmental future by playing the lead role in developing and co-ordinating road transport reform in Australia.

The National Road Transport Commission (NRTC) is an independent body established by two inter-governmental agreements. Our mission is to contribute to Australia's economic, social and environmental future by playing the lead role in developing and co-ordinating transport reform in Australia.

The NRTC has worked in close partnership with the road freight and passenger transport industries, Federal, State and Territory governments and their agencies, the police, community interest groups, safety and other organisations to develop and implement policies, practices and laws which:

- make road transport and road use safer, more innovative and efficient;
- introduce greater national transport uniformity and consistency;
- reduce the environmental impact of road transport; and
- reduce the costs of administration of road transport.

Recommendations on policy and legislation are made to the Australian Transport Council, which comprises Federal, State and Territory Transport Ministers. If approved by Ministers, all governments implement reforms, with NRTC playing a co-ordinating and monitoring role.

Transition to the National Transport Commission

Australian Transport Ministers have recently announced that the NRTC is to formally become the National Transport Commission (NTC) in January 2004. The Commission has already taken on the functions of the NTC, which involves additional regulatory reform responsibilities in the rail and inter-modal areas. The commission commenced work with the rail industry in January 2003.



Stuart Hicks
(Chairman)



Erik Finger
(Deputy Chairman)



John Wearne



Alex Gallacher



Tony Wilson
(CEO)



Virginia Hickey

Chief Executive's Report



Change the only constant

While change is at the heart of what we do as a Commission – leading transport regulatory reform nationally – working through significant change in my own organisation has given me further appreciation of the challenges it brings.

It's been a huge year for the Commission and its partners. Road transport reform has moved forward with complex but integrating reforms now taking profound shape. These include the Performance-Based Standards project, the draft Compliance and Enforcement Bill and the Austroads Intelligent Access Project. The world-leading thinking they represent has application across modes and portfolios.

We have also made progress in the safety and environment areas, including the development of a Heavy Vehicle Safety Strategy, as well as work in noise and emissions and the Heavy Vehicle Driver Fatigue Review.

Much of our work over the past year provides a significant challenge for industry to take advantage of the increased flexibility, options to be innovative and opportunities to benefit from demonstrated compliance with operating conditions developed to suit particular operations.

Not only have we made significant progress with our work programme, but we've also done some major restructuring. In January the Australian Transport Council (ATC) instructed us to establish rail and intermodal 'capacity' by 1 July 2003. It was a precursor to our formally becoming the National Transport Commission from January 2004. The expanded role demanded high levels of preparations. This included:

- meetings and workshops with new stakeholders, including the Australasian Railway Association, Code Management Committee, SCOT Rail Group, senior rail policy staff of transport agencies, unions, major rail track managers, rail operators, and rail safety regulators;
- commencing staffing for the new work, including the appointment of a Director, Rail Reform and a new rail team; and
- arranging an unprecedented joint meeting with the Australian Trucking Association and the Australasian Railway Association to help consider transport reform directions and principles from an integrated transport perspective.

If there is one word which describes the past year, it would be 'change'.



The work programme was approved by ATC in May 2003. It recognises the tension between the strong desire and support for early progress on rail and inter-modal reforms and the danger of encouraging unrealistic expectations on the speed of delivery. We are careful to avoid making unrealistic commitments about what we can deliver in twelve months.

As the Chairman has indicated, the progress we have made could not have been possible without a diverse group of people, including Transport and Environment Ministers, their respective agencies and the road and rail transport industries.

I would also like to note my personal appreciation to Transport Agency Chief Executives, members of the Motor Vehicle Environment Committee, the Industry Advisory Group, the Bus Industry Advisory Group, the various project advisory committees and all others who have contributed to the work of the Commission.

I am particularly grateful for the vision and guidance provided by my fellow Commissioners and the hard work and commitment of the NRTC staff.

Tony Wilson

Chief Executive

Overview of national road transport reform

The Commission's original work was packaged into six major reform modules. Combined with the 1994 and 1997 Heavy Vehicle Reform Packages, they comprise a total of 31 reform initiatives.

Progress on these reforms is reported to each meeting of the Australian Transport Council. Of the 31 national reforms implemented (and ignoring overlap with several reforms):

- 19 are nationally completed reforms;
- 9 are still being implemented by at least one jurisdiction;
- 3 are still under development by the NRTC; and
- 5 of the 9 reforms still being implemented are completed in all but one jurisdiction.

The number of reforms now implemented by jurisdictions is as follows:

- NSW 28, VIC 28, SA 28, QLD 27, TAS 27, NT 22, ACT 22, WA 20 and the Commonwealth 9, noting that:
 - > WA and NT have Ministerial exemption from Driving Hours regulations (which occur under several reforms) and they will not be implemented in the ACT; and
 - > Not all reforms are applicable to the Commonwealth.

If applicable targets are met, all reforms currently available for implementation could be in place nationally by December 2003, except:

- Mass Limits, which ACT is dependent on the availability of NSW connections; and
- Management of Speeding Heavy Vehicles ('Three Strikes'). A review of the regulatory approach to heavy vehicle speed compliance has been initiated.

Commonwealth, State and Territory reform highlights

Over the past year a number of reforms were delivered or progressed and the overall reform process was assisted by the Commonwealth, State and Territory governments. All agencies have contributed to establishing reforms, the policy development and implementation process by responding to draft papers, committees, attending workshops and other policy related activities. The following have been nominated by jurisdictions for inclusion in this report:

COMMONWEALTH

- The Commonwealth chaired the review of the *National Road Transport Commission Act 1991*, which resulted in the Australian Transport Council and all Heads of Government agreeing to the establishment of the National Transport Commission. The Commonwealth also led work with the States and Territories to develop a Bill to establish the NTC from 15 January 2004, as well as an associated Inter-Governmental Agreement.
- The Commonwealth also ensured that the automatic annual adjustment formula for heavy vehicle registration charges was in place for federally registered vehicles from 1 July 2003.
- It continued to contribute to the development of reforms by participating in working groups and other committees, with a particular focus placed on Compliance and Enforcement, driver health and fatigue, and Performance-Based Standards.



AUSTRALIAN CAPITAL TERRITORY

- Implementation of 50 km/h Default Urban Speed Limit across the ACT.
- ACT motor vehicle registration and driver licensing system (Registration Act) connection to NEVDIS.
- Implementation of the Written Off Vehicle Register (WOVR) in line with the nationally agreed best practice principles.

NEW SOUTH WALES

- Introduction of regulations to allow for implementation of the annual adjustment of heavy vehicle registration charges.
- Progression of National Heavy Vehicle Safety Strategy and Action Plan.
- Progression of the lead agency role in the implementation of the diesel NEPM. This included a voluntary diesel vehicle emission-testing program and the development of guidelines for audited maintenance programs.
- Progression of the maintenance arrangements for the Australian Road Rules and the extension of maintenance arrangements to the rest of the modules of national road transport law.
- Progression of the lead agency role in the development of the Compliance and Enforcement Guidelines and legislative drafting.
- Progression of the lead agency role for the development of the 2nd Edition of the Load Restraint Guide and training package.
- Progression of feasibility study on implementation of national Intelligent Access Program (IAP).

NORTHERN TERRITORY

- The annual adjustment of Heavy Vehicle Charges was implemented on 16 September 2002.
- The implementation of the Australian Vehicle Standards Rules was completed.

QUEENSLAND

- Substantial involvement in the Legislative Advisory Panel (LAP) and the Transport Agencies Compliance Committee (TACC) in the progress of the National Compliance and Enforcement Bill.
- Progression of an integrated strategic and tactical approach to deliver Chain of Responsibility initiatives ranging from planned education programs to targeted enforcement interventions.
- Continues to have substantial input into Performance-Based Standards (PBS) for heavy vehicles, including work in Specialist Advisory Group and Expert Working Group on Safety Performance Standards.
- Trial of a framework to allow for the limited further extension to the Higher Mass Limits routes, subject to agreement by local government and other road asset owners.
- Completed the lead agency role for Pilot and Escort Operations in August 2002, with the preparation of the Draft Administrative Guidelines.
- Progress the lead agency role on the Multi-Use Prime Movers project.
- The joint lead agency role on the project for Guidelines for Training of Enforcement Officers continues to progress, with the development of units for national competencies for Transport Inspectors.
- Specific input into the preliminary findings of a study into Single Steer Axle Mass Limit.
- Influential in the completion of the Intelligent Access Project (IAP) feasibility project in early 2003.
- Substantial involvement with the NRTC in progressing national heavy vehicle fatigue reform.
- Substantial involvement in the NRTC review including membership on the review steering committee NTC and NTAC implementation working groups.

SOUTH AUSTRALIA

- As lead agency, progressing the development of a national communications strategy for the Compliance and Enforcement project.
- Progression of the lead agency role for the Driver Specific Monitoring Devices project, which is investigating the recording and use of in-vehicle data.
- Progression of the national review of Lighting and Braking Standards for special purpose vehicles.
- SA and WA are joint lead agencies for the development of route classification guidelines for Performance-Based Standards.

TASMANIA

- The Speeding Heavy Vehicle policy will be implemented when the NRTC completes legislation and resolves outstanding policy issues.
- Tasmania continues to work with the NRTC and other jurisdictions in the development of national reforms, including Compliance and Enforcement, Driver Health and Fatigue Management and Performance-Based Standards.

VICTORIA

- The enforcement provisions (inspection and search powers to support the enforcement of the 'chain of responsibility'), which are contained in the draft Road Transport Reform (Compliance and Enforcement) Bill were passed as the *Road Safety (Heavy Vehicle Safety) Act 2003* in Victoria.
- A Performance-Based Standards Case Study trial of a self steering tri-axle trailer.
- A trial of the Guidelines for Assessing the Suitability of Heavy Vehicles for Local Roads.
- In conjunction with the NRTC, a pilot program of roadside diesel emission testing of commercial vehicles was initiated. The programme is designed to educate the industry regarding the new diesel emission standards and improved vehicle maintenance.
- Launch of the Eco-Maintenance pilot project in partnership with EPA Victoria and the Victorian Automotive Chamber of Commerce.

WESTERN AUSTRALIA

- During the year WA passed regulations to implement the nationally agreed reforms for Heavy Vehicle Operations, Heavy Vehicle Standards and Combined Vehicle Standards. These regulations came into force on 1 November 2002.



Road safety remains one of the big issues on the public agenda. Around 330 people are killed each year in crashes involving a heavy vehicle. The number of crashes that result in a hospitalisation involving a heavy vehicle are about three times those involving a fatality. The costs of these crashes are estimated at around \$2 billion a year out of the total \$15 billion costs of road crashes.

While there were improvements in the early to mid 1990's where fatalities resulting from heavy vehicle crashes fell substantially, the number of fatalities have remained relatively static since 1996. Since that time the freight task has increased substantially, as have the registrations of articulated vehicles.

Bus travel is the safest mode of road transport with less than one occupant fatality per 100 million passenger kilometres travelled.

The 2002 Truck Safety Benchmarking Study identified areas where there is potential to make significant improvements to heavy vehicle safety.

The main outcome sought is safer roads for all Australians through continuous improvement in road-user behaviour, vehicle standards and the road environment.

National Heavy Vehicle Safety Strategy

In June 2003, John Anderson, Deputy Prime Minister and Minister for Transport and Regional Services, launched the National Heavy Vehicle Safety Strategy and Action Plan.

The strategy was developed to provide a structured approach to the range of actions needed to make a lasting improvement in safety over the next decade. It has been coordinated by the NRTC in conjunction with stakeholders from industry, transport and enforcement agencies.

The NRTC convened a national seminar in October 2002 with a broad range of agencies and stakeholders in order to review available research and practice. The Strategy and Action Plan were developed from this work through a consultative process involving all participants.

The approach recognises the diversity of the heavy vehicle industry in Australia. It covers rigid and articulated trucks with a gross vehicle mass of 4.5 tonnes and over and buses with 12 seats or more used for hire and reward purposes.

The overall national road safety target is to achieve a reduction of 40% in the number of fatalities per 100,000 population by 2010. The purpose of this Strategy is to make a significant contribution to the target.

The Strategy focuses on eight strategic objectives:

- increased seatbelt usage by heavy vehicle drivers;
- safer roads;
- more effective speed management;
- reduced driver impairment;
- safer heavy vehicles;
- enhanced driver and industry management;
- effective enforcement; and
- targeted research and education.

The Australian Transport Council endorsed the National Heavy Vehicle Safety Strategy and Action Plan at its meeting in May 2003. The approach and Action Plan has received broad support from jurisdictions, and from industry stakeholders such as the Australian Trucking Association and the Bus Industry Confederation and their affiliates.





Heavy Vehicle Driver Fatigue Review

The need for a fatigue review was prompted by a generally accepted view in the transport sector that the current regime was not achieving the desired outcomes.

Common criticisms of the current regulations are that:

- their focus on driving and work hours does not produce or promote the best fatigue management practices;
- the restrictions they impose are inflexible and do not properly take into account the requirements of the driving task; and
- enforcement activities continue to be concentrated on drivers producing little incentive for other parties in the transport chain to adopt practices that lead to better driver fatigue outcomes.

A new regulatory regime has been developed by the NRTC and will be taken to Transport Ministers for endorsement in late 2003. The new regime was developed in close consultation with industry and transport and Occupational Health & Safety authorities.

The focus has been on creating the opportunity for sleep, shifting the emphasis for fatigue management to management practices controlling the risk of key fatigue precursors.

The proposed regulatory regime will apply in respect of the operation of vehicles with a gross vehicle mass over 12 tonnes and buses that seat over 12 adults. The proposed regime will comprise of three options:

- *Standard Hours* – a default option prescribing minimum rest and maximum working hours;
- *Basic Fatigue Management* – an optional set of more permissive minimum rest and maximum working hours but with some mandatory fatigue management and compliance assurance responsibilities imposed on operators; and
- *Advanced Fatigue Management* – an optional approach to fatigue management based on risk management and quality assurance approaches.

Reform will not come about by simply varying the hours of sleep and work. All of the options will be supported by additional elements to make the regime a total package. These include strengthening chain of responsibility provisions and addressing compliance issues. A general duty to manage fatigue will be included (for all parties and under all options). A Fatigue Code of Practice has been developed that will provide guidance on how operators and drivers can meet their responsibilities to manage fatigue. The Code was released for public comment in July 2003.

Review of Medical Standards for Commercial Vehicle Drivers

The NRTC completed a comprehensive review of the medical standards for commercial vehicle drivers during the year. The revised medical standards for licensing and the associated clinical management guidelines are being considered by the Australian Transport Council and a decision on their adoption is due in July 2003.

In finalising the standards and guidelines, extensive consultation has taken place with the road transport industry and peak medical and specialist bodies. If approved by the Australian Transport Council, *Assessing Fitness to Drive for Commercial and Private Vehicle Drivers* is expected to be published and distributed in September 2003. Educational material for drivers and health professionals will also be made available.

The new publication will combine the standards for commercial and non-commercial drivers into one publication.

Dangerous Goods

The NRTC has embarked on the development of the 7th edition of the Australian Dangerous Goods Code (7th ADG Code). It is envisaged that the revised Code will bring about closer alignment with international approaches, improve the integration of Australian dangerous goods requirements with global practices and improve the efficiency of Australian freight logistics.

The current Road and Rail Rules for transporting dangerous goods will also be revised to align with the revised Code. In November 2002 the Australian Transport Council endorsed the inclusion of UN security provisions for transporting dangerous goods in the revised Code to address growing concerns regarding the security of national and international supply chains.

The Advisory Committee for the Transport of Dangerous Goods has recommended to the NRTC that the revised Code directly reference, to the extent possible, the UN Model Regulations for the Transport of Dangerous Goods. This will streamline the process for future revisions of the Code and allow updates to occur at more frequent intervals thereby keeping the Code current with world's best practice.

A draft of the revised Code will be developed in the second half of 2003. It is envisaged that the draft code, revised Road and Rail Rules and Regulatory Impact Statement will be released for public consultation in April 2004. It is anticipated the revised Code will be considered by ATC in the second half of 2004.

With forecasters predicting rapid growth of the freight task over the next decade, it is imperative that steps are taken to minimise the potential adverse effects of road transport, such as noise and air pollution.

A strategic approach is also needed to ensure that the freight task and the economy can grow unhindered by community pressure for ever cleaner, quieter and safer vehicles. To this end, the Motor Vehicle Environment Committee (MVEC) was formed in 1998 to ensure that transport and environment agencies worked co-operatively to address noise and emissions issues comprehensively and strategically.

MVEC reports jointly to the NRTC and the National Environment Protection Council. It comprises the chief executives of transport and environmental agencies at State, Territory and Federal levels and has been

able to take a strategic approach to new and in-service vehicle emissions. It has ensured that new vehicle design standards are timed to coincide with fuel standards which optimise the environmental benefits. This has been achieved by working closely with industry and balancing the needs for environmental improvement with the need for an efficient road transport industry.

The main outcome sought is an improved living environment for all Australians. This will be achieved through implementation of measures both to reduce the adverse environmental effects of road transport, as well as fostering a sustainable transport future.

Noise

The NRTC has had a major focus on noise in the recent past. Noise is repeatedly identified by both transport and environment agencies as a growing problem, and one capable of adversely affecting transport growth. Our approach has been twofold:

- to set new vehicle design standards and 'lock them in' through a new approach to in-service noise measurement; and
- to address the issue of engine brake noise, which is notorious for causing sleep disturbance and significant loss of amenity in towns and cities throughout Australia.

New Australian Design Rules

The NRTC led the development of new noise standards for all motor vehicles. The review encompassed all vehicles from the smallest motorbike to the heaviest truck. The NRTC worked closely with the Motor Vehicle Environment Committee to develop a balanced package of noise standards for Ministers to consider.

The challenge for MVEC was to strike a balance between the legitimate practical concerns of manufacturers, and a community desire for best practice in vehicle noise levels. In doing so, MVEC and the NRTC had to contend with views that were often polarised around a particular issue. After lengthy consultation with interest groups representing motorcycles, cars, trucks and buses, the package was ultimately submitted to the Australian Transport Council and the National Environment Protection Council, in line with legislative requirements. The package was unanimously supported by all Transport Ministers and Environment Ministers. The new Rule was gazetted in March 2003.

The implementation of the Rule will see a significant reduction in noise levels from all classes of vehicles. In the longer term this will help alleviate the amenity issues associated with the forecast growth in road transport.



Engine brake noise

The NRTC has commissioned extensive research to identify and measure the characteristic 'bark' of an engine brake. After taking around 600 roadside noise measurements and testing new trucks under controlled conditions, a characteristic has been measured and identified. The measurement equipment needed to detect this characteristic is relatively simple.

Having achieved this technological breakthrough, the NRTC can now propose a standard which vehicles must pass or face a fine. Importantly, the measurement can be taken at roadside without stopping the vehicle, making enforcement simple and cost effective. Addressing the issue of engine brake noise will go a long way to alleviating community concerns about growth in the freight task.

Emissions testing and eco-maintenance

Having set in-service emission standards in 2001, the NRTC has been developing programs to ensure industry is capable of understanding and complying with the standards.

The NRTC secured funding from Environment Australia to undertake a pilot 'eco-maintenance' programme for diesel vehicles. The objectives were to identify how to improve training in the diesel repair industry and to raise awareness about new national in-service emission standards for diesel vehicles. The programme included emission testing of some 500 trucks and buses at fleet depots and at roadside locations around Victoria.

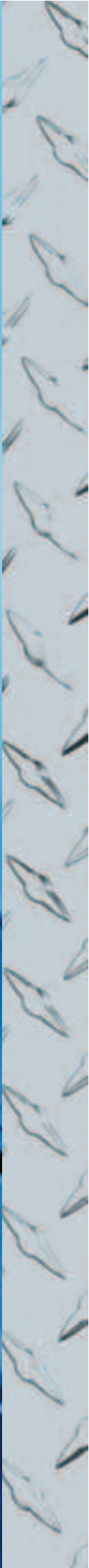
It is thought to be the first time in the world that dynamometer-based equipment has been used for random roadside testing of heavy vehicles. The drivers of vehicles that failed the test were not issued infringement notices, rather all drivers were invited to attend a training seminar. The NRTC worked closely with the Environment Protection Authority in Victoria, and the Victorian Automotive Chamber of Commerce to get this pilot programme up and running.

An eco-maintenance training manual was also developed during the past year and will be delivered to the industry in a series of seminars which commenced in July 2003.

By understanding the link between vehicle maintenance and air quality, and the value of compliance options such as auditable maintenance programs, the industry will be better equipped to ensure compliance with national emission standards.

The programme also offered an insight into the feasibility of random roadside testing in Australia and collected valuable data on the emission performance of the in-service fleet.





Over the past twelve months, the NRTC has examined a range of ways in which transport efficiency can be improved by more flexible regulatory approaches. A number of these form part of the industry initiatives in the 3rd Heavy Vehicle Reform Package, most of which have been completed or are close to a policy position. Others include consideration of steerable axles and B-double length.

The main outcome sought is continuous improvement in road transport performance through the application of measures that will improve safety, and balance productivity and asset protection.

Performance-Based Standards

Currently heavy vehicles are regulated by rules relating to their mass and dimensions, where axles are placed and how motor vehicles and trailers are connected.

These rules are intended to ensure the vehicles operate safely, fit on roads and limit the amount of road and bridge wear that occurs. However, they only indirectly control these factors and in practice vehicle performance varies considerably.

The Performance-Based Standards (PBS) approach sets out what vehicles are required to do in terms of safety, protecting the environment and protecting infrastructure. What vehicles look like is left to operators to decide. PBS is intended to be a whole new system of regulation, including compliance arrangements. The voluntary approach has the advantage of providing for innovation, rather than having to amend the prescriptive rules to take account of innovations at a later stage. This flexibility will provide vehicle operators with opportunities to improve their productivity, but only if safety, infrastructure and the environment standards are met.

Following an extensive research and consultative period, a national set of heavy vehicle performance standards is close to being finalised. The performance standards are being designed to ensure that PBS vehicles cause no more road or bridge wear than their prescriptive counterparts, while being safer, quieter and more environmentally friendly.

A regulatory framework in which these standards can apply as a national, mutually recognised regulatory system has been broadly agreed. Workshops and informal discussions have been held around Australia to refine the proposed framework. As a result, a number of additional checks and balances have been included in the framework.

The NRTC will ask the Australian Transport Council to approve the framework, in-principle, later in 2003. It will then form the basis for the development of operating rules, codes, guidelines and legislation to apply the performance standards. Work on preparing these implementation tools is commencing, with the initial emphasis on guidelines for route assessments.

The PBS approach allows the performance of vehicles to be better matched to the varying road and traffic conditions that apply across the network of roads. For instance, some roads and bridges are operating at the limits of their capacity, while others may have additional capacity that is not currently taken advantage of. What might be a risk to safety in one environment may not pose a problem in another environment.

These differences in risks are being taken into account, resulting in different requirements of vehicle performance for different parts of the road network.

This new approach provides regulators with a mechanism to better meet the challenges of providing for the large increases in the freight task, while also meeting the growing expectations of local communities and the transport industry for better outcomes.





International seminar

Australia's initiative in developing a results-oriented approach to regulating heavy vehicles is at the forefront of international best practice. This is the view of overseas experts who attended the International Seminar on Performance-Based Standards in Melbourne in February 2003.

The seminar was dedicated to advancing international co-operation on Performance-Based Standards for heavy vehicles. Delegates explored the very latest developments in this area and had the unique opportunity to see a number of innovative vehicles in action, which were approved for on-road use or trial using performance-based criteria.

The NRTC and New Zealand's Land Transport Safety Authority jointly hosted the seminar. The three-day event was held under the auspices of the International Forum for Road Transport Technology. Over 200 delegates and speakers attended. While Australia is out in front of most of the rest of the world, the seminar emphasised that the PBS project has drawn heavily on work done overseas to develop performance measures and standards that can deliver better outcomes than rigid, prescriptive rules.

The seminar's theme was 'moving from theory to practice', and a large part of the agenda was devoted to discussing issues about how to apply performance standards and make them achieve the required outcomes with greater certainty than current approaches.

The demonstration trials held at Mangalore Airport on the third day of the seminar showed how these concepts are being put into practice, with up to twenty vehicle combinations being put through their paces.

Other projects

Over the past year substantial progress was made on a range of other projects. Several of those are now nearing completion.

Review of Load Restraint Guide

The review of the Load Restraint Guide (LRG) is being conducted by the Roads and Traffic Authority NSW as a lead agency for the NRTC, and is part of the on-going reviews and maintenance of this document.

The LRG provides transport drivers, operators, and other participants in the transport chain such as freight consignors, as well as vehicle and equipment manufacturers and suppliers, with basic safety principles which should be followed for the safe carriage of loads on road vehicles.





John Woodrooffe, Chairman of the International Forum for Road Transport Technology, and Dr Peter Sweatman manage vehicle operations at the PBS International Seminar

A final draft of the Guide was circulated to road agencies in January 2003 for comment. The Guide is to be presented to Ministers later this year. The revised Guide is expected to be published towards the end of 2003.

Local area access

This is a project which aims to provide a consistent set of guidelines for road authorities to establish roads that restricted access vehicles can operate on. The project is linked to the PBS project as it provides guidelines for the classification of the road network.

Exchange of demerit points

This is a review of the administrative arrangements for the exchange of demerit points. It aims to revise the national schedule and develop guidelines for consistent management and exchange of demerit points.

National heavy vehicle inspection manual

This project aims to ensure consistency in the implementation of national vehicle standards. The project links with the Compliance and Enforcement projects and the key output is a model national heavy vehicle inspection manual.

Axle spacing mass schedule

This project aims to determine an axle spacing mass schedule for vehicles above 42.5 tonne in the national regulations, to provide certainty for bridge designers, vehicle manufacturers and purchasers, without compromising road and bridge infrastructure.

Crane regulation review

A comprehensive review of mobile crane regulations commenced in September 1999 following concern on a number of issues raised by the crane industry regarding the operation of mobile cranes. Support from most jurisdictions was received on allowing some types of cranes to tow trailers, and a proposed legislation amendment will be drafted during 2003/2004.

Model Compliance and Enforcement Bill

After a lengthy and rigorous development phase, the model provisions in the Road Transport Reform (Compliance and Enforcement) Bill have been settled by the NRTC in conjunction with its Legislation Advisory Panel. A final version of the Bill was submitted to the Australian Transport Council at the end of August 2003 for vote.

If approved by Ministers, the model provisions will be implemented within the legal frameworks of all Australian jurisdictions, with any necessary adaptations to maintain consistency with jurisdictions' criminal justice policies.

The model provisions provide, for the first time, a nationally consistent set of 'best practice' legislative tools. These will improve compliance with, and enforcement of, existing nationally agreed heavy vehicle requirements relating to driving hours, speeding, mass and loading, vehicle standards and registration/licensing. These tools will also provide the general basis for the compliance and enforcement arrangements under future national reforms such as Performance-Based Standards and the Intelligent Access Programme.

In addition, the Bill contains a set of special provisions that apply to mass, dimension and load restraint breaches.

Features of the model Bill include:

- chain of responsibility provisions that introduce the important concept of a 'responsible person' in the road transport chain, and lay down certain general duties and defences applicable to responsible persons;
- enforcement powers that will enable the proper investigation of suspected breaches of the road transport laws, including powers to conduct investigations beyond the roadside and right along the chain of responsibility, and across jurisdictional boundaries in appropriate cases; and
- a hierarchy of innovative penalties designed to address different sanctions strategies, to enable enforcement officers and the courts to apply the most fitting penalty in each case.

These provisions aim to improve compliance by imposing appropriate legal duties on all responsible parties in the transport/loading chain and increasing accountability for breaches of the road transport requirements. Enhanced enforcement powers will facilitate nationally consistent, better targeted enforcement practices, and proportionate, deterrent sanctions will also promote improved compliance. As such, the Bill is expected to contribute to long-term improvements in road safety, infrastructure protection, and competitive equity outcomes in Australia.

The main outcome sought is improvement in compliance with road transport law, based on:

- *a consistent legislative framework for compliance and enforcement;*
- *policies directed at causal factors, using chain of responsibility;*
- *consistent enforcement strategies, based on targeted enforcement;*
- *application of a range of complementary compliance strategies; and*
- *linkage of compliance strategies with asset preservation and road safety strategies.*





Implementation planning

Communications strategy

National and State-based communications strategies are currently being finalised. These will ensure the timely provision of accurate information about the implications of the new Compliance and Enforcement Bill to those likely to be affected by the introduction of the provisions.

The Department of Transport and Urban Planning (SA) has undertaken to be the lead agency for the project, with assistance from the NRTC, other transport agencies and the road transport industry.

The strategies will be informed by national market research that enables the determination of target audiences and the most effective tools to reach those audiences.

Administrative guidelines

Austrroads is the lead agent for the development of several guidelines to support the Compliance and Enforcement Bill. These include guidelines relating to the physical measurement of mass, dimension and load restraint and the assessment of the severity of mass, dimension and load restraint breaches, guidelines for the application of new chain of responsibility provisions, and guidelines for developing industry codes of practice.

Each of the guidelines is already well advanced and it is anticipated that these will be submitted as a final set to Australian Transport Ministers in early 2004. This timing will enable the guidelines to be available for implementation in jurisdictions with the introduction of the new legislative provisions.

Code of practice for compliance with container weight declaration duties

As an early practical application of the proposed Guidelines for the Development of Industry Codes of Practice, the NRTC is working with shipping lines, freight forwarders and customs brokers to develop a pilot code of practice for achieving compliance with new chain of responsibility obligations. These relate to weight declarations for the management of overloaded containers. Completion of this work is scheduled for late 2003.

National competency units for enforcement officers

National competency units for enforcement officers are being prepared with funding from the Australian National Transport Authority (ANTA), through Public Service Education and Training Australia (PSETA). This work complements the proposed new legislative tools in the Compliance and Enforcement Bill and accompanying administrative guidelines. Queensland Transport is the lead agency for this project.

At present, there are no nationally consistent competency standards for enforcement officers and each jurisdiction has different criteria for officer training and performance management programmes. The units, once endorsed by ANTA, will provide a nationally consistent set of competency standards for officers conducting enforcement tasks. This includes officers undertaking new chain of responsibility compliance investigations and enforcement proceedings with new tools provided by the model provisions and accompanying guidelines.

The broad set of competencies required has been identified by a working group led by Queensland Transport, comprising representatives from all transport agencies, the road transport industry and police. The draft competencies will be circulated widely for comment and final, agreed competencies are intended to be available by early 2004 to coincide with implementation of the model Compliance and Enforcement Bill and the new enforcement guidelines.

Strategy for improved compliance and enforcement data sharing

The NRTC has initiated a project to develop a national strategy for improving the sharing of compliance and enforcement data between jurisdictions. This strategy will facilitate better targeting of enforcement activities across jurisdictional borders, enhancing the effectiveness of existing laws and national compliance initiatives such as chain of responsibility investigations and penalties in the proposed model Compliance and Enforcement Bill.

As the first step in this project, a discussion paper has been prepared providing a preliminary assessment of the issues involved in establishing a national heavy vehicle data sharing system. Following consideration of feedback on the report, the NRTC will be preparing a draft strategy for further discussion. It is intended that a final strategy will be complete by mid-2004.



The RTA's Mobile Crane Concession Benefits Scheme is an example of better compliance through a transitional IAP initiative.

Main outcomes sought are the maintenance of an up-to-date set of heavy vehicle road use charges, which meet the charging principles outlined in the Heavy Vehicles Agreements, and the investigation of more refined road pricing mechanisms.

Heavy vehicle registration charges

The NRTC is responsible for developing and recommending to the Australian Transport Council (ATC) national heavy vehicle charges to recover heavy vehicles' share of road construction and maintenance expenditure. Heavy vehicle charges are applied in a two-part charging system. The first comprises a fuel-based charge (formally referred to as the 'Road Use Charge') and the second is a fixed annual registration charge (which recovers the balance of costs allocated to each vehicle class).

Due to the extensive consultation, data collection and analyses required to establish the appropriate levels of charges, only two full heavy vehicle road pricing determinations have occurred since the NRTC was established.












The 1st was agreed in 1992 and implemented in 1995-96 and the 2nd Determination was agreed and implemented in 2000. To ensure that heavy vehicle road prices keep pace with changing circumstances and to reduce the potential impact of a full review every 4-5 years, the NRTC put in place a method to adjust charges on an annual basis. The annual adjustment formula for heavy vehicle road prices adjusts registration charges in accordance with changes in road expenditure and expected changes in road use, capped by CPI movements. The procedure first applied in October 2001 and has applied automatically each year from July 2002.

The responsibility for ensuring that heavy vehicles' road prices reflect their share of road costs will be carried over with the transition to the National Transport Commission and the national heavy vehicle charges will be updated through a 3rd Heavy Vehicle Road Pricing Determination. Work towards the 3rd Determination will commence in 2003-04.



Examples of charges that applied from 1 July 2003 for a range of typical on-road vehicle configurations are shown in the table below.

Current heavy vehicle registration charges (selected vehicles): July 2003

Vehicle Type	Mass	July 2003 charge
	Up to 12.0t Over 12.0t	\$330 \$549
	Under 42.5t	\$604 + \$660 = \$1 264
	Up to 16.5t Over 16.5t	\$659 \$878
	Under 42.5t Over 42.5t	\$2 196 + \$990 = \$3 186 \$4 173 + \$990 = \$5 163
		\$4 173 + \$1 320 = \$5 493
	Up to 20.0t Over 20.0t	\$989 \$2 196
	Up to 12.0t Over 12.0t	\$330 \$549
		\$1 372
		\$3 733 + \$990 = \$4 723
		\$5 490 + \$1 980 = \$7 470
		\$5 490 + \$2 640 = \$8 130
		\$5 490 + \$4 290 = \$9 780

Road construction and maintenance expenditure

To enable the NRTC to meet its reporting requirements under Clause 25 of the Heavy Vehicles Agreement, each year the Commission requests road construction and maintenance expenditure estimates from States and Territories. These estimates are reported by each jurisdiction in agreed template categories for national highways, rural state arterial and urban state arterial roads. The data is used to apply the annual adjustment procedure and will also be used in identifying the share of road and bridge costs that are attributable to heavy vehicles under the 3rd Determination.

Work was undertaken this year to improve the consistency and accuracy of the data reported to the Commission. This has resulted in a number of variations to the expenditure template used by jurisdictions when reporting road construction and maintenance expenditure. As a result, some of the figures presented will not exactly accord with those published previously and care should be taken in making year-by-year comparisons.

The figures presented in the table below are the road construction and maintenance expenditure estimates provided by each State and Territory for the 2003 financial year. A number of jurisdictions have also included qualifying notes to aid in interpreting these figures, which are reported in the notes below.

Estimated road construction and maintenance expenditure for 2002-2003 (million dollars).

Expenditure Category		NSW	VIC	QLD	SA	WA	TAS	NT	ACT	TOTALS
A	Servicing and operating	260	73	97	42	10	15 ¹	13	19	528
B	Road pavement and shoulder construction									
B1	Routine maintenance	134	50	71	23	57	7	8	3	353
B2	Periodic surface maintenance	82	55	53	10	28	5 ²	6	3	242
C	Bridge maintenance/rehabilitation	80	16	23	5	19	3 ³	1	2	148
D	Road rehabilitation	98	88	83	12	117	8 ⁴	1	7	414
E	Low-cost safety/traffic	66	113	37	27	35	5	4 ⁵	8	294
F	Asset extension/improvements									
F1	Pavement improvements	274	352	168	23	73	10	10	54	964
F2	Bridge improvements	154	6	21	1	32	12 ³	2	3	232
F3	Land acquisition, earthworks, other extensions / improvement expenditure	582	60	287	63	186	1	2	0	1181
G	Other miscellaneous activities									
G1	Corporate services	39	19	77	38	31	3	2	5	213
G2	Enforcement of heavy vehicle regulations	57	3	10	7	3	0	2	0	82
G3	Vehicle registration	99	59	40	33	35	2	5	1	274
G4	Driver licensing	100	40	24	6	14	2	2	1	189
G5	Loan servicing	81	0	64	0	15	0	0	0	160
	Totals	2106	932	1055	290	654	73	57	106	5273
H	Other road-related payments									
H1	Financial assistance to councils for work on council managed arterials	146	150	0	0	10	0	N/A	0	307
H2	Payments to councils for contract work on state managed roads	168	5	117	3	10	0	N/A	0	303
H3	Spending on local access roads in unincorporated areas	5	0	0	11	0	0	23 ⁶	0	40
H4	Direct spending on council managed local access roads	2	1	0	3	110	1	0	0	117
H5	Any other direct state spending on local access roads	3	0	89	0	5	0	N/A	0	97

Notes:

QLD:

To avoid double-counting of overall roads expenditure incurred by federal, state and local governments, the following grants and subsidy payments to local governments in 2003-04 are excluded from this analysis as this expenditure is captured as part of Australian Bureau of Statistics reporting:

(a) Commonwealth RoNI and Black Spot contributions for local government-controlled road upgrades (\$5.9 million) - administered by QDMR

(b) state-funded Transport Infrastructure Development Scheme (TIDS) subsidies to local governments and ATSI communities for local road upgrades (\$32.5 million) - administered by QDMR

(c) state-funded road and drainage grants to local government (\$28.2 million) - administered by the Department of Local Government and Planning (DLGP)

(d) Commonwealth FAGs to local governments in Queensland (\$82.7 million) - administered by DLGP

(e) direct Commonwealth funding to local governments under the Roads to Recovery initiative - administered by DoTaRS

SA: SA has also provided \$2.890m in grants to councils for work on council roads. This amount is not included in the above table.

TAS:

1. Difference to 2001/02 relates to recent improvements in definition between urban and arterial roads

2. \$1.5M in reseals brought forward from 2002/03 to 2001/02

3. Due to better definitions Sorell Causeway removed from C and added to F

4. Increase in expenditure relates to increase in works from last financial year

NT:

NT included Arterial Roads are NAASRA classifications 1,2,3 and 6

5. Includes some Blackspot activity on Territory Roads.

6. This data includes a small amount of expenditure from incorporated local access roads, plus some Blackspots on local access roads

Expenditure data for use in the annual adjustment procedure

The following data are to be used in adjusting heavy vehicle road prices from 1 July 2004 in accordance with the annual adjustment procedure.

	Estimated arterial road expenditure (million dollars)				Estimated local road expenditure (million dollars)			
	1999-00	2000-01	2001-02	2002-03	1998-99	1999-00	2000-01	2001-02
Urban	1376	1724	1620	1973	926	1022	1033	1077
Rural	2609	2475	2554	2383	2268	2503	2529	2637

Arterial road expenditure

Figures shown for urban and rural arterial roads are based on the most recent data provided by State and Territory road authorities in accordance with the agreed expenditure reporting categories. Only expenditure in those categories relevant to the annual adjustment procedure is included. Accuracy and consistency of the data presented has improved as a result of a review of the reporting system.

Local road expenditure

Estimates of council spending on roads were derived from unpublished Government Finance Statistics provided by the Australian Bureau of Statistics (ABS). These figures have been reviewed to reflect the most accurate and most recent data available. The figures include both current and capital expenditure on roads, but not depreciation. (Figures published in previous NRTC Annual Reports included depreciation). Supplementary estimates were prepared for the Victorian data based on advice from the ABS due to inaccuracies in the data provided.

The figures are apportioned between urban and rural roads in the same proportions as those used in earlier years, based on estimates prepared for the 2nd Heavy Vehicle Charges Determination.

At the time of publication, local road expenditure for the financial year 2002-2003 was unavailable. Consequently data for the four most recent years available will be used.



Implementation evaluation, maintenance and review

The NRTC's responsibility for a particular reform does not end when the reform is submitted to Australian Transport Ministers for approval.

The NRTC has statutory duties to report to Ministers on the implementation of agreed reforms, as well as to maintain those reforms. In addition, to ensure the ongoing relevancy and effectiveness of implemented reforms, the NRTC has embarked on a process of periodically reviewing each reform.

Maintenance

The maintenance of agreed reforms involves amending and up-dating the reforms as the need arises. The maintenance task is performed by the NRTC in conjunction with a special maintenance advisory group established for each of the implemented reforms.

Over the past year, the most significant work on maintenance has been on a large package of proposed amendments to the Australian Road Rules, with a separate proposal to reduce the default speed limit in built up areas from 60 to 50 k/ph. It also includes proposed changes to the national road transport of dangerous goods legislation and the *Road Transport Reform (Vehicles and Traffic) Act 1995* to achieve consistency with the Commonwealth Criminal Code Act and the development of a package of proposed changes to enhance the national vehicle standards legislation. Work on each of these maintenance projects will continue into the next financial year.

Implementation evaluation

Implementation evaluation, or monitoring implemented reforms, involves assessing the uniformity or consistency of the legislation made in each jurisdiction to implement national reforms. This work is undertaken by an independent consultant, in close consultation with each jurisdiction, and having regard to the overall objectives of the national road transport agreements.

Outcomes of the evaluation can also provide relevant information to enhance the effectiveness of reform implementation and the reform process, and an identification of matters for consideration in the maintenance of a particular reform.

The NRTC's first implementation evaluation was conducted this year in relation to the Australian Road Rules. The evaluation report and recommendations flowing from the findings in the report will be submitted to the Australian Transport Council for consideration in August 2003. The methodology developed in this pilot evaluation was endorsed by transport agencies in April this year and is proposed to be applied in subsequent implementation evaluation projects for other implemented reforms.

The main outcome sought is the maintenance of an up-to-date set of road transport regulations and the provision of a framework and relevant information to assess the effectiveness of reform implementation and the reform process.



Review of implemented reforms

Many jurisdictions are now required to review their legislation at a point five or ten years after introduction to assess its continuing relevance and effectiveness. This requirement extends to legislation that is part of the national road transport law.

With many of the NRTC's earlier agreed national reforms now having been in place for several years, those jurisdictions that are subject to requirements to review are facing the prospect of conducting their own separate reviews of implemented reforms. To ensure the continuing national consistency of implemented reforms, it will be important that implemented reforms are reviewed through the NRTC's national process. This will also obviate the need for jurisdictions to conduct their own separate reviews to meet obligations imposed by their own legislatures.

The Commission is now developing terms of reference and a formal process for the systematic, periodic review of implemented reform packages. The national reviews will involve a rigorous evaluation of the effectiveness of each reform and its objectives.

Reviews will be initially undertaken of reforms that have been implemented for five or more years and more comprehensive reviews will be conducted at the ten-year implementation point.

The first review projects using this process will commence from 2003. This will be in relation to the National Dangerous Goods Regulatory Scheme, the National Heavy Vehicle Accreditation Scheme, the Vehicles and Traffic Act 1993 and regulations made under that Act, and the Heavy Vehicles Registration Act 1997.

Our people

The success of the NRTC is largely due to the commitment of our staff.

Following the decision for the NRTC to take on the functions of the NTC from July 2003 a new enthusiastic team has been established to work on rail and inter-modal regulatory reform. This has resulted in seven new staff joining, while two left during the year. There are now 26 full time equivalent employees.

Our people continue to consult extensively with all stakeholders and interest groups, which have now been expanded to include the rail industry. The web site has provided an effective means to communicate our outputs to the wider community.

Professional development is encouraged with some staff undertaking higher qualifications/further education and attending external training programmes. Internal training sessions have been held to inform staff of projects being undertaken within the NRTC.



Advisory committees

The NRTC benefits from several advisory groups that provide advice on current issues and reforms. We are appreciative of the assistance provided by these groups and would like to thank all members, past and present, who served on the various bodies during 2002-2003.

Transport Agency Chief Executives

Head of transport departments and road authorities from each State and Territory and New Zealand, as well as a representative from Local Government.

Industry Advisory Group

Representatives of the Australian Automobile Association, Australian Trucking Association, National Farmers' Federation, Transport Workers' Union, Mineral Council of Australia, as well as vehicle manufacturers, suppliers, transport operators and the transport training industry.

Bus Industry Advisory Group

Representatives from State, Territory and national bus associations, bus manufacturers, suppliers, operators and related industries.

Performance-Based Standards Specialist Advisory Committee

Senior representatives of transport agencies, road transport associations, transport operators, vehicle manufacturers, designers and component suppliers, research organisations, the Australian Local Government Association, Transit New Zealand and the Commonwealth Office of Regulation Review.

Transport Emissions Liaison Group

Representatives of transport and environment agencies, vehicle manufacturers, road transport and bus passenger associations, motoring bodies, departments of health, industry and science, the petroleum industry and environmental groups.

Technical Liaison Group

Technical representatives of vehicle manufacturers, suppliers, transport operators, transport agencies, motoring and motorcycle organisations



Statement by Commissioners

In our opinion, the attached financial statements for the year ended 30 June 2003 give a true and fair view of the matters required by the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*.



Stuart Hicks

Chairman

20 August 2003



Tony Wilson

Chief Executive

Independent Audit Report

To the Minister for Transport and Regional Services

Scope

I have audited the financial statements of the National Road Transport Commission for the year ended 30 June 2003. The financial statements comprise:

- Statement by Commissioners;
- Statements of Financial Performance, Financial Position and Cash Flows;
- Schedules of Commitments and Contingencies; and
- Notes to and forming part of the Financial Statements.

The members of the Commission are responsible for the preparation and presentation of the financial statements and the information they contain. I have conducted an independent audit of the financial statements in order to express an opinion on them to you.

The audit has been conducted in accordance with Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards, to provide reasonable assurance as to whether the financial statements are free of material misstatement. Audit procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Australian Accounting Standards, other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with my understanding of the Commission's financial position, its financial performance and its cash flows.

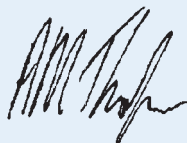
The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In my opinion the financial statements:

- (i) have been prepared in accordance with the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*; and
- (ii) give a true and fair view, in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Finance Minister's Orders, of the financial position of the National Road Transport Commission as at 30 June 2003 and its financial performance and cash flows for the year then ended.

Australian National Audit Office



Allan M. Thompson
Executive Director

Delegate of the Auditor-General

Canberra

28 August 2003

Statutory report of operations

The following report is in accordance with the reporting requirements of the *Commonwealth Authorities and Companies Act 1997* and the Commonwealth Finance Minister's Orders under the Act.

Legislation

The intergovernmental Heavy and Light Vehicles Agreements are schedules to the *National Road Transport Commission Act 1991* (as amended) and set out NRTC's functions. These are:

Transport efficiency

- improve road transport industry efficiency and productivity;
- encourage and facilitate innovation in the industry and its regulation;
- encourage and facilitate technological advancements in the industry, e.g. ITS;
- encourage and facilitate continuous improvement in the road transport regulatory environment (e.g. monitoring and updating regulation as necessary);
- facilitate international harmonisation of vehicle standards;
- ensure road transport reform facilitates effective inter-modal linkages between road transport and other transport modes;
- have due regard to the impacts of road transport reform upon road infrastructure; and
- have due regard to the impacts of road transport reform upon remote and rural areas.

Improve road safety

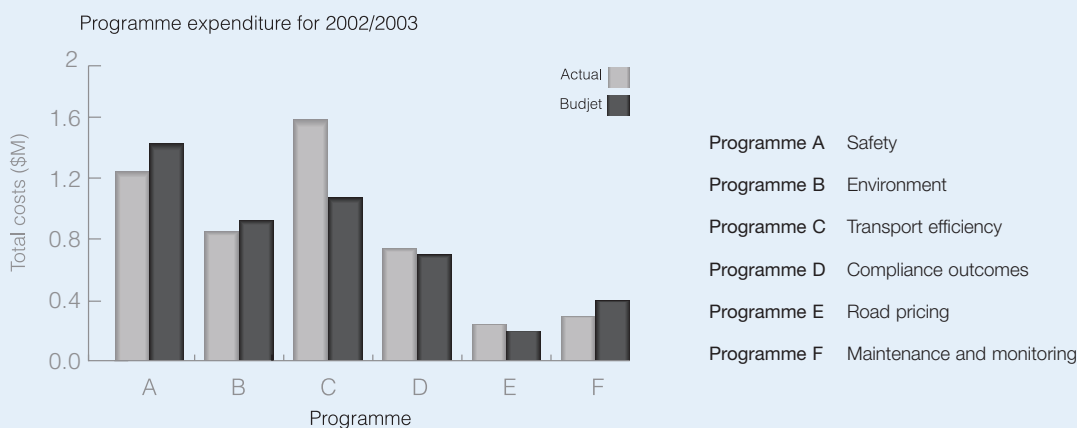
- develop and maintain national standards and associated codes for areas that include in-service vehicle safety, driver capability criteria and transport of dangerous goods; and
- develop proposals for national regulation in areas including compliance and enforcement.

Minimise the adverse environmental impacts of road transport, and lower administration costs

- develop motor vehicle emission and noise standards;
- monitor the use of alternative fuels;
- improve regulatory efficiency and reduce administrative costs;
- improve the effectiveness and efficiency of compliance arrangements; and
- pursue rigorous analysis of issues involved in road transport reform.

Programme performance

The graph below outlines expenditure against the annual budget:



Programmes

Programme A - Improving Safety

- Development and launch of the National Heavy Vehicle Safety Strategy and Action Plan.
- Release of discussion and options papers as a key part of the Heavy Vehicle Driver Fatigue: Review of Regulatory Approach project.

Programme B - Reducing Environmental Impact

- Recommendations to Transport Ministers on a package of improved noise standards for all motor vehicles.
- Extensive research to identify and measure heavy vehicle engine brake noise in the traffic stream.
- Having set in-service emissions standards in 2001 the NRTC has now run a pilot maintenance program for diesel vehicles called the Eco-Maintenance program.

Programme C - Improving Productivity and Innovation

- Development of proposals for a set of alternative national performance standards for heavy vehicles. This was accompanied by a series of detailed reports that demonstrated the standards are practical and achievable.
- Organisation of an international seminar on Performance-Based Standards with participation from eight countries.

Programme D - Compliance

- Release of the final draft model Compliance and Enforcement Bill for comment.
- Development of Enforcement Guidelines, and Supporting Materials for Mass, Dimension and Load Restraint.
- Completion of the first stage of Guidelines for Training Enforcement Officers.
- Finalisation of national and State-based communication strategies (in conjunction with the Department of Transport and Urban Planning (SA).

Programme E - Charges

- Development of an Annual Adjustment Procedure for heavy vehicle registration charges (in consultation with the Standing Committee for Transport).

Programme F - Maintenance and Monitoring

- Development of a large package of proposed amendments to the Australian Road Rules.
- Development of terms of reference and a formal process for the systematic, periodic review of implemented reform packages.

Commissioners

The Commissioners are responsible for corporate governance, including risk management and strategic planning. In May, the number of Commissioners was increased to six with the appointment of Mr Alex Gallacher. The list of Commissioners and their qualifications is reported in Note 10 to the Financial Statements.

There were six Commission meetings during the year. Mr Erik Finger was absent from the January meeting and Mr Alex Gallacher commenced his term from the June 2003 meeting.

The Australian Transport Council appointed Mr Des Powell as Observer in May.

Ministerial directions

The *National Road Transport Commission Act 1991* was reviewed in 2002 and recommendations from that review were approved by the Australian Transport Council (ATC) in August 2002.

Significant recommendations include:

- the road transport reform agenda should continue;
- the ATC should commit itself to refocussing and accelerating regulatory reform for interstate rail transport and inter-modal integration of transport operations;
- a new statutory body called the National Transport Commission (NTC) should replace the National Road Transport Commission (NRTC) and be responsible for regulatory reform; and
- work programs for regulatory reform of rail and inter-modal freight operations should be prepared for the ATC as a matter of urgency.

In January 2003, the ATC asked the NRTC to establish rail and inter-modal capacity to be operative by July 2003, even though the National Transport Commission will not be established until January 2004.

Consultants in 2002/2003 (amounts exceeding \$20,000)

Adcore Creative Pty Ltd
Affleck Consulting Pty Ltd
ARRB Transport Research Ltd
Australian Corporate Design & Construction
Avalon Enterprises (ACT) Pty Ltd
Bosworth Park Consulting
Bruce Hocking and Associates
Diesel Test Australia
Department of Transport and Regional Services
Economic Associates Pty Ltd
Environment Protection Authority
Keith Wheatley Pty Ltd
Luminico Pty Ltd
Maunsell Australia
Noel Arnold & Associates
Organisers Australia
Pearsons Transport Resource Centre Pty Ltd
Pooncarie Consulting Pty Ltd
Roaduser Systems Pty Ltd
Scaffidi Hugh-Jones
Sonus Pty Ltd
University of NSW
Web Down Under

Statement of financial performance

for the year ended 30 June 2003

	Note	2003 \$	2002 \$
REVENUE			
Revenues from ordinary activities			
Revenue from Government	2A	4,606,802	3,970,613
Interest		75,267	62,723
Other	2B	136,437	395
Total revenues from ordinary activities		4,818,506	4,033,731
EXPENSE			
Expenses from ordinary activities			
Employees	3A	2,390,856	2,028,309
Suppliers	3B	2,685,901	2,003,034
Depreciation	3C	48,105	59,180
Write-down of assets		-	10,463
Total expenses from ordinary activities		5,124,862	4,100,986
Operating surplus / (deficit) from ordinary activities		(306,356)	(67,255)
Net surplus / (deficit)		(306,356)	(67,255)
Net credit to asset revaluation reserve		-	4,901
Total revenues, expenses and valuation adjustments recognised directly in equity		-	4,901
Total changes in equity other than those resulting from transactions with owners as owners		(306,356)	(62,354)

This statement should be read in conjunction with the accompanying notes.

Statement of financial position

as at 30 June 2003

	Note	2003 \$	2002 \$
ASSETS			
Financial Assets			
Cash	4A	1,623,628	1,422,312
Receivables	4B	149,581	287,227
Other		14,148	13,412
Total financial assets		1,787,357	1,722,951
Non-financial Assets			
Property, plant and equipment	5	383,929	131,004
Total non-financial assets		383,929	131,004
Total assets		2,171,286	1,853,955
LIABILITIES			
Provisions			
Employees	6A	481,832	373,711
Total provisions		481,832	373,711
Payables			
Suppliers		721,913	176,868
Other	6B	2,170	31,650
Total payables		724,083	208,518
Total liabilities		1,205,915	582,229
NET ASSETS		965,371	1,271,726
EQUITY			
Reserves	7	11,367	11,367
Accumulated surplus	7	954,004	1,260,359
Total equity		965,371	1,271,726
Current assets		1,787,357	1,722,951
Non-current assets		383,929	131,004
Current liabilities		994,572	414,660
Non-current liabilities		211,343	167,569

Statement of cash flows

as at 30 June 2003

	Note	2003 \$	2002 \$
OPERATING ACTIVITIES			
Cash received			
Government revenue		4,801,313	3,919,182
Interest		75,267	62,723
Sales		-	515
Net GST received		109,893	208,526
Other		157,760	181
Total cash received		5,144,233	4,191,127
Cash used			
Employees		(2,288,531)	(1,977,319)
Suppliers		(2,608,041)	(2,317,837)
Total cash used		(4,896,572)	(4,295,156)
Net cash from (used by) operating activities	8	247,661	(104,029)
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		-	-
Cash used			
Purchase of plant and equipment		(46,345)	(46,431)
Net cash used by investing activities		(46,345)	(46,431)
Net increase (decrease) in cash held		201,316	(150,460)
Cash at beginning of reporting period		1,422,312	1,572,772
Cash at end of reporting period	4A	1,623,628	1,422,312

This statement should be read in conjunction with the accompanying notes.

Schedule of commitments

as at 30 June 2003

Note	2003 \$	2002 \$
BY TYPE		
Capital commitments		
Property plant and equipment	381,933	-
Total capital commitments	381,933	-
Other commitments		
Operating leases	1,952,057	259,266
Other commitments	695,055	182,769
Total other commitments	2,647,112	442,035
Commitments receivable	-	-
Net commitments	3,029,045	442,035
BY MATURITY		
Capital commitments		
One year or less	381,933	-
Operating lease commitments		
One year or less	172,955	168,173
From one to five years	1,030,006	91,093
Over five years	749,096	-
Other commitments		
One year or less	695,055	182,769

In 2003/04 expenditure of \$237,117 will be incurred for the Eco-maintenance Program for Diesel Vehicles, which is the balance of the funding of \$548,000 received from the Department of Environment and Heritage and recorded as income in 2002/03.

Schedule of contingencies

as at 30 JUNE 2003

There are no contingent losses or gains as at 30 June 2003, nor were there any at 30 June 2002.

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

Notes to and forming part of the financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Accounting

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

The statements have been prepared in accordance with

- Finance Minister's Orders (being the Commonwealth Authorities and Companies (Financial Statements for reporting periods ending on or after 30 June 2003) Orders);
- Australian Accounting Standards and Accounting Interpretations issued by Australian Accounting Standards Board; and
- Consensus Views of the Urgent Issues Group.

The financial statements have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets which, as noted, are at valuation. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

1.2 Revenue

Revenues from government are recognised as revenue to the extent that they have been received or when it is highly probable that amounts are likely to be received.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

1.3 Employee benefits

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

The liability for annual leave is calculated on the basis of accrued entitlements as at 30 June 2003 and is recognised at the nominal amount, taking into account rates expected to be paid on settlement of the liability. This is a change in accounting policy from last year required by initial application of a new Accounting Standard AASB 1028 from 1 July 2002. The financial effect of this change is not material.

The liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at 30 June 2003. In determining the present value of the liability, attrition rates and pay increases through promotion and inflation have been taken into account.

The leave calculations are based on employees' remuneration, including employer superannuation contributions, to the extent that leave is likely to be taken during service rather than paid out on termination.

1.4 Superannuation

Superannuation is provided for all employees and Commissioners in accordance with the Superannuation Guarantee (Administration) Act 1992. Employees have the option of choosing a fund, providing it is a "complying superannuation fund" within the meaning of Part IX of the Income Tax Assessment Act 1936. The superannuation contributions are based on a range of percentages of salary at or above the minimum compulsory level, as approved by the Commission in accordance with advice from the Commonwealth Department of Workplace Relations and Small Business.

Notes to and forming part of the financial statements

Superannuation contributions for seconded public service staff are paid directly by the employees' agencies and the cost reimbursed by the Commission.

1.5 Leases

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

1.6 Cash

For the purpose of the Statement of Cash Flows, cash includes deposits held at call with a bank.

1.7 Property, plant and equipment

Purchases of property, plant and equipment are recognised initially at cost in the Statement of Financial Position, except for purchases costing less than \$1,000, which are expensed in the year of acquisition.

At 30 June 2002 all plant and equipment was revalued in accordance with the 'deprival' method of valuation. The independent valuer, Rushton Pty Ltd, completed all valuations. All property, plant and equipment purchased in 2002/03 is recorded at cost.

Depreciable plant and equipment assets are depreciated over their estimated useful lives to the Commission, taking into account their estimated residual values. Depreciation is based on revalued amount and calculated on the straight line method, using rates which are reviewed annually.

Plant and equipment is depreciated over the period from 3 to 11 years.

1.8 Taxation

The Commission is liable for all taxes, except company tax.

1.9 Insurance

The Commission has insured for risks through the Government's insurable risk managed fund, called 'Comcover'. Workers compensation is insured through Comcare Australia.

1.10 Comparative figures

Where necessary, comparative figures have been adjusted to conform with changes in presentation in these financial statements.

1.11 Economic dependency

The Commission is dependent on contributions from the Commonwealth, States and Territories to carry out its normal activities.

1.12 Events occurring after reporting date

The NRTC legislation has a sunset date of January 2004. In August 2002, the Australian Transport Council recommended that a National Transport Commission (NTC) be formed to take on the role of the NRTC and to also be responsible for national rail and inter-modal regulatory reforms. This recommendation was endorsed by Heads of Government and from 1 July 2003 NRTC has taken on responsibility for national rail and inter-modal regulatory reforms. Legislation to enact this change has been prepared and it is expected that the NTC will be established prior to the sunset date in January 2004. When established the NTC will take over the assets and assume the liabilities of the NRTC.

Notes to and forming part of the financial statements

	2003	2002
	\$	\$
2. OPERATING REVENUE		
2A. Government revenue		
Government contributions approved by Australian Transport Council	3,566,000	3,560,000
Government revenue based on specific project funding	1,040,802	410,613
Total Government revenue	4,606,802	3,970,613
2B. Other revenue		
Sales	-	395
Australian Dangerous Goods Code	13,288	-
International Performance Based Standards Conference	123,149	-
Total other revenue	136,437	395

	2003	2002
	\$	\$
3. OPERATING EXPENSES		
3A. Employee expenses		
Salaries and wages	1,726,493	1,470,106
Superannuation	194,642	170,209
Leave and other entitlements	234,694	180,699
Separation and redundancy	7,984	-
Other employee benefits	142,626	138,627
Total employee benefits expenses	2,306,439	1,959,641
Workers' compensation and payroll tax	84,417	68,668
Total employee expenses	2,390,856	2,028,309

Notes to and forming part of the financial statements

	2003	2002
	\$	\$
3B. Supplier's expenses		
Goods from external entities	1,216,425	819,700
Services from external entities	1,281,197	1,030,450
Operating lease rentals	188,279	152,884
Total supplier expenses	2,685,901	2,003,034
3C. Depreciation		
Depreciation of plant and equipment	48,105	59,180
Total expenses from ordinary activities	5,124,862	4,100,986

In 2002/03 costs associated with expansion of responsibilities to include national rail and inter-modal regulatory reform were incurred in preparation for the start date of 1 July 2003.

	2003	2002
	\$	\$
4. FINANCIAL ASSETS		
4A. Cash		
Cash at bank and on hand	1,623,628	1,422,312
Balance of cash as at 30 June shown in Statement of Cash Flows	1,623,628	1,422,312
4B. Receivables		
Goods and services	76,481	271,297
GST receivable	73,100	15,930
Total receivables	149,581	287,227
Receivables (gross) are aged as follows:		
Not overdue	129,004	267,372
Overdue by:		
- less than 30 days	-	-
- 30 to 60 days	15,500	-
- more than 90 days	5,077	19,855
Total receivables (gross)	149,581	287,227

Notes to and forming part of the financial statements

	2003	2002
	\$	\$
5. NON-FINANCIAL ASSETS		
Property, plant and equipment		
Leasehold improvements under construction		
Leasehold improvements under construction – at cost	254,685	-
Plant and equipment		
Plant and equipment – at cost	46,345	-
Accumulated depreciation	(8,401)	-
	37,944	-
Plant and equipment – at 2001/02 valuation	131,004	131,004
Accumulated depreciation	(39,704)	-
	91,300	131,004
Total plant and equipment	129,244	131,004
Total property, plant and equipment	383,929	131,004

The revaluations were in accordance with the revaluation policy in Note 1. Revaluation increments of \$4,901 in 2002 were made to the asset revaluation reserves.

Movement summary 2002/03

	Leasehold improvement under construction \$	Plant and Equipment		Total \$
		At Cost \$	At Valuation \$	
As at 1 July 2002				
Gross book value	-	-	131,004	131,004
Accumulated depreciation	-	-	-	-
Net book value	-	-	131,004	131,004
Additions	254,685	46,345	-	301,030
Depreciation	-	(8,401)	(39,704)	(48,105)
As at 30 June 2003				
Gross book value	254,685	46,345	131,004	432,034
Accumulated depreciation	-	(8,401)	(39,704)	(48,105)
Net book value	254,685	37,944	91,300	383,929

Notes to and forming part of the financial statements

	2003	2002
	\$	\$
6. PROVISIONS AND PAYABLES		
6A. Employee provisions		
Salaries and wages	130,956	93,320
Leave	323,413	260,031
Superannuation	2,721	1,170
Aggregate employee entitlement liability	457,090	354,521
Workers' compensation and payroll tax	24,742	19,190
Total employee benefit liability and related on costs	481,832	373,711
Employee provisions are categorised as follows:		
Current	270,489	206,142
Non-current	211,343	167,569
	481,832	373,711
For the year ended 30 June 2003, there were 26 full-time equivalent employees (19 in 2002).		
6B. Other liabilities		
Grants	2,170	31,650

7. EQUITY

	Accumulated results		Reserves		Total equity	
	2003	2002	2003	2002	2003	2002
	\$	\$	\$	\$	\$	\$
Opening balance 1 July	1,260,359	1,327,614	11,367	6,466	1,271,726	1,334,080
Net Surplus / (Deficit)	(306,356)	(67,255)	-	-	(306,356)	(67,255)
Net revaluation increases	-	-	-	4,901	-	4,901
Closing balance 30 June	954,004	1,260,359	11,367	11,367	965,371	1,271,726
Total equity attributable to parties to the Agreements in the Schedules to NRTC Act	954,004	1,260,359	11,367	11,367	965,371	1,271,726

Notes to and forming part of the financial statements

	2003	2002
	\$	\$
8. CASH FLOW RECONCILIATION		
Reconciliation of operating surplus/deficit to net cash flows provided by operating activities		
Operating Surplus/(Deficit)	(306,356)	(67,255)
Depreciation	48,105	59,180
Loss (profit) on disposal of non-current assets	-	10,463
Changes in assets and liabilities		
(Increase)/decrease in receivables	137,646	(84,065)
(Increase)/decrease in other assets	(736)	(13,412)
Increase/(decrease) in liability to employees	108,120	57,735
Increase/(decrease) in liability to suppliers	290,361	(26,166)
Increase/(decrease) in other liabilities	(29,479)	(40,509)
Net cash from operating activities	247,661	(104,029)

	2003	2002
	\$	\$
9. REMUNERATION OF COMMISSIONERS		
The Commission is comprised of five ordinary members and the Chief Executive in accordance with the amended NRTC Act. Details in relation to the Chief Executive Officer have been incorporated into Note 11 – Remuneration of Officers.		
Aggregate amount of superannuation payments*	7,619	4,882
Other remuneration received or due and receivable by Commissioners	84,660	59,952
Total remuneration received or due and receivable by Commissioners	92,279	64,834

*Superannuation is provided for the Commissioners in accordance with the compulsory Superannuation Guarantee (Administration) Act 1992.)

The number of Commissioners are shown below in the relevant remuneration bands

	2003	2002
	\$	\$
\$Nil - \$10,000	2	3
\$10,001 - \$20,000	2	1
\$30,001 - \$40,000		1
\$40,001 - \$50,000	1	
Total	5	5

Notes to and forming part of the financial statements

10. RELATED PARTY DISCLOSURE

The Commissioners during the financial year were:

Mr S K Hicks (BEc, FCIT, FAIM)	Chairman
Mr A H Wilson (B Eng, M TransEc)	Chief Executive
Mr E F F Finger (AO 1995, B Eng, M EngSc, FIE Aust, FAIM)	Deputy Chairman
Ms V S Hickey (BA, LLB)	
Mr J H Wearne (AM 2002)	
Mr Alex Gallacher	Commenced term May 2003

There were no related party transactions during the year.

An Observer, Mr Des Powell, was appointed in May 2003.

	2003	2002
	\$	\$
11. REMUNERATION OF OFFICERS		
Income received or due and receivable by officers	783,459	751,229
The number of officers whose total remuneration including supplement, allowances, motor vehicle and employee entitlements expenses was above \$100,000 are shown below in the relevant income bands		
\$100,001 - \$110,000	2	2
\$110,001 - \$120,000		1
\$120,001 - \$130,000	2	1
\$130,001 - \$140,000	1	1
\$160,001 - \$170,000		1
\$180,001 - \$190,000	1	
Total	6	6

	2003	2002
	\$	\$
12. REMUNERATION OF AUDITORS		
Remuneration to the Auditor-General for auditing the financial statements for the reporting period	10,400	10,200

No other services were provided by the Auditor-General during the reporting period.

Notes to and forming part of the financial statements

13. FINANCIAL INSTRUMENTS

Terms, conditions and accounting policies

Deposits at call are recognised at their nominal amounts and interest is credited to revenue as it accrues. Weighted average effective interest rate was 4.15% in 2003 and 3.9% in 2002.

Receivables for goods and services are recognised at the nominal amounts.

Trade creditors and accruals are recognised at their nominal amounts, being at the amounts at which the liabilities will be settled. Liabilities are recognised to the extent that the goods or services have been received. Settlement is usually made net 30 days.

Net Fair Values of Financial Assets and Liabilities

The net fair value of cash, deposits on call and non-interest bearing monetary financial assets approximate their carrying amounts. The net fair values for trade creditors are approximated by their carrying amounts.

	Note	2002/03		2001/02	
		Total carrying amount \$	Aggregate net fair value \$	Total carrying amount \$	Aggregate net fair value \$
Financial Assets					
Cash at bank	4A	1,623,575	1,623,575	1,422,208	1,422,208
Cash on hand	4A	53	53	104	104
Receivables	4B	149,581	149,581	287,227	287,227
Total Financial Assets		1,773,209	1,773,209	1,709,539	1,709,539
Financial Liabilities					
Trade creditors		696,615	696,615	126,115	126,115
Total Financial Liabilities		696,615	696,615	126,115	126,115

ATC submissions

Submissions to the Australian Transport Council 2002/03

Document No	Subject	Issued
ATC 02/57(N)	Review of vehicle noise ADRs	November 02
ATC 02/66(N)	Establishing a Single Zone for Voting on Heavy Vehicle Charges	September 02
ATC 02/69(N)	Implementation Status Report (16th ATC)	November 02
ATC 02/70(N)	Third Heavy Vehicle Reform Package (16th ATC)	November 02
ATC 02/71(N)	Annual Adjustment of Heavy Vehicle Charges (16th ATC)	November 02
ATC 02/72(N)	2003\04 Strategic Plan and Budget (16th ATC)	November 02
ATC 02/73(N)	Performance Based Standards Presentation (16th ATC)	November 02
ATC 02/99(N)	50 km/h General Urban Speed Limit for South Australia	November 02
ATC 02/100(N)	50 km/h General Urban Speed Limit for the ACT	December 02
ATC 03/01(N)	Australian Road Rules Amendment Package 2003	April 03
ATC 03/03(N)	First National Transport Regulatory Reform Work Programme (17th ATC)	May 03
ATC 03/04(N)	Implementation Status Report (17th ATC)	May 03
ATC 03/05(N)	Third Heavy Vehicle Reform Package (17th ATC)	May 03
ATC 03/06(N)	National Heavy Vehicle Safety Strategy (17th ATC)	May 03
ATC 03/07(N)	Performance-Based Standards Presentation (17th ATC)	May 03
ATC 03/08(N)	Assessing Fitness to Drive for Commercial and Private Vehicle Drivers	May 03
ATC 03/33(N)	Dangerous Goods - Transport Emergency Response Plan Guidelines	June 03
ATC 03/41(N)	50 km/h General Urban Speed Limit for New South Wales	May 03

NRTC reports 2002/2003

Title	Date	ISBN	Prepared by:
3 Year Strategic Plan 2002/2003 to 2004/2005	Aug 2002	1 877093 15 7	NRTC
Heavy Vehicle Driver Fatigue Summary Draft Policy Proposal	Sept 2002	1 877093 22 X	NRTC
Heavy Vehicle Driver Fatigue Draft Policy Proposal	Sept 2002	1 877093 16 5	NRTC
Heavy Vehicle Driver Fatigue Review of Regulatory Approach Draft RIS	Sept 2002	1 877093 23 8	Economic Associates P/L
Review of Industry Issues for Low Loader Operation	Dec 2002	1 877093 14 9	Dr Peter Hart, Hartwood Consulting P/L
Low Profile Tyres Compared to Super Singles for the Steer-Axle of Road Trains	Dec 2002	1 877093 12 2	GS Donald and GP Youdale
Steerable Axles to Improve Productivity and Access	Dec 2002	1 877093 20 3	Brendan Coleman and Peter Sweatman, RoadUser Research P/L
Vehicle Access Project – Guidelines for Assessing the Suitability of Heavy Vehicles for Local Roads	Dec 2002	1 877093 11 4	John Bennett, John Bennett and Associates P/L and Bob Pearson, Pearson Transport Resource Centre P/L
PBS for Heavy Vehicle Regulation: Regulatory Processes Discussion Paper	Dec 2002	1 877093 25 4	NRTC
PBS Safety Standards for Heavy Vehicles	Jan 2003	1 877093 28 9	Dr Hans Prem, Mechanical System Dynamics P/L Dr John McLean NRTC
PBS Infrastructure Protection Standards for Heavy Vehicles	Jan 2003	1 877093 29 7	NRTC
The Australian Rail Industry: Overview and Issues	Jan 2003	1 877093 26 2	Affleck Consulting P/L
Reform Issues for Rail in Australia	Jan 2003	1 877093 30 0	The Allen Consulting Group
PBS Phase A - Measures And Standards Draft Regulatory Impact Statement	Jan 2003		Economic Associates P/L Pearsons Transport Resource Centre P/L RT Dynamics P/L Managed by : ARRB Transport Research
Candidate Actions to Progress Road Pricing Initiatives	Mar 2003	1 877093 35 1	Maunsell Australia P/L and MM Starrs P/L
Towards a Strategy for Improving Compliance & Enforcement Information and Data Sharing	Mar 2003	1 877093 32 7	Report prepared by: S J Wright & Associates P/L
3 Year Strategic Plan 2002/2003 to 2004/2005	April 2003	1 877093 31 9	NRTC
Heavy Vehicle Driver Fatigue: Draft Fatigue Code of Practice	June 2003		Bryan Bottomley and Associates



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