

Annual Report 2004



Roads and Traffic Authority of New South Wales
Financial statements for the period ended 30 June 2004

CONTENTS

Independent audit report	74
Statement by Chief Executive and Director of Finance	75
Statement of financial performance	76
Statement of financial position	77
Statement of cash flows	78
Program statement – expenses and revenues	79
Summary of compliance with financial directives	80
Notes to and forming part of the financial statements:	
Summary of significant accounting policies	81
Expenses	87
Revenues	89
Gain (loss) on disposal of non-current assets	90
Conditions on contributions	90
Appropriations	90
Individually significant items	91
Programs/activities of the agency	91
Current assets – cash	92
Current assets – non-current assets – receivables	92
Non-current assets – land & buildings, plant & equipment	93
Current/non-current assets – other	97
Current liabilities – payables	99
Current/non-current liabilities – interest bearing liabilities	99
Financial instruments	101
Current/non-current liabilities – provisions	102
Current/non-current liabilities – other	103
Changes in equity	104
Commitments for expenditure	104
Contingent assets	106
Contingent liabilities	106
Native Title	106
Budget review	106
Reconciliation of cash flows from operating activities to net cost of services	107
Supplementary financial information	108



GPO BOX 12
SYDNEY NSW 2001

INDEPENDENT AUDIT REPORT ROADS AND TRAFFIC AUTHORITY OF NEW SOUTH WALES

To Members of the New South Wales Parliament

Audit Opinion

In my opinion, the financial report of the Roads and Traffic Authority of New South Wales

- (a) presents fairly the Authority's financial position as at 30 June 2004 and its financial performance and cash flows for the year ended on that date, in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and
- (b) complies with sections 41 B and 41 BA of the *Public Finance and Audit Act 1983* (the Act).

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

The Chief Executive's Role

The financial report is the responsibility of the Chief Executive of the Roads and Traffic Authority of New South Wales. It consists of the statement of financial position, the statement of financial performance, the statement of cash flows, the program statement – expenses and revenues, the summary of compliance with financial directives and the accompanying notes.

The Auditor's Role and the Audit Scope

As required by the Act, I carried out an independent audit to enable me to express an opinion on the financial report. My audit provides *reasonable assurance* to Members of the New South Wales Parliament that the financial report is free of *material* misstatement.

My audit accorded with Australian Auditing and Assurance Standards and statutory requirements, and I:

- evaluated the accounting policies and significant accounting estimates used by the Chief Executive in preparing the financial report, and
- examined a sample of the evidence that supports the amounts and other disclosures in the financial report.

An audit does not guarantee that every amount and disclosure in the financial report is error free. The terms 'reasonable assurance' and 'material' recognise that an audit does not examine all evidence and transactions. However, the audit procedures used should identify errors or omissions significant enough to adversely affect decisions made by users of the financial report or indicate that the Chief Executive has not fulfilled his reporting obligations.

My opinion does not provide assurance:

- about the future viability of the Authority,
- that the Authority has carried out its activities effectively, efficiently and economically,
- about the effectiveness of its internal controls, or
- on the assumptions used in formulating the budget figures disclosed in the financial report.

Audit Independence

The Audit Office complies with all applicable independence requirements of Australian professional ethical pronouncements. The Act further promotes independence by:

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

R J Sendt
Auditor-General

SYDNEY
17 September 2004

**ROADS AND TRAFFIC AUTHORITY
YEAR ENDED 30 JUNE 2004**

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

1. The accompanying financial statements exhibit a true and fair view of the Authority's financial position as at 30 June 2004 and transactions for the year then ended.
2. The statements have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2000, the Treasurer's Directions and the directives of the Financial Reporting Code.

