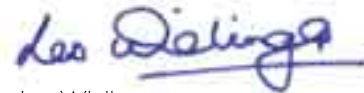RTA

ANNUAL
REPORT
2007

# LETTER TO THE MINISTER

The Hon. Eric Roozendaal, MLC
Minister for Roads
Governor Macquarie Tower
1 Farrer Place
Sydney NSW 2000


Dear Minister


I have pleasure in submitting the Annual Report and Financial Statements of the Roads and Traffic Authority for presentation to the Parliament of New South Wales for the financial year ended 30 June 2007. It has been prepared in accordance with the *Annual Reports (Statutory Bodies) Act 1984* and the *Public Finance and Audit Act 1983.*


Yours sincerely


Les Wielinga
Chief Executive

# ABOUT THIS REPORT

The Roads and Traffic Authority (RTA) Annual Report is a summary of our performance during the 2006–07 financial year. This report is structured in line with the RTA corporate planning framework and sets out our activities, achievements and performance against the key result areas of:

· Positive economic outcomes.

· Positive road safety outcomes.

· Positive environmental and urban design outcomes.

· Value for money.

Each chapter corresponds to one of the corporate framework key result areas. The chapter pages also showcase particular projects which deliver on these key result areas. The past year has seen the delivery of some significant projects which we celebrate and highlight in this report.

A compliance index on page 221 demonstrates how all statutory reporting requirements have been met. In addition to the legislative imperative, this report has been prepared to keep our stakeholders and the community informed. We have listened to feedback and have included a more comprehensive overview of the people of the RTA – those responsible for delivering services to the community of New South Wales (NSW). The structures we have in place to ensure effective service delivery are described along with the individual achievements of many of our skilled and innovative employees.

The RTA's role within the NSW community is one that we take seriously. This report outlines the ways in which we engage with stakeholders and the community to secure the best outcomes.

This report includes many projects and other initiatives which have subsequently been completed and delivered. These post 30 June 2007 events (such as road openings) will be included in next year's report.

To minimise environmental and financial impacts, the RTA does not produce many hard copies of its annual report. The report is published on the internet at www.rta.nsw.gov.au (click on Publications, statistics and forms). Your feedback is welcomed via the RTA website under 'contact us'.

**Front cover image: Sydney Harbour Bridge 75th birthday celebrations. Photographer: Geoff Ward**

In March 2007, one of the RTA's and the nation's most recognisable pieces of infrastructure turned 75.

Up to 100 RTA staff members work on the Sydney Harbour Bridge each day, including engineers, painters, metal workers, fitters, riggers, carpenters, boilermakers, electricians, toll collectors, tow truck drivers, iron workers and clerical workers. These staff are vital to the ongoing maintenance and day-to-day functioning of the bridge.

# Contents

# CHIEF EXECUTIVE'S OVERVIEW

I am proud to have served my first 12 months as Chief Executive of the RTA and to present the Annual Report for the financial year 2006–07. This has been a rewarding and challenging first year and as I reflect upon the commitments made when I was appointed, I am pleased with our progress.

## PROJECT DELIVERY

It has been a year of milestones. The completion of the Lane Cove Tunnel, in itself a significant feat of engineering, has provided the final link in the Sydney Orbital Motorway network. This was a goal articulated in last year's report and I am proud we now have the 110 kilometre orbital motorway significantly improving access around Sydney. I wish to thank motorists for their patience with the many necessary transitional arrangements. We used the lessons of the past to build an effective relationship with the community. The Lane Cove Tunnel Integration Group ably oversaw the integration of the tunnel and the expanded Gore Hill Freeway into the broader road network. A website and map were also created to enable motorists to more effectively navigate the network.

This report outlines the many successful road projects completed during 2006–07, including:

· The completion of two Pacific Highway upgrade projects bringing the total number of projects completed since the inception of the Pacific Highway Upgrade Program to 47.

· The upgrade of Windsor Road and Old Windsor Road to improve accessibility, safety and reliability of travel in the north-west of Sydney.

· The Albury Wodonga Hume Freeway delivering 14.6 kilometres of dual carriageway and 7.5 kilometres of shared bicycle/pedestrian footways to improve road safety and travel conditions for transport and freight.

· The opening of the North-West T-way between Parramatta and Rouse Hill with its new, modern bus stations, bus-only roadways and lanes, and bus priority measures at traffic intersections. It delivers a great transport alternative for north-west Sydney with greater provision, frequency and reliability of bus services.

In June 2006 the Minister for Roads announced the NSW Government's new air quality improvement plan for the M5 East Tunnel. The RTA has this year commenced monitoring and identifying polluting heavy vehicles within the M5 East Tunnel and reporting offending motorists to the Department of Environment and Climate Change (DECC). Between July and December 2006, 177 operators were issued warning letters and between January and June 2007, 193 offences were reported to the DECC. An additional 12 fans have been installed in the tunnel while planning progressed for a filtration plant.

The RTA listens to the community and in the case of the Cross City Tunnel the RTA has been receptive to public feedback. A number of surface road modifications have been made with traffic flow improvements already evident.

The 75th anniversary of Australia's favourite icon, the Sydney Harbour Bridge, provided a symbol for the community's pride and celebration. About 200,000 participants walked across the bridge on 18 March and many more joined the celebrations held in Sydney. It was fitting to see the addition of the bridge to the National Heritage List this year.

## TECHNOLOGY AND SUSTAINABILITY

The RTA uses world leading technology to move traffic efficiently. The RTA designed Sydney Coordinated Adaptive Traffic System (SCATS) responds to traffic demand in real time and coordinates traffic signals to ensure the smooth flow of traffic. SCATS' capability was showcased at the APEC Transport Minister's Forum in April and as it celebrates 35 years of computerised operation, it continues to be a success with an expanding international market.

Increase in the use of electronic tags reduces congestion, improves traffic flow and yields clear environmental benefits. Great progress has been made this year with 18 million more trips on all toll roads than in the previous 12 months. We are moving towards exclusive electronic tolling in the Sydney Harbour Tunnel, to be delivered in July 2007.

The expansion of online services continued in 2006–07, including extended electronic tolling services, online booking for motorcycle rider training and testing, and the introduction of BPAY for registration renewal transactions.

Our commitment to a sustainable environment is demonstrated throughout this report. In recognition of the water issues being faced by state governments and to meet the requirements of the National Water Quality Management Strategy, the RTA facilitated the use of reclaimed water for construction purposes.

The RTA ensures sustainability is an element of its work with excavated materials from a number of its construction projects being reclaimed and reused.

## OUR PEOPLE

In the past year we have implemented a restructure to realign our business with the NSW State Plan and to ensure we deliver improved services to the NSW community. The organisational structure now provides clearer management accountabilities for key activities. The new structure is focused on road construction, maintenance and road safety. Road safety is now a direct deliverable of all managers.

This refocus has been designed to:

· Mainstream road safety.

· Provide integrated customer service.

· Integrate management and maintenance of the road network.

· Ensure effective delivery of major infrastructure projects.

· Increase capacity for regional responsiveness.

· Develop a culture of technical excellence.

· Ensure ongoing effective organisational support.

As in past years, 2006–07 has seen many individual and team achievements by our staff. A number of accolades have been received and these achievements are featured throughout this report. We are proud of their innovations.

## ROAD SAFETY

Road safety is a key priority for the RTA and has traditionally been the responsibility of the Road Safety Branch. Under our new structure and approach, road safety will become mainstream in the RTA with all managers accountable for relevant road safety outcomes. An Executive Road Safety Management Committee has been established to oversee this coordinated approach.

The Minister for Roads' announcement of the formation of the NSW Centre for Road Safety symbolises this refocus of road safety. The centre will develop road safety policy, test vehicle safety and market safer vehicles, contribute to the design and construction of safer road environments, and focus on shifting road user behaviour. The centre, commencing interim operations in July 2007, will be fully functional from January 2008.

The road toll has again been reduced and 2006 saw the lowest toll since 1945. We can continue working together to do more in this area. I have spoken publicly about the need for motorists to take personal responsibility for their actions and about my intent to promote good driving and road behaviour and enforce the law.

The RTA has established the NSW Government Young Drivers Advisory Panel with a range of new initiatives for novice drivers being introduced from July 2007. I hope in next year's report to be able to talk about the positive impact these changes have had.

In June 2007 we launched our new, cutting edge campaign, 'Speeding. No one thinks big of you', aimed at young drivers. We will also be taking part in a $10 million pilot of a novice driver education program planned to commence in late 2007. It will be one of the largest and most rigorous studies of post licence driver education ever undertaken.

The five point plan for child road safety announced by the Minister for Roads in May 2006 was implemented this year. Actions included the distribution of education material to support school drop-off and pick-up zones, trials of school zone alert systems, installation of fixed speed cameras in school zones, and the introduction of new fines and demerit points in school zones.

While this approach to behavioural management will continue, the NSW Centre for Road Safety is introducing a new way of thinking to the way the RTA approaches road safety. Based on European experience, the Safe System approach recognises that human error is inevitable and requires road managers to provide roads and roadside environments that are forgiving of driver error. Road safety targets will be built into RTA programs and Road Safety Impact Statements are being developed for every program we undertake. Road safety will become one of the drivers of RTA expenditure.

RTA Chief Executive Les Wielinga (centre) accompanied by the Hon. Eric Roozendaal, Minister for Roads, addressing the media.

## FUTURE DIRECTIONS

The NSW State Plan will guide the improvement of key services and set priorities for the next 10 years. The plan highlights the need for actions to ensure congestion does not constrain future economic growth or further impact the environment. The future trends identified by the plan demonstrate the challenges facing the RTA as population growth leads to more car ownership, freight movements, passenger movements, and licensing and registration transactions. The ageing of the population presents additional issues to be managed.

In addressing these future challenges, the RTA will work in partnership with the public and with other government departments to deliver the NSW State Plan priorities for the NSW community.

We will continue to work towards cashless motorways to improve traffic flow and reduce congestion and to develop arrangements that will assist in managing peak traffic flows. The focus on increasing the public transport share of total movements will continue. We will work with the road freight industry to reform heavy vehicle access charges and enhance productivity. World leading infrastructure maintenance practices will be developed. We will continue to foster safe motorist behaviour and build safer roads.

Engaging the community, no matter how large or small, is an integral part of our business. We are seeking to move forward in partnership with the members of our community as we deliver our commitments. The Executive will work as one in facing the challenges of the future armed with the lessons of the past. We have made many commitments to the government and the people of NSW and these will form the basis of our future corporate plan.

Les Wielinga
Chief Executive

## RESPONSIBILITIES

The RTA is a NSW statutory authority established in 1989 under the *Transport Administration Act 1988* through an amalgamation of the former Department of Main Roads, Department of Motor Transport and the Traffic Authority. Its primary responsibilities are to:

· Manage the road network to reduce travel times.
· Provide road capacity and maintenance solutions.
· Test and license drivers and register and inspect vehicles.
· Improve road safety.

## VISION

A safe, sustainable and efficient road transport system.

## ACTIVITIES

The RTA undertakes a diverse range of activities. Extensive engineering expertise is used to design and construct new roads and bridges and to enhance existing infrastructure. Scientific expertise is used to test and develop superior road surfaces. The complexity of traffic management has flow on effects for road design and construction, signalling and signage and requires technological expertise to manage SCATS, the RTA's world leading traffic coordination system.

Effective network management and planning require knowledge of population trends, consumer and industry patterns and government policies and priorities. It is critical that road planning is undertaken as part of an integrated transport plan developed with other government departments. The respective needs of motorists, public transport, freight, commuters and pedestrians need to be balanced.

The RTA reviews international practices in road safety, maintenance and network management to complement its own knowledge and practice. Maintenance involves scheduled periodic programs and day-to-day actions. Emergency response crews and traffic modifications are imperative to the efficient running of the network.

Sustainable practices and environmental management are intrinsic to the way the RTA works. The environmental impacts of construction, maintenance, road travel and congestion need to be managed. Urban design activities and other actions are aimed at minimising the impact of road construction on the living landscape.

Road safety is integral to the RTA's activities. The new Safe System approach will see traditional areas of engineering and network management geared towards safer outcomes.

Behaviour management will still be used as an effective safety tool through marketing and promotion, advertising campaigns, testing, training and education to develop safer driving practices. Enforcement is another dimension of road safety and the RTA works closely with the NSW Police Force. Licensing and registration, are an important part of the regulatory and enforcement role of the RTA. They are also invaluable tools in moulding driver practice and road user behaviour.

## KEY DIMENSIONS

### Assets and funding

The road network that the RTA manages includes:

· 17,912 kilometres of State Roads (including 4268 kilometres of AusLink network and 161 kilometres of privately funded toll roads).
· 2946 kilometres of Regional and Local roads in the Unincorporated Area of NSW.
· 4998 bridges, including major culverts and nine vehicular ferries.
· 3630 traffic signals and other traffic facilities, systems and corridor assets.

The non-road assets of the RTA include:

· Around 180 offices including 129 motor registries.
· Purpose built facilities, including RTA Crashlab, Transport Management Centre, Document Management Centre, Argyle Street office building and the RTA Contact Centre.
· Other facilities including work depots, motorcycle rider training centres, fleet workshops, mobile service units, laboratories and inspection stations.

The RTA holds road, bridge and traffic infrastructure with a written down value of $69 billion including land under roads. It also holds property, plant and equipment, private sector provided infrastructure and other non-current assets with a written down value of $4 billion. The RTA owns assets which are held for road projects including heritage listed properties which are tenanted, maintained and managed by RTA property staff.

The RTA received $3.2 billion ($3209 million) this year including contributions from the State and Australian governments, and road user charges. The RTA provides financial assistance to local councils to manage 18,474 kilometres of Regional Roads. The RTA also provides some funding and support to the 144,750 kilometres of council-managed local access roads which are funded by local ratepayers and federal road assistance grants.

## Employees

The RTA has 6924 equivalent full time employees located all over the State. Given the diversity of the RTA's activities, these employees work in a vast array of disciplines across many trades and professions.

## Licensing and registration

As at 30 June 2007, there were 4.58 million NSW licensed drivers and 5.08 million NSW registered vehicles. In 2006–07 the RTA managed approximately 19 million registration and licensing transactions (an increase of 12 per cent from last year).

## STAKEHOLDERS AND THE COMMUNITY

The RTA values its role in the community and undertakes significant stakeholder consultation. Its external customers and stakeholders include motorists, commuters, pedestrians, private organisations, community and road transport groups, business groups, local councils and State and Australian government agencies.

The NSW State Plan has provided priorities to guide RTA actions as the lead NSW agency for roads. The strategic management framework within which the RTA works to meet stakeholder priorities and expectations is set out below.

FIGURE 1. RTA STRATEGIC MANAGEMENT FRAMEWORK
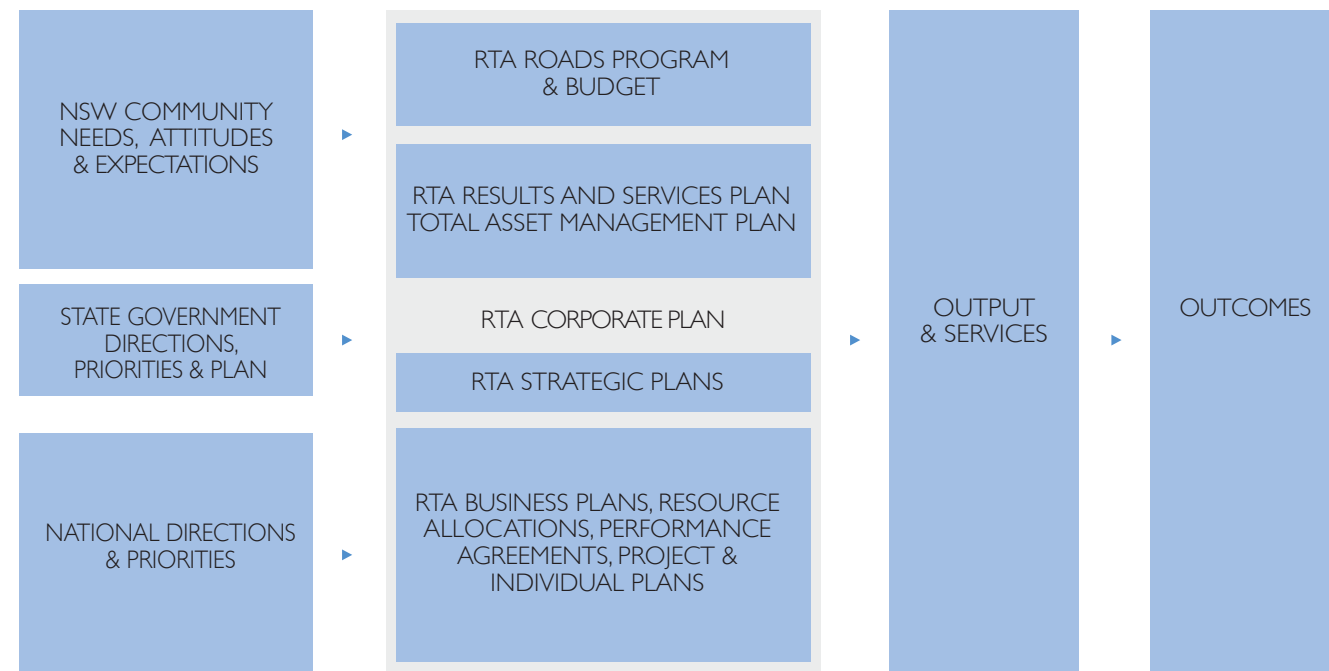


The RTA participates in a number of significant advisory groups and committees set out in appendix 3. The RTA uses these and other avenues to remain informed about reports, reviews, impact statements and inquiries relevant to its operations and operating environment. Where appropriate, the RTA provides its own input to these external materials or responds directly to any findings or recommendations. In the case of the NSW Auditor-General's report, 'Condition of State Roads', the RTA has developed a series of projects to address the report's recommendations. For details see Positive Economic Outcomes chapter.

The RTA undertakes liaison with government departments and local communities in areas such as environmental assessments, development of noise abatement solutions, licensing and registration policy changes, infrastructure development proposals and road safety. Further information is on pages 92 and 93.

## EXECUTIVE

The Chief Executive, seven directors, General Counsel and General Manager Environment form the Executive of the RTA.

The Chief Executive is accountable to the Minister for Roads and Parliament for the RTA's overall performance and compliance. The RTA Executive supports the Chief Executive in ensuring the effective governance of the organisation and has collective responsibility for key functions related to organisational strategy and performance.

The Executive meets to discuss operational issues on a weekly basis with meetings to discuss policy and strategy held once a month. Executive committees manage a number of key issues within the RTA. Each committee comprises directors and key managers from across the organisation to ensure an integrated approach to the oversight of these issues.

TABLE 1. EXECUTIVE COMMITTEES

| Executive committee | Primary role |
|---|---|
| Legislation | To oversee the RTA's legislative program. |
| Road Safety | To review the RTA's development and implementation of road safety strategy, policy and initiatives. |
| Environment | To review the RTA's environmental performance and provide strategic direction on programs and policies. |
| Commercial Business and Technology | To provide leadership and agree strategies to identify and focus effort on the commercial activities and technologies which are critical to the success of the RTA. |
| Audit and Risk | To oversee the development and implementation of financial and other risk management controls and strategies. |
| Finance Strategy | To set the direction of the RTA's financial strategy. |
| Workforce and Reform | To coordinate and facilitate a strategic approach to organisational efficiency, workforce development and renewal. |
| Occupational Health and Safety | To review the RTA's occupational health and safety performance and provide strategic direction on occupational health and safety programs and policies. |
| Major Projects | To consider and endorse the scope of major infrastructure projects and review other significant projects. |
| Network | To advise and support the development of road management plans for key links across the network. |

## EXECUTIVE APPOINTMENTS AND REMUNERATION

The Minister for Roads is responsible for approving the Chief Executive's appointment and contract and for determining remuneration.

The Chief Executive approves senior executives' appointments and contracts. The contracts have a term of up to five years and include annual performance agreements. The Chief Executive determines the remuneration of senior executives in accordance with determinations issued by the Statutory and Other Offices Remuneration Tribunal. For additional information on executive appointments, remuneration and performance refer to appendix 4.

# EXECUTIVE PROFILES

### LES WIELINGA, CHIEF EXECUTIVE
**BE (Civil), Grad.Dip Mgmt (Technology Management)**

Les has more than 35 years experience in infrastructure development and delivery, program and project management, and transport issues management. Major projects include overseeing delivery of the Westlink M7 and managing the Pacific Highway upgrade from its inception. Les developed the M5 East Air Quality Improvement Plan, designed the Cross City Tunnel road modifications to improve traffic flow and chaired the Lane Cove Tunnel Integration Group.

### JACK WHELAN, DIRECTOR BUSINESS COORDINATION, ROAD SAFETY AND POLICY
**BEc (Hons)**

Jack has worked in the State and Commonwealth public sector for over 12 years, recently in NSW as Director of Local and Community Transport in the Ministry of Transport. His government policy background has enabled Jack to bring an integrated approach to his current role including setting up the NSW Centre for Road Safety and communication and corporate planning projects.

### ROD TOUT, DIRECTOR CORPORATE SERVICES AND REFORM
**Dip.Pub.Admin, BBus, MLaw & Policy. Fellow AIM**

Rod has worked in seven government organisations at State and Commonwealth level, including a central government agency, the Federal courts, commercialised business and direct public service-delivery agencies. Rod manages a range of services including human resources, technology, business reform and RTA shared services.

### BRETT SKINNER, DIRECTOR FINANCE AND COMMERCIAL DEVELOPMENT
**BFin.Admin, Fellow Aus. Soc. CPAs, Fellow TIA**

Brett has broad commercial experience providing strategic and financial advice, driving efficiencies and improving productivity in large organisations. Brett served in the electricity, water and waste water industries during a period of great change and the creation of a national electricity trading market. He has also worked for CPH Limited and PriceWaterhouse providing business improvement services and auditing for diverse clients.

### DAVID STUART-WATT, DIRECTOR LICENSING, REGISTRATION AND FREIGHT
**BE, MEngSc, MBus.Admin (Australia and France)**

David has more than 30 years experience in project management: civil, traffic, transport and environmental engineering as well as policy, planning and commercial service delivery in Australia and the UK. He has managed the RTA's statewide network of regional services, engineering technology and project offices as well as commercial services prior to his current role. David won an International Olympic Committee Gold Award for his part in leading transport for the Sydney 2000 Olympic Games.

### BRIAN WATTERS, DIRECTOR MAJOR INFRASTRUCTURE
**BSc (Civil), MEngSc (Transport), Dip TCP**

Brian has more than 35 years experience in transport planning, infrastructure development and program management. He has been involved in the planning of most major road projects in NSW over the past 24 years, and has worked closely with other government agencies. Notable projects have included the planning and procurement of the Sydney Harbour Tunnel as NSW's first Public Private Partnership and planning of the Eastern Distributor, M5 and Westlink M7 motorways and the Lane Cove Tunnel.

### MICHAEL BUSHBY, DIRECTOR NETWORK MANAGEMENT
**BE, BBus, MEng (Project and Construction Management), FAICD, MIE(Aust)**

Michael has more than 25 years experience in the construction and management of road networks in both NSW and Tasmania. His varied experience includes pavement management systems, acting as a company director and regulation of licensing, registration and freight. Michael has a wide range of responsibilities ranging from operational traffic management to long-term network planning.

### PETER COLLINS, DIRECTOR REGIONAL OPERATIONS AND ENGINEERING SERVICES
**BE (Civil)**

Peter has more than 37 years of experience with the RTA. He has progressed through the engineering ranks since commencing as an RTA cadet and has held positions all over the State including Regional Manager, Northern Region. Peter has worked on a range of major road projects including the upgrade of the Pacific Highway. Peter is responsible for regional asset and network management and delivering regional construction and maintenance programs. He is also responsible for providing specialist engineering and technical support across the RTA.

### HELEN VICKERS, ACTING GENERAL COUNSEL
**BA LLB, Grad.Dip.Legal Practice**

Helen has 14 years experience as a solicitor. She commenced her career at Blake Dawson Waldron, and has worked in government since 1997. Helen was Legal Counsel at the Olympic Roads and Transport Authority and has served as Corporate Counsel at StateRail and RailCorp as part of the executive management team. Helen provides legal representation for the RTA and manages the Legal Branch.

### ERICA ADAMSON, GENERAL MANAGER ENVIRONMENT
**BSc, MSc (Hons), LLB**

Erica's environmental management experience has been in the private and government sectors. This has included some of NSW's largest infrastructure projects – the Airport Railway Line, Parramatta – Chatswood Railway and Lane Cove Tunnel. Erica has investigated the environmental impacts of construction activity in Antarctica. She has recently guided the delivery of environmental assessments and approvals for the Hume Highway duplication works.

## CHIEF EXECUTIVE

Delivery of corporate vision and results in support of NSW Government priorities.

· Organisational management and improvement.
· Inter-agency planning and delivery.

· Network development and management.
· Road safety.
· Service delivery to road users.

### DIRECTOR BUSINESS COORDINATION, ROAD SAFETY & POLICY

· Corporate plan and reporting.
· Communication and education.
· Road safety – design, vehicles and behaviour.
· Policy setting and advice.
· Marketing and media.
· Community liaison consultation and inquiries.
· Ministerial correspondence.
· Internal communications.

### DIRECTOR CORPORATE SERVICES & REFORM

· Healthy and safe workplace.
· Leadership and workforce capability management.
· Information technology.
· RTA wide service support.
· Cost savings and process improvement.
· Freedom of information, privacy and contract reporting.
· Industrial Relations.
· Cashback program.

### DIRECTOR FINANCE & COMMERCIAL DEVELOPMENT

· Monitoring and evaluation of financial performance.
· Financial advice and direction.
· Budgeting and investment.
· Financial and commercial discipline in real estate.
· Strategic management of risk exposures.
· Asset and resource management.

### DIRECTOR LICENSING, REGISTRATION & FREIGHT

· Legislation and regulation to support road safety.
· Assessment, licensing and education of drivers and riders.
· Assessment and registration of vehicles.
· Identity management processes.
· Transport and auto trade compliance.
· Freight policy.
· Customer services.
· Reduction of vehicle emissions.

### DIRECTOR MAJOR INFRASTRUCTURE

· Road Development Program including upgrade of Hume and Pacific highways.
· Motorways development and construction.
· Development and delivery of major projects.
· AusLink program management.
· Best practice project and contract management.
· Strategy and policy for infrastructure contracts.

### DIRECTOR NETWORK MANAGEMENT

· Network planning.
· Maintenance and enhancement.
· Traffic systems.
· Incident and event management.
· Tolling facilities and processes.
· Bus priority initiatives on strategic corridors.
· Pedestrian and cyclist facilities.
· Railway level crossing enhancements.
· Road user information.
· Road environment safety program.
· Operational performance of the road network.

### DIRECTOR REGIONAL OPERATIONS & ENGINEERING SERVICES

· Regional construction and maintenance program.
· Regional asset and network management.
· Integrated road transport.
· Specialist technology and technical advice.
· Road and fleet services.

### GENERAL COUNSEL LEGAL BRANCH

· Legal representation.
· Legal strategies, policy and advice.
· Management of legal risk.
· Specialist legal services.

### GENERAL MANAGER ENVIRONMENT

· Environmental policies and procedures.
· Management of environmental risks.
· Meet legal obligations for environment and heritage asset management.
· Ensure environmental outcomes for project planning and delivery.
· Contribute to government environmental objectives.

## STRATEGIC AND BUSINESS PLANNING

The RTA uses corporate strategic plans to link results and services with broader government priorities and to align internal business plans to deliver results. The plans used to communicate the RTA's contribution to government priorities are – the corporate plan, results and services plan and total asset management strategy.

The RTA's strategic direction and planning are also promoted through the corporate framework. It aligns the corporate plan, business plans and the strategies employed to achieve the RTA's results.

Planning and performance reporting guidelines have been updated and communicated within the organisation to maintain an effective and consistent planning and performance reporting system.

## CORPORATE FRAMEWORK

The RTA's corporate framework, which forms the basis of this report's structure, expresses the alignment between government priorities, and the RTA's vision, result areas and strategies. During 2006–07 the framework was refined to capture the priorities set out in the NSW State Plan. The framework clearly sets out the relationship between the services being delivered and the results that the RTA is working towards.

The framework provides a basis for integrated performance reporting that is aligned with business plans, the corporate plan and key result areas. The framework is consistent with NSW Treasury's results and services planning and reporting requirements.

Sustainability principles are recognised in the framework's inclusion of economic, social, and environmental results and strategies. The framework enhances the shared responsibility principle where NSW Government agencies work in partnerships with other governments, local councils, the private sector and other stakeholders to achieve outcomes.

The framework is a tool used to demonstrate the contribution which the RTA makes to the NSW State Plan and other government priorities and ensures that its strategies are transparent, accountable and fiscally responsible. The framework is presented on pages 14 and 15.

## ASSET MANAGEMENT

During 2006–07 the asset strategy was submitted to the Minister for Roads and the Treasurer. The strategy outlines plans for assets including development and maintenance of road infrastructure and associated works, acquisition, maintenance and disposal of real estate and office accommodation. The strategy is fundamental to a more considered approach to physical asset planning and management and requires assets to be clearly aligned to service priorities. The RTA continues to work with NSW Treasury to improve the information provided within the Total Asset Management Strategy.

### Office accommodation

The Office Accommodation Strategy submitted to the NSW Government Asset Management Committee covers leased and owned premises. The current average space density ratio of office space for these sites is approximately 15.5 square metres per person, which complies with the NSW Government accommodation guidelines.

### Property management

The RTA's portfolio consists of property acquired for road construction and operational assets which are used to deliver works and services. The portfolio is reviewed regularly and property that is not required for road construction, operations or related purposes is either disposed of or leased in accordance with government policy.

# CORPORATE FRAMEWORK

| | | | |
|---|---|---|---|
| **NSW STATE PLAN** | GROWING PROSPERITY ACROSS NSW AND ENVIRONMENT FOR LIVING | RIGHTS, RESPECT AND RESPONSIBILITY AND DELIVERING BETTER SERVICES | ENVIRONMENT FOR LIVING |

**VISION**

## A SAFE, SUSTAINABLE AND EFFICIENT ROAD TRANSPORT SYSTEM

**RTA RESULTS**

| POSITIVE ECONOMIC OUTCOMES | POSITIVE ROAD SAFETY OUTCOMES | POSITIVE ENVIRONMENTAL AND URBAN DESIGN OUTCOMES | VALUE FOR MONEY |
|---|---|---|---|

**INTERMEDIATE RESULTS**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| The road transport system provides reliable and efficient access between commercial, residential and recreational locations. | Safer road user behaviour, vehicles and road environment. | Impacts on the natural, cultural and built environments are minimised. | Quality frontline customer service functions are delivered at minimum cost. | Opportunities to improve the way the RTA does business are implemented. | Governance and risk management systems are effective. | A committed, high performance and flexible workforce. | Business partners, industry and the community contribute to positive road transport outcomes. |

**STRATEGIES**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| · Maintain the road network to retain value, quality and capacity.<br>· Accelerate investment in projects that will deliver the greatest economic benefit.<br>· Align the development program with future growth and population patterns.<br>· Optimise the efficiency of the road network through effective traffic management. | · Maximise NSW road user competence and knowledge.<br>· Increase community awareness and positive attitudes to road safety.<br>· Minimise unsafe behaviours and vehicles through appropriate regulation and enforcement.<br>· Increase market demand for safer vehicles.<br>· Give priority to safety in the design, development and maintenance of infrastructure. | · Encourage use of alternative transport.<br>· Lead best practice infrastructure planning and road works.<br>· Implement policies that contribute to a reduction in vehicle emissions.<br>· Use fewer natural resources and produce less waste. | · Deliver frontline services that meet customer needs.<br>· Pursue opportunities for electronic/alternative service delivery.<br>· Streamline licensing and registration services. | · Use research and data strategically to inform policy and management decisions.<br>· Align the business to core principles of simplicity, integration, improvement, accountability and efficiency. | · Follow best practice asset, project and contract management.<br>· Maintain effective and accountable decision making, financial management and reporting processes.<br>· Foster a strong culture of ethics and organisational integrity.<br>· Integrate budget allocation, business planning and performance reporting systems. | · Manage for high performance, productivity and staff satisfaction.<br>· Provide a healthy and safe workplace.<br>· Attract, develop and retain high quality staff. | · Effectively communicate the RTA's challenges, priorities and successes.<br>· Pursue business partnerships and opportunities for stakeholder involvement.<br>· Take a leadership role on national policy issues. |

## BUSINESS CONTINUITY PLANNING

The Business Continuity Management Plan (BCMP) documents actions that can be taken if any business activity considered essential to the RTA's ability to deliver services has been interrupted by an event such as a fire, flood or a power outage.

The BCMP comprises individual recovery and continuity plans covering key business activities that are reviewed at least annually. The BCMP and the individual recovery and continuity plans are controlled documents that are only held by the Executive and staff who have key roles in putting the plans into action. These staff are appropriately trained in any recovery actions that may be required and their readiness is regularly tested.

There are more than 20 individual recovery and continuity plans included in the BCMP. Some of the key business activities covered by these plans are:

· Critical infrastructure security.
· Data centre.
· E-Toll.
· Transport Management Centre.
· Registration and licensing services.

## CORPORATE CARD AND PURCHASING CARD

The RTA's use of corporate credit and purchasing cards has been in accordance with the Premier's memorandum and the Treasurer's directions.

## CODE OF CONDUCT AND ETHICS

The RTA takes seriously its obligation to provide an ethical and harmonious workplace in which staff treat each other with respect.

A Workplace Practice and Conduct Unit develops information sessions about conduct in the workplace that are delivered to staff all over the State. In 2006–07, more than 3391 staff attended 190 sessions tailored around RTA policies such as:

· Appropriate internet and email use.
· Managing unsatisfactory performance and conduct.
· Grievance resolution.
· Harassment, discrimination and workplace bullying.
· Code of conduct and ethics.

Interactive presentations are also designed for specific work groups such as school crossing supervisors.

Resolution of disputes by local management is encouraged although a mediator from the RTA's mediation resolution panel is available. A range of mechanisms are available for dealing with complaints of inappropriate conduct. A significant majority of the complaints lodged by staff in 2006–07 were resolved without the need for further intervention.



RTA staff members Garry Remmert, Joe Pearce and Terry Remmert travelled to Broken Hill from Tibooburra for a training session on workplace conduct.

## RISK MANAGEMENT

The issues of fraud and risk are managed at all levels of the RTA. The Audit and Risk Committee engages executives and managers in the development and implementation of risk management controls and strategies while an internal team continually identifies and assesses allegations and risk. The Control Management Services Branch provides a reasonable level of assurance to the Chief Executive and senior management that the operations of the RTA occur in an appropriately controlled environment. The branch coordinates and integrates a range of functions including internal audit, investigations and a variety of risk management initiatives.

### Commercial risk

The RTA commercialisation guideline has been developed to assess infrastructure and business asset investment proposals. This ensures projects are subject to increasingly commercially oriented criteria such as predetermined rates of return. Commercial skills from the private sector are sought on a needs basis to augment existing resources and skills available within RTA business areas.

The prequalification process that applies to potential suppliers and contractors provides assurance about the financial capacity of service providers to fulfil their obligations.

### Interest rate risk

Interest rates on the RTA's debt are a mix of fixed and floating rates. The NSW Treasury Corporation (TCorp) advises on and manages the RTA debt portfolio in line with an annual Memorandum of Understanding (MOU). In recent years the MOU has been changed to allow TCorp to focus on a medium term horizon when managing RTA debt. This ability to look at longer term rate cycles rather than the short term direction of interest rates has assisted in lowering the RTA's debt service costs.

### Risk insurance

The RTA has a Principal Arranged Insurance Program (for works and third party liability) for all construcon and maintenance contracts covering the RTA, its contractors and their sub-contractors. Purchase of this cover is now into its sixth year and provides low cost insurance for the RTA's construction projects and Road Infrastructure Maintenance Program. This strategy has locked in broadform covers at competitive market rates. Included in the insurance program is cover for vehicular ferries on the same competitive terms.

### Audit and Risk Committee

The Audit and Risk Committee continued to meet every three months to consider progress of the audit program, generally oversee the direction of the audit function and consider the adequacy of the organisation's risk/control environment. It also reviews the RTA's year-end financial statements. The committee is chaired by the Chief Executive and comprises other executives and an external representative. Staff from the Audit Office of NSW may also attend meetings.

#### Internal audit

The Control Management Services Branch provides a high quality, cost-effective auditing service across the range of the RTA's activities. This auditing function is focused primarily on four areas of high risk to the organisation: licensing and vehicle management, information technology (IT), engineering, and financial and operational aspects.

#### Licensing and registration

Audits were performed on customer service at motor registries and other service delivery outlets, back office processes supporting licensing and registration, and external organisations' access to information. The review of the operational risk framework for licensing and registration continued, ensuring the risks reflect current business practices and that controls remain appropriate and effective.

#### IT

IT audit staff maintained membership of a range of steering committees and working parties to assist their focus on general IT, IT security and e-commerce, IT infrastructure, provision of an IT Risk Assessment Facilitation Service and the provision of risk/control advice. Steering committees cover corporate governance of new systems, IT security management and IT products. Audit and risk staff work with business units to conduct risk assessments of new IT initiatives, system purchases and developments.

General IT audits undertaken this year covered purchased and installed systems, systems under development and, to a limited extent, those currently in production. IT security and e-commerce audits focused on aspects of operating systems such as access and permissions security.

#### Engineering

Major engineering programs and systems continue to be reviewed. The overall effectiveness of systems was assessed, including policies, procedures and compliance.

Major reviews completed include:

· AusLink Administration Compliance, Pavement Maintenance Program.
· Follow up of Auditor-General's recommendations on Liverpool to Parramatta T-way project.
· Review of procurement process policies.
· Tidal flow procurement/operations process.

Engineering programs and systems of three directorates were analysed for major risks and controls. Audits were prioritised based on the magnitude of risks. The audit scope included overall effectiveness of systems, policies and procedures and relevant compliance. Opportunities for improvement to current practices were identified in consultation with line management.

#### Finance and operations

Financial and operational audits include the RTA's support functions and certain aspects of the road safety and traffic and transport businesses. A range of systems and activities identified as medium to high risk were targeted during the year.

Audit reviews conducted included the purchasing function at the Sydney Business Service Centre, purchase card utilisation, utility accounts, skill hire, cashback operations and alcohol interlock program administration, as well as the financial and administrative support functions at selected administration centres and district works centres. Overall, these audits focused on the appropriateness of RTA operational and administrative expenditure.

## Investigations

The RTA performs a range of internal corruption and external fraud investigations. Where appropriate, matters of staff corruption are investigated and outcomes forwarded to RTA senior management to consider whether disciplinary action is required. Recommendations are made to line management to address any weaknesses or areas of concern relating to policies, procedures or controls.

Fraud committed by members of the public which impacts on the RTA's licensing and vehicle management business is also investigated. Outcomes from these matters are primarily referred to the NSW Police Force for investigation and prosecution. Where appropriate, these matters are also referred to RTA senior management to address any policy, procedure and control issues identified by the investigations. Matters referred by law enforcement agencies, such as identity fraud and motor vehicle rebirthing, are also investigated.

## Corruption risk management

The RTA has implemented a range of initiatives which focus on minimising the risk of corrupt activity by its staff. Highlights during the year included:

- Development of a fraud and corruption risk strategic framework.
- Ongoing implementation of a corruption risk awareness program.
- Conducting seminars with new and existing staff as part of induction and at other times to reinforce the corruption-resistant culture of the RTA.
- The provision of corruption information through the RTA's intranet.
- Provision of advice to staff and management on a broad range of corruption risks and ethical, probity and policy issues.

## Strategic and operational risk

The RTA has a process for identification, assessment, management and monitoring of the major risks facing each area of its operation. The RTA's corporate risk management framework continued to be refined during 2006–07.

Performance indicators are reported in the following tables against the key result areas of the corporate framework. The RTA continually reviews its performance indicators and where indicators have been changed, the historical figures have been amended for comparative purposes. The notes accompanying the tables provide detail on individual indicators.

### TABLE 2. POSITIVE ECONOMIC OUTCOMES (SEE PAGES 24-45)

| Indicator | 2003–04 | 2004–05 | 2005–06 | 2006–07 | 2007–08 Target |
|---|---|---|---|---|---|
| Ride quality: smoothness of State Roads (% good/% poor)(i) | 87.6/4.4 | 87.4/4.5 | 87.5/4.6 | 87.9/4.4 | 87.6/4.5 |
| Pavement durability: cracking all State Roads (% good/% poor)(i) | 73.7/11.2 | 79.4/8.8 | 78.1/9.5 | 76.5/9.5 | 76.5/9.5 |
| Benefit of development program ($ million) | 2349 | 2218 | 2257 | 3041 | 3635 |
| Major works completed within planned duration or within 10% over planned duration (ii) | 86 | 83.6 | 82 | 75.3 | 90.0 |
| Change in urban traffic volume (% increase on previous year) | 1.4 | 0.2 | 1.0 | -0.2 | 0 |
| Travel speed: seven major routes AM peak (km/h, urban) | 34 | 31 | 32 | 30 | 30 |
| Travel speed: seven major routes PM peak (km/h, urban) | 41 | 41 | 42 | 41 | 41 |
| Number of bridges on State Roads at 30 June limiting legal usage due to structural condition | 6 | 5 | 0 | 0 | 0 |
| Maintenance and reconstruction expenditure on State Roads per km of roadway ($000) (iii) | 38 | 38 | 36 | 40 | 39 |

(i) The reporting methodology has now changed to provide a more consistent sample of the road network being reported on each year. About 18,500 of the 20,000 lane kilometres surveyed each year will be consistent for future reporting. This is the first year the % poor figures have been reported. Previously reported ride quality % good (03–04 89.5, 04–05 89.4, 05–06 90.8) and pavement durability country roads % good (03–04 81, 04–05 81.9, 05–06 85.1)

(ii) The delay of some high value projects impacted the 2006–07 result since the indicator for the completion of projects is weighted by value.

(iii) Historical figures have been amended in 2006–07 to include all overheads to be more consistent with current information. Previously some overheads were not always included. Previously reported figures (03–04 32, 04–05 38, 05–06 34).

### TABLE 3. POSITIVE ROAD SAFETY OUTCOMES (IV) (SEE PAGES 46-57)

| Indicator | 2003–04 | 2004–05 | 2005–06 | 2006–07 | 2007–08 Target |
|---|---|---|---|---|---|
| Fatalities/100,000 population | 8.1 | 7.5 | 7.9 | 6.6 | n/a |
| Fatalities/100 million vehicle km travelled (v) | 0.93 | 0.79 | 0.82 | 0.67 | n/a |
| % of fatalities where speed was a factor | 39 | 39 | 38 | 36 | n/a |
| % of fatalities where illegal levels of alcohol was a factor (vi) | 16 | 17 | 20 | 21 | n/a |
| % of vehicle occupant fatalities who were not wearing an available restraint | 19 | 19 | 16 | 17 | n/a |
| % of fatalities where driver fatigue was a factor | 15 | 16 | 19 | 19 | n/a |
| Motor vehicle controllers aged 25 years or under involved in fatal crashes per 10,000 licence holders (vii) | 2.7 | 2.5 | 2.3 | 2.0 | n/a |
| Fatal crashes involving heavy trucks per 10,000 heavy trucks on register (vii) | 8.5 | 8.7 | 7.9 | 7.6 | n/a |
| Heavy Vehicle Inspection Scheme: number of inspections | 82,634 | 80,427 | 86,992 | 94,847 | 100,000 |
| Heavy Vehicle Inspection Scheme: percentage of defect free vehicles | 58.85 | 56.20 | 50.76 | 51.00 | 52.00 |

(iv) Fatality figures are provisional and subject to change as population figures are revised.

(v) ABS travel estimates not yet published. Fatality rates since 2005 have been calculated using projected estimated travel growth. The scale has been changed from last year's report for consistency with the NSW State Plan and conventional reporting.

(vi) 2006–07 alcohol data is incomplete at this stage due to the lag in processing alcohol blood samples. This time lag issue means the previously reported 2005–06 figure has now been amended to the final figure.

(vii) Licence holder and registration statistics are based on published RTA data as at December 2006.

TABLE 4. POSITIVE ENVIRONMENTAL AND URBAN DESIGN OUTCOMES (SEE PAGES 58-77)

| Indicator | 2003–04 | 2004–05 | 2005–06 | 2006–07 | 2007–08 Target |
|---|---|---|---|---|---|
| Bus lane length (km) (viii) | 76 | 78 | 89 | 98 | 112 |
| Transit lane length (km) (viii) (ix) | 86 | 86 | 86 | 81 | 87 |
| Cycleway length (km) | | | | | |
| · Off–road cycleways | 1125 | 1210 | 1310 | 1400 | 1455 |
| · On–road cycleways | 2135 | 2235 | 2380 | 2590 | 2670 |
| Number of environmental penalty infringement notices issued to the RTA | 0 | 0 | 0 | 2 | 0 |
| Number of major environmental incidents arising from RTA's direct operations (x) | n/a | 7 | 4 | 9 | 0 |
| Number of non compliances with environmental licences held by the RTA | 5 | 2 | 0 | 0 | 0 |
| Condition of heritage assets (% good) (xi) | 37 | 45 | 47 | 42.5 | – |
| RTA's total greenhouse gas emissions from direct energy consumption (tonnes CO2 – e) (xii) (xiii) | 111,310 | 115,150 | 116,618 | – | – |
| RTA's total office energy consumption (GJ) (target of 75,989 GJ) (xiii) | 75,492 | 77,344 | 73,203 | – | – |
| RTA fleet environment score (target of 10 in 2005–06, 11 in 2006–07) (xiv) | n/a | 8.1 | 8.1 | 8.6 | 12 |

– Not yet available

(viii) The 2007–08 targets include the lengths associated with the Lane Cove Tunnel work.

(ix) The reduction in transit lane length in 2006–07 is due to the replacement of the northbound Anzac Parade transit lane with bus lane.

(x) Comparative figures for 2003–04 are not available due to modification of the reporting system. Figures exclude RTA contractor incidents.

(xi) The 2006–07 condition of heritage assets is lower than last year since all the data has not yet been received.

(xii) Historical data has been amended due to changes in the Australian Greenhouse Office method for converting energy use to greenhouse gas emissions.

(xiii) There is a 12 month lag in these figures.

(xiv) Not measured in 2003–04. The 2004–05 score was not reported in the 2005–06 Annual Report and the score reported for 2005–06 included passenger vehicles only.

TABLE 5. VALUE FOR MONEY (SEE PAGES 78-93)

| Indicator | 2003–04 | 2004–05 | 2005–06 | 2006–07 | 2007–08 Target |
|---|---|---|---|---|---|
| Use of RTA website (million visits) | 6 | 8.9 | 11.35 | 13.97 | 17.5 |
| Workplace injuries/100 employees (EFT) | 7.6 | 7.5 | 7.0 | 6.4 | n/a |
| OHS liability workplace claims costs ($ million) (xv) | 3.1 | 2.4 | 2.4 | 2.2 | 2.6 |
| Separation rate of staff (%) (xvi) | 6.39 | 5.99 | 6.29 | 8.46 | n/a |
| Customers rating service as 'good or very good' (%) | 92 | 94 | 95 | 93 | >90 |

(xv) Excludes journey and recess away claims (those occurring at lunch time away from the workplace). The liability target of $2.6 million is based on the Working Together prorata target for 2006–07 of $6000 per claim and a reported result of 430 claims.

(xvi) Separation rate is the proportion of staff that left the organisation. It includes salaried, wages and casual staff. The actual separation rate for 2005–06 was 9.92 per cent however school crossing supervisors (accounting for 3.63 per cent of the separation) were not included in the annual separation figures. This gave rise to the 6.29 per cent reported. This group can now be included which results in a higher reported rate of separation for this year.

## FINANCIAL STRATEGY

The RTA continues to review and improve financial strategy and management tools to deliver cost effective programs and services to the community of NSW.

A strong emphasis remained on enhancing business efficiency and risk management across all RTA operations. The Finance Strategy Committee continued in its governance role, including direction of funding allocations and review of program and resource budget performance. This was supported by two key programs.

A major review and update of financial policies and procedures was undertaken to ensure that the RTA has a robust financial management framework to mitigate risk. The review also ensured that policies and procedures support statutory and business requirements. The rollout of 37 policies and procedures was supported by a communications and training strategy. They covered areas such as purchasing, accounting procedures, and the RTA's Information Management System including vendor data and security.

The second program involved the development of an 'Executive dashboard' to replace a number of financial reports. The dashboard provides a significant amount of key RTA financial performance data in an easily understood, user-friendly format with extensive drill down capability. The dashboard is distributed among RTA senior managers to enable timely financial decisions. It is accepted as the single reference source for financial performance and will ensure consistent reporting and monitoring of financial data. The dashboard will be used as a platform for the development of an RTA wide business intelligence system.

## STRATEGIC INVESTMENT

Sound strategic investment decisions are fundamental to the development of a strong, sustainable road system for NSW. The priorities set out by the NSW State Plan require targeted investment to support program delivery.

The RTA has reviewed its management of current and potential commercial arrangements and implemented a new commercial management framework. Under the framework, commercial business ventures will be evaluated on the basis of their ability to secure or improve future revenue and program delivery. The challenge facing future financial management will be to further enhance business and financial management of commercial ventures in line with financial and program delivery performance indicators.

The investment decision framework has also been implemented as a significant management and analysis tool. The 2007–08 budget has been formatted into the new framework to enhance Executive review and management of the budget program.

Strategic risk forms an integral component of a robust investment decision framework. A corporate risk management framework continued to be refined.

## FINANCIAL PERFORMANCE

Quantitative examples of the RTA's effective financial management include:

· Management of its $3.2 billion funding and expenditure program.

· Generation of $47.1 million gross revenue from the sale of surplus property and leasing of residual property.

· A 165 per cent increase in revenue from advertising to $8.6 million.

· Evaluation of private sector infrastructure projects and provision of advice on business proposals based on financial and economic viability.

· Management of property information relating to $2.8 billion of property assets.

· A $33.8 million saving in strategic procurement.

TABLE 6. FINANCIAL PERFORMANCE IN 2006–07

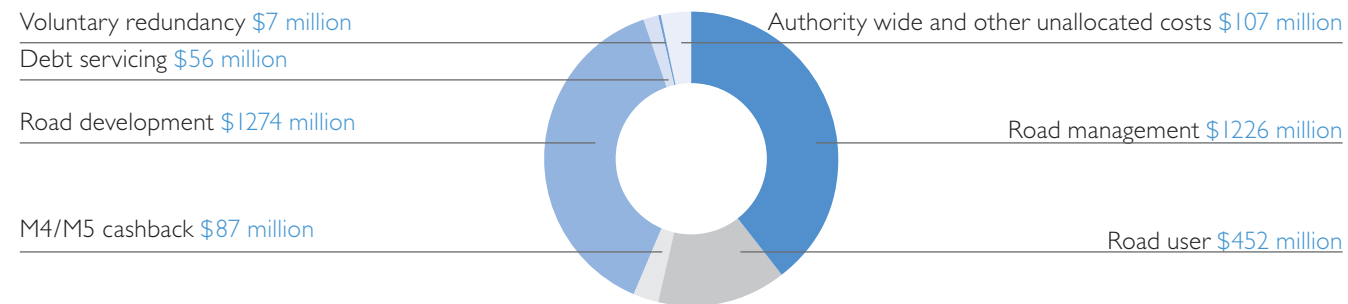| Financial performance indicators [1] | 2003–04 | 2004–05 | 2005–06 | 2006–07 Target | 2006–07 Actual | 2007–08 Target |
|---|---|---|---|---|---|---|
| Debt servicing cost as % of roads program | 2.6 | 2.3 | 2.0 | 2.0 | 1.7 | 1.7 |
| Asset sales ($ million)[2] | 26.8 | 53.2 | 41.2 | 20.0 | 24.5 | 15.0 |
| Interest earned | | | | | | |
| · Hour-Glass facility[3] | 5.2 | 4.6 | 1.7 | 1.5 | 7.5 | 6.0 |
| · Other institutions[4] | 5.2 | 3.9 | 0.9 | 1.5 | 0.4 | 1.0 |

1. The RTA is a budget dependent agency funded by the NSW and Australian governments. Many standard financial ratios are therefore not applicable.
2. Sale of surplus properties including those acquired for roadworks which are no longer required. All dollar amounts reported in nominal terms.
3. Target represents benchmark rate as advised by Treasury Corporation.
4. The 2005–06 and 2006–07 results reflect lower amounts available for investment.

## TOTAL ROADS PROGRAM

The expenditure for the year was $3209 million ($2821 in 2005–06). In achieving this result the RTA met government commitments to specific initiatives including the Pacific Highway upgrade, western Sydney transitways, and the Princes Highway upgrade.

FIGURE 2. USE OF FUNDS 2006–07 $3209 MILLION

The $3209 million applied to the roads program was:

Voluntary redundancy $7 million

Debt servicing $56 million

Road development $1274 million

M4/M5 cashback $87 million

Authority wide and other unallocated costs $107 million

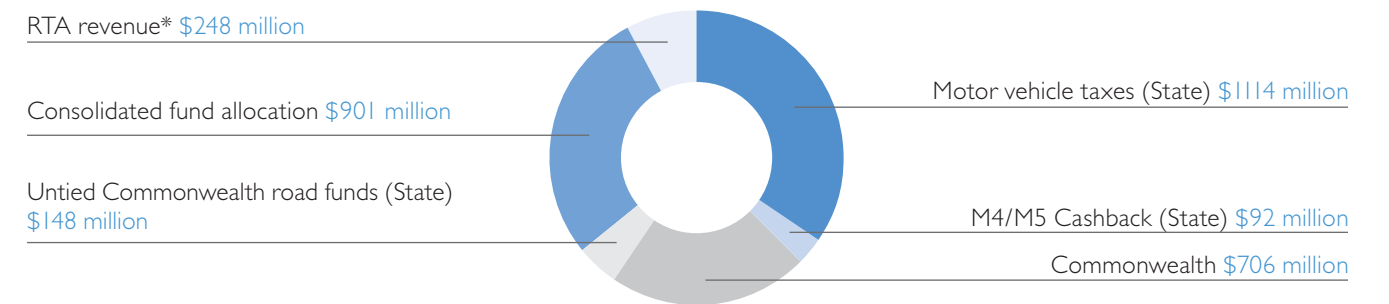Road management $1226 million

Road user $452 million



## FUNDING SOURCES

In 2006–07 the State Government provided $2255 million or 70 per cent of the total funds applied to the roads program. This compared to $2383 million in 2005–06. The Australian Government contributed $706 million or 22 per cent towards the AusLink Network, and non network projects, the Australian Transport Safety Bureau-Blackspot Program, Pacific Highway Accelerated Program, Strategic Regional Programs and the Interstate Vehicle Registration Scheme. This compared to $513 million in 2005–06.

Additional funding of $248 million was sourced from the RTA receipts of $519 million. The remaining $270 million of revenue was applied to movements in cash balances, and assets and liabilities. (There was a $75 million net reduction in 2005–06).

FIGURE 3. SOURCE OF FUNDS 2006–07

RTA revenue* $248 million

Consolidated fund allocation $901 million

Untied Commonwealth road funds (State) $148 million

Motor vehicle taxes (State) $1114 million

M4/M5 Cashback (State) $92 million

Commonwealth $706 million



* RTA revenue is the net amount received after offsetting movements in assets and liabilities. These movements included a $28 million repayment to NSW Treasury of the excess to approved 2005–06 State Government contributions and a movement in the RTA's emerging interest in Private Sector Provided Infrastructure assets of $52 million.

## CASHBACK SCHEME

The RTA administers the Cashback scheme that allows drivers of NSW privately registered motor vehicles using the M4 and M5 motorways to be eligible for a quarterly refund of tolls paid on these roads. Approximately 238,000 Cashback customers lodged 695,000 claims in 2006–07. The total cost of the scheme, including administration, was $87 million. The scheme is funded from consolidated revenue.