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



Brett Skinner
Director, Finance
13 September 2004



Paul Forward
Chief Executive
13 September 2004

Statement of Financial Performance
For the Year Ended 30 June 2004

	Notes	Actual 2004 \$000	Budget 2004 \$000	Actual 2003 \$000
Expenses				
Operating Expenses				
– Employee Related	2(a)	204,562	224,779	213,760
– Other Operating Expenses	2(b)	513,471	369,222	558,428
Maintenance	2(c)	687,928	600,649	635,831
Depreciation and Amortisation	2(d)	697,157	511,859	567,447
Grants and Subsidies	2(e)	15,835	33,442	19,056
Borrowing Costs	2(f)	75,212	72,038	80,603
Total Expenses		2,194,165	1,811,989	2,075,125
Less:				
Retained Revenue				
Sales of Goods and Services	3(a)	210,983	226,196	214,669
Investment Income	3(b)	33,798	1,488	26,228
Retained Taxes, Fees and Fines	3(c)	6,790	–	5,684
Grants and Contributions	3(d)	36,370	34,004	37,891
Other Revenue	3(e)	130,314	45,238	346,199
Total Retained Revenue		418,255	306,926	630,671
Gain on Disposal of Non-Current Assets	4	461	3,433	8,174
Net Cost of Services	24	1,775,449	1,501,630	1,436,280
Government Contributions				
Recurrent Appropriation	6	1,278,099	1,258,738	1,189,424
Capital Appropriation	6	1,067,119	1,044,593	994,585
Total Government Contributions		2,345,218	2,303,331	2,184,009
SURPLUS FOR THE YEAR FROM ORDINARY ACTIVITIES		569,769	801,701	747,729
SURPLUS FOR THE YEAR		569,769	801,701	747,729
NON-OWNER TRANSACTION CHANGES IN EQUITY				
Net increase in asset revaluation reserve	18	7,091,639	–	7,033,995
Other increases	18	42,789	–	227,275
Total revenues, expenses and valuation adjustments recognised directly in equity		7,134,428	–	7,261,270
Total changes in equity other than those resulting from transactions with owners as owners		7,704,197	801,701	8,008,999

The accompanying notes form part of these statements.

Statement of Financial Position
For the Year Ended 30 June 2004

	Notes	Actual 2004 \$000	Budget 2004 \$000	Actual 2003 \$000
ASSETS				
Current Assets				
Cash Assets	9	277,437	230,494	238,055
Receivables	10(a)	117,814	81,680	88,375
Inventories		7,104	6,718	7,614
Other	12(a)	7,142	1,681	5,317
Total Current Assets		409,497	320,573	339,361
Non-Current Assets				
Receivables	10(b)	73,075	68,725	69,860
Property, Plant and Equipment				
– Land and Buildings	11(a)	3,223,925	2,830,302	3,194,126
– Plant and Equipment	11(b)	128,698	21,987	107,962
– Infrastructure Systems	11(c)	65,788,138	52,277,472	58,164,298
Total Property, Plant and Equipment		69,140,761	55,129,761	61,466,386
Other	12(b)	894,478	845,459	826,154
Total Non-Current Assets		70,108,314	56,043,945	62,362,400
Total Assets		70,517,811	56,364,518	62,701,761
LIABILITIES				
Current Liabilities				
Payables	13	477,462	377,445	339,260
Interest bearing liabilities	14	106,263	76,669	198,519
Provisions	16	80,711	92,618	61,858
Other	17	77,907	46,065	58,025
Total Current Liabilities		742,343	592,797	657,662
Non-Current Liabilities				
Interest bearing liabilities	14	791,415	822,221	776,172
Provisions	16	370,848	368,561	424,170
Other	17	404,573	382,268	420,987
Total Non-Current Liabilities		1,566,836	1,573,050	1,621,329
Total Liabilities		2,309,179	2,165,847	2,278,991
Net Assets		68,208,632	54,198,671	60,422,770
EQUITY				
Reserves	18	27,264,603	13,138,969	20,172,964
Accumulated Funds	18	40,944,029	41,059,702	40,249,806
Total Equity		68,208,632	54,198,671	60,422,770

The accompanying notes form part of these statements.

Statement of Cash Flows
For the Year Ended 30 June 2004

	Notes	Actual 2004 \$000	Budget 2004 \$000	Actual 2003 \$000
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Employee Related		(239,030)	(217,424)	(174,381)
Grants and Subsidies		(16,606)	(33,442)	(19,056)
Borrowing Costs		(69,753)	(66,507)	(76,439)
Other		(1,331,326)	(1,153,073)	(1,269,007)
Total Payments		(1,656,715)	(1,470,446)	(1,538,883)
Receipts				
Sale of Goods and Services		225,883	228,097	208,881
Retained Taxes, Fees and Fines		6,790	–	5,684
Investment Income Received		15,075	1,488	24,502
Other		269,541	198,575	503,116
Total Receipts		517,289	428,160	742,183
Cash Flow from Government				
Recurrent Appropriation		1,278,099	1,258,738	1,189,424
Capital Appropriation		1,067,119	1,044,593	994,585
Net Cash Flows from Government		2,345,218	2,303,331	2,184,009
NET CASH FLOWS FROM OPERATING ACTIVITIES	24	1,205,792	1,261,045	1,387,309
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from Sale of Land and Buildings, Plant and Equipment and Infrastructure Systems		29,208	37,900	47,702
Purchases of Land and Buildings, Plant and Equipment and Infrastructure Systems		(1,110,343)	(1,216,745)	(1,191,606)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(1,081,135)	(1,178,845)	(1,143,904)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from borrowings and advances		–	–	–
Repayment of Borrowings and Advances		(85,275)	(82,200)	(99,124)
NET CASH FLOWS FROM FINANCING ACTIVITIES		(85,275)	(82,200)	(99,124)
NET INCREASE IN CASH		39,382	–	144,281
Opening Cash and Cash Equivalents		238,055	230,494	93,774
CLOSING CASH AND CASH EQUIVALENTS	9	277,437	230,494	238,055

The accompanying notes form part of these statements.

Program Statement – Expenses and Revenues
For the Year Ended 30 June 2004

ROADS AND TRAFFIC AUTHORITY	Road Network Infrastructure*		Road Safety, Licensing and Vehicle Management*		Traffic and Transport*		M4/M5 Cashback Scheme*		Not Attributable		Total	
EXPENSES AND REVENUES	2004 \$000	2003 \$000	2004 \$000	2003 \$000	2004 \$000	2003 \$000	2004 \$000	2003 \$000	2004 \$000	2003 \$000	2004 \$000	2003 \$000
EXPENSES												
Operating Expenses												
– Employee Related	16,205	14,267	166,865	176,584	21,492	22,909	–	–	–	–	204,562	213,760
– Other Operating Expenses	105,754	195,478	251,921	213,450	83,332	83,519	72,464	65,981	–	–	513,471	558,428
Maintenance	528,463	469,665	466	–	158,999	166,166	–	–	–	–	687,928	635,831
Depreciation and Amortisation	685,725	559,943	8,976	6,364	2,456	1,140	–	–	–	–	697,157	567,447
Grants and Subsidies	8,913	11,449	6,922	7,607	–	–	–	–	–	–	15,835	19,056
Borrowing Costs	75,212	80,603	–	–	–	–	–	–	–	–	75,212	80,603
Total Expenses	1,420,272	1,331,405	435,150	404,005	266,279	273,734	72,464	65,981	–	–	2,194,165	2,075,125
Retained Revenue												
Sale of Goods and Services	107,805	116,197	95,164	90,973	8,014	7,499	–	–	–	–	210,983	214,669
Investment Income	30,738	24,629	1,478	771	1,582	828	–	–	–	–	33,798	26,228
Retained Taxes, Fees and Fines	854	800	5,936	4,884	–	–	–	–	–	–	6,790	5,684
Grants and Contributions	17,748	18,717	4,804	6,586	13,818	12,588	–	–	–	–	36,370	37,891
Other Revenue	129,822	346,199	227	–	265	–	–	–	–	–	130,314	346,199
Total Retained Revenue	286,967	506,542	107,609	103,214	23,679	20,915	–	–	–	–	418,255	630,671
Gain (Loss) on Disposal of Non-Current Assets	461	8,174	–	–	–	–	–	–	–	–	461	8,174
NET COST OF SERVICES	1,132,844	816,689	327,541	300,791	242,600	252,819	72,464	65,981	–	–	1,775,449	1,436,280
Government Contributions**	–	–	–	–	–	–	–	–	2,345,218	2,184,009	2,345,218	2,184,009
NET EXPENDITURE/ (REVENUE) FOR THE YEAR	1,132,844	816,689	327,541	300,791	242,600	252,819	72,464	65,981	(2,345,218)	(2,184,009)	(569,769)	(747,729)
ADMINISTERED REVENUES												
	Road Network Infrastructure		Road Safety, Licensing and Vehicle Management		Traffic and Transport		M4/M5 Cashback Scheme		Not Attributable		Total	
(See Note 1(c))	2004 \$000	2003 \$000	2004 \$000	2003 \$000	2004 \$000	2003 \$000	2004 \$000	2003 \$000	2004 \$000	2003 \$000	2004 \$000	2003 \$000
Consolidated Fund												
– Taxes, Fees and Fines	–	–	–	–	–	–	–	–	356,025	306,591	356,025	306,591
– Other	–	–	–	–	–	–	–	–	596,653	561,239	596,653	561,239
Total Administered Revenues	–	–	–	–	–	–	–	–	952,678	867,830	952,678	867,830

*The description and objectives of each program are summarised in Note 8.

** Appropriations are made on an agency basis and not to individual programs. Consequently, government contributions are included in the "Not Attributable" column.

Summary of Compliance with Financial Directives
For the Year Ended 30 June 2004

	2004				2003			
	Recurrent appropriation	Expenditure/ net claim on consolidated fund	Capital appropriation	Expenditure/ net claim on consolidated fund	Recurrent appropriation	Expenditure/ net claim on consolidated fund	Capital appropriation	Expenditure/ net claim on consolidated fund
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Original Budget Appropriation/Expenditure								
– Appropriation Act	1,258,738	1,251,134	1,044,593	1,021,879	1,157,200	1,154,594	1,028,355	1,028,355
– Additional Appropriations	–	–	–	–	–	–	–	–
– Section 21A PF and AA – Special Appropriations	–	–	–	–	–	–	–	–
– Section 24 PF and AA – transfers of functions between departments	–	–	–	–	–	–	–	–
– Section 26 PF and AA – Commonwealth specific purpose payments	4,469	2,418	34,000	34,000	–	–	4,290	4,290
	1,263,207	1,253,552	1,078,593	1,055,879	1,157,200	1,154,594	1,032,645	1,032,645
Other Appropriations/Expenditure								
– Treasurer's Advance	1,727	1,355	–	–	392	392	4,000	4,000
– Section 22 expenditure for certain works and services	–	–	–	–	–	–	–	–
– Transfers from another agency (Section 25 of the Appropriation Act)	–	–	–	–	–	–	–	–
– Section 22A (2) Motor Vehicles Taxation Act (hypothecation of motor vehicle tax)	22,299	22,299	11,240	11,240	34,438	34,438	–	–
– Section 225 Roads Act (hypothecation of heavy vehicle overloading fines)	893	893	–	–	–	–	–	–
	24,919	24,547	11,240	11,240	34,830	34,830	4,000	(38,060)
Total Appropriations/Expenditure/ Net Claim on Consolidated Fund	1,288,126	1,278,099	1,089,833	1,067,119	1,192,030	1,189,424	1,036,645	994,585
Amount drawn down against Appropriation		1,278,099		1,067,119		1,189,424		994,585
Liability to Consolidated Fund		–		–		–		–

The Summary of Compliance is based on the assumption that Consolidated Fund moneys are spent first.

Consolidated funding for the RTA's Roads Program is classified as recurrent and capital appropriation based upon the way in which the appropriations are expended. The Program, as part of its appropriation, receives all the revenue from motor vehicle taxes in accordance with the Motor Vehicles Taxation Act, with the level of the funds from the motor vehicle taxes not known until 30 June each year.

Notes to and forming part of the Financial Statements
of the Roads and Traffic Authority
For the Year Ended 30 June 2004

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

The Roads and Traffic Authority (RTA), as a reporting entity, is responsible for:

- testing and licensing drivers and registering and inspecting vehicles;
- managing road usage to achieve consistent travel times, particularly during peak periods, by reducing congestion delays and helping the community use the road system more effectively;
- improving road safety by encouraging better road user behaviour; ensuring compliance with regulations, improving roads and enhancing vehicle standards;
- arterial road development, construction and maintenance, to meet community, environmental, regulatory and economic needs; and
- administration of the M4/M5 Cashback Scheme.

The reporting entity is consolidated as part of the NSW Total State Sector Accounts, except in regard to the reporting of Land Under Roads.

(b) Basis of Accounting

The RTA's financial statements are a general purpose financial report which has been prepared on an accruals basis and in accordance with:

- applicable Australian Accounting Standards (AAS);
- other authoritative pronouncements of the Australian Accounting Standards Board (AASB);
- Urgent Issues Group (UIG) Consensus Views;
- the requirements of the Public Finance and Audit Act 1983 and Regulations; and
- the Financial Reporting Directions published in the Financial Reporting Code (FRC) for Budget Dependent General Government Sector Agencies or issued by the Treasurer under Section 9(2) (n) of the Public Finance and Audit Act.

Where there are inconsistencies between the above requirements, the legislative provisions have prevailed.

In the absence of a specific Accounting Standard, other authoritative pronouncement of the AASB or UIG Consensus View, the hierarchy of other pronouncements as outlined in AAS 6 Accounting Policies is considered.

Except for certain investments, land and buildings and infrastructure systems, which are recorded at valuation, the financial statements are prepared in accordance with the historical cost convention.

The accounting policies adopted, are consistent with those of the previous year. Unless otherwise stated all amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

(c) Administered Activities

The RTA administers, but does not control, the collection of various fees, fines and levies on behalf of the Crown Transactions Entity. Monies collected on behalf of the Crown Transactions Entity are not recognised as the RTA's revenues but are separately disclosed in the Program Statement – Expenses and Revenues. The RTA is accountable for the transactions relating to those administered activities but does not have the discretion, for example, to deploy the resources for the achievement of its own objectives.

Expenses incurred in collecting monies on behalf of the Crown Transactions Entity are recognised as the RTA's expenses and are reported within the Road Safety Licensing and Vehicle Management Program.

The accrual basis of accounting and all applicable accounting standards have been adopted for the reporting of administered revenues.

(d) Revenue Recognition

Revenue is recognised when the RTA has control of the good or right to receive, it is probable that the economic benefits will flow to the RTA and the amount of the revenue can be measured reliably. Additional comments regarding the accounting policies for the recognition of revenue are discussed below:

(i) Parliamentary Appropriations and Contributions from other Bodies.

Parliamentary appropriations and contributions from other bodies (including grants and donations) are generally recognised as revenues when the RTA obtains control over the assets comprising the appropriations and contributions. Control over appropriations and contributions is normally obtained upon the receipt of cash.

The split between recurrent and capital appropriations is based on the way the appropriations are to be spent.

In relation to the right to receive infrastructure assets, the recognition is on a progressive basis relative to the contract period.

(ii) Sale of Goods and Services

Revenue from the sale of goods and services comprises revenue from the provision of products or services, ie: user charges. User charges are recognised as revenue when the RTA obtains control of the assets that result from them.

(iii) Investment Income

Interest revenue is recognised as it accrues. Rent revenue is recognised in accordance with AAS 17 Accounting for Leases.

(e) Employee Benefits and other provisions

(i) Salaries and Wages, Annual Leave, Sick Leave and Oncosts

Liabilities for salaries, wages (including non-monetary benefits) and annual leave are recognised and measured in respect of employees' services up to the reporting date at nominal amounts based on the amounts expected to be paid when the liabilities are settled.

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

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

(ii) Long Service Leave and Superannuation

Long service leave is measured on a short hand basis. The short hand method is based on the remuneration rates at year end for all employees with five or more years of service together with an estimate for employees with less than five years service, based on the percentage who are expected to remain employed by the RTA long enough to be entitled to long service leave. It is considered that this measurement technique produces results not materially different from the estimate determined by using the present value basis of measurement.

The superannuation expense for the financial year is determined by using the formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes (ie Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (ie State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions. The final expense is adjusted at 30 June each year to take account of any actuarial assessment.

(f) Borrowing costs

Borrowing costs are recognised as expenses in the period in which they are incurred.

(g) Insurance

The RTA's insurance is arranged through the NSW Treasury Managed Fund Scheme as a self insurance scheme for Government agencies. The premiums are determined by the Fund Manager based on past experience and risk exposures. CTP Insurance is arranged with a private sector provider by the NSW Treasury. The RTA, from October 2001, introduced a Principal Arranged Insurance Scheme, which provides cover for all parties involved in its construction projects. This will ensure that these parties have appropriate insurance covers in place.

An outstanding liability also exists in respect of the former Department of Motor Transport self-insured scheme.

(h) Accounting for the Goods and Services Tax (GST)

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

- The amount of GST incurred by the RTA as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of the cost of acquisition of an asset or as part of an item of expense.
- Receivables, payables, accruals and commitments are stated with the amount of GST included.

(i) Acquisitions of Assets

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the RTA. Cost is determined as the fair value of the assets given as consideration plus the costs incidental to the acquisition.

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

Fair value means the amount for which an asset could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value at the acquisition date. The discount rate used is the incremental borrowing rate, being the rate at which a similar borrowing could be obtained.

(j) Asset Management Policy

The RTA's asset valuation and depreciation policies are summarised below.

Plant and equipment costing individually above \$5,000 are capitalised.

Physical non-current assets are valued in accordance with the Guidelines for the Valuation of Physical Non-Current Assets at Fair Value (TPP 03-02). This policy adopts fair value in accordance with AASB 1041 Revaluation of Non Current Assets for financial years commencing on or after 1 July 2002. There is no substantive difference between the fair value valuation methodology and the previous methodology adopted in the NSW public sector.

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

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

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

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

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

Revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

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

(i) Plant and Equipment

Asset	Valuation Policy	Depreciation Policy
Plant, Equipment and Vehicles <i>(Minimum capital value \$5,000)</i>	Written down historic cost	Depreciated on the straight line method over the estimated useful life of between 5 and 20 years
Computer Hardware and Software <i>(Minimum capital value of \$1,000 and \$5,000 respectively)</i>	Written down historic cost	Depreciated on the straight line method over the estimated useful life of between 3 and 10 years
Electronic Office Equipment <i>(Minimum capital value \$5,000)</i>	Written down historic cost	Depreciated on the straight line method over the estimated useful life of 10 years

The written down historic cost is considered to reflect the fair value of these assets.

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

Estimates of useful life for depreciation purposes have been determined with due regard to a number of factors including the expected retention period by the entity and the underlying physical, technical and commercial nature of the assets as defined in AAS4 Depreciation. In accordance with this standard the shortest alternative useful life is applied. Approximately \$118.337 million 40.7% (2002/2003; \$123.506 million 50.1%) of the RTA's assets in the categories of plant, equipment, vehicles, computer hardware and software and electronic office equipment are fully depreciated. The percentage of fully depreciated assets should decrease progressively as they are replaced in future years. A complete review of the anticipated useful lives of operational assets was carried out during 2002/2003.

(ii) Land and Buildings

Asset	Valuation Policy	Depreciation Policy
Land and Buildings in Service – Works Administration Properties – Officers Residences	Land and buildings in service are generally valued at value in use (land) and written down replacement cost (buildings). Where such properties are rented externally they are valued at current market value. Land and Buildings in Service were last revalued in 2001/2002 and will be revalued in 2004/2005.	Buildings – Depreciated on the straight line method over the estimated useful life of 40 years.
Land and Buildings Acquired for Future Roadworks – Rentable or Surplus Properties – Vacant land	– Current Market Value – Average Rateable Value Per Hectare of Urban and Rural Areas within each Local Government Area (LGA) Land and Buildings Acquired for Future Roadworks are revalued progressively over a 3 year cycle. The current revaluation cycle commenced 2002/2003.	No depreciation charged as buildings are not purchased to generate revenue but ultimately to be demolished for roadworks.
Leasehold Improvements (Minimum capital value \$5,000)	Written down historic cost/revalued amount.	Amortised over the period of the lease, or the useful life of the improvement to the RTA, whichever is shorter.

Included in the value of land and buildings in service is an amount of \$8.816 million (2002/2003; \$8.848 million) for buildings on Crown land. As the RTA effectively “controls” this Crown land, it has been included in the RTA’s Statement of Financial Position. Should such Crown land be transferred or disposed of, associated buildings are written off in the year the transfer or disposal takes place.

The RTA’s land and buildings are valued by registered valuers. Land and Buildings Acquired for Future Roadworks comprises Untenanted Land for Roads which is revalued annually and Rental Properties and Surplus Properties which are revalued progressively within a 3 year timeframe. The selection of assets within Land and Buildings Acquired for Future Roadworks to be revalued in each reporting period within the current progressive revaluation is made by reference to the asset’s acquisition date or previous revaluation date, to ensure each asset is revalued in the 3 year progressive revaluation timeframe. To accord with the disclosure requirements of AASB 1041 Revaluation of Non-Current Assets regarding progressive revaluations, the aggregate carrying amount of Land and Buildings Acquired for Future Roadworks comprises:

Commencement date of the current progressive revaluation:	1 July 2002
Completion date of the current progressive revaluation:	30 June 2005

Category of Land and Building Acquired for Future Roadworks	Aggregate carrying amount \$000
Carried at cost of acquisition less, where applicable, any accumulated depreciation	–
Carried at revalued amounts determined prior to the beginning of the current progressive revaluation less, where applicable, any accumulated depreciation	633,449
Revalued as part of the current progressive revaluation and carried at fair value as at 30 June 2004 less, where applicable, any subsequent accumulated depreciation	305,724
Revalued as part of the current progressive revaluation and carried at an amount other than fair value as at 30 June 2004 less, where applicable, any subsequent accumulated depreciation	–
Carried at recoverable amount less, where applicable, any subsequent accumulated depreciation	–
Untenanted land for Roads – revalued annually not subject to progressive revaluation	2,091,820
Land and Building Acquired for Future Roadworks at 30 June 2004 (see note 11(a))	3,030,993

(iii) Infrastructure Systems

Asset	Valuation Policy	Depreciation Policy
Roads		
– Earthworks	Written down replacement cost	Depreciated over estimated useful life of 100 years
– Pavement	Written down replacement cost	Depreciated over estimated useful life dependant on pavement surface 15 years (unsealed) 20–50 years (flush seal/asphalt) 25–50 years (asphalt/concrete) 40–50 years (concrete)
Bridges		
	Written down replacement cost	Depreciated over estimated useful life dependant on bridge type
– Timber structures		60 years
– Concrete structures		100 years
– Steel structures		100 years
– X Trusses (timber and steel)		60 years
– High Value Bridges		200 years
– Bridge Size Culverts/Tunnels		100 years
Traffic Signals		
	Written down replacement cost	Depreciated over estimated useful life of 20 years
Traffic Control Network		
	Written down replacement cost	Depreciated over estimated useful life of
– Traffic Systems		7 years
– Transport Management Centre		10 years
– Variable Message Signs		30 years
Land under roads and within road reserves		
	Average rateable value per hectare of urban and rural areas within each Local Government Area (LGA)	No depreciation applied as land does not have a limited useful life

The RTA, being responsible for the development and management of the State's road network, has recognised the control aspect of some infrastructure assets and the ownership of other infrastructure assets when formulating policy in respect of the valuation and reporting of infrastructure.

Roads, bridges and traffic signals are initially brought to account at cost.

The valuation policies provide for roads, bridges and the traffic signal control network, comprising the traffic control network, including variable message signs, and the traffic signal network, to be revalued periodically using the modern equivalent replacement cost method. Each road is assigned a value which equates to the cost of replacing that road to a modern equivalent asset and discounting the estimated value of modern features, such as noise walls, not present in the existing asset. In the case of bridges, such replacement cost is the cost to construct a new bridge to the modern standard. High value bridges are valued on an individual basis. The replacement cost of the traffic control network is based on the current cost to replace the SCATS system computers and peripherals. The replacement cost of the traffic signal network is the cost to reconstruct each site using the number and current cost of lanterns and electronic controllers at each site as the major components to determine the replacement cost.

The determination of unit replacement rates for road, bridge and traffic control signal infrastructure valuations is carried out at least every five years by suitably qualified engineering contractors and employees of the RTA. Assets are recorded initially at construction cost and the annual percentage increase in the Road Cost Index is applied each year until the following unit replacement review is undertaken. Subsequent to the review, infrastructure is valued using the unit replacement rates, adjusted by the Road Cost Index as applicable, except for

Traffic Control Network. Roads were revalued during 2003/2004. Unit replacement rates for traffic signals were reviewed during 2002/2003. All bridges and bridge culverts were revalued during 2002/2003.

In respect of land under roads and within road reserves, valuations are assessed according to the average rateable value per hectare of urban and rural areas within each Local Government Area. Such valuations, which are undertaken annually by the RTA's registered valuers, are based upon the data provided by the Local Government Grants Commission and the Valuer General.

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

Accounting Standard AAS4 Depreciation of Non Current Assets outlines factors to be considered in assessing the useful life of an asset for depreciation purposes. These factors include wear and tear from physical use and technological and commercial obsolescence.

Road assets are depreciated on the straight-line basis in accordance with AAS 4 Depreciation of Non Current Assets. The road assets are considered to consist of two components, pavement and non-pavement (comprising earthworks and road furniture), each with a corresponding useful service life.

Depreciation is calculated for each of the current 17,000 (approximately) road management segments and aggregated for each road and pavement type. Bridge assets are assessed by bridge type and depreciation is calculated on a straight line basis.

The respective provisions for depreciation of infrastructure assets recognise the total accumulated depreciation of those assets on a straight-line basis over the assessed useful life of those assets as at 30 June 2004.

(iv) Private Sector Provided Infrastructure

The RTA has recognised an infrastructure asset in respect of the Sydney Harbour Tunnel. It has been valued at the estimated current written down replacement cost of the Tunnel at the date of transfer to the RTA in 2022 [refer Note 12 (b)].

In respect of the M2, M4, and M5 Motorways and the Eastern Distributor, the RTA values each right to receive asset by reference to the RTA's emerging share of the written down replacement cost of each asset apportioned over the respective period of the concession agreement.

(v) Cultural Collection Assets

Cultural Collection items that can be reliably valued have been recognised as assets. Other Cultural Collection items are disclosed by way of a note.

(vi) Leased Assets

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

Where a non-current asset is acquired by means of a finance lease, the asset is recognised at its fair value at the inception of the lease. The corresponding liability is established at the same amount. Lease payments are allocated between the principal component and the interest incurred.

Operating lease payments are charged to the Statement of Financial Performance in the periods in which they are incurred.

(k) Maintenance and Repairs

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

(l) Receivables

Receivables are recognised and carried at cost, based on the original invoice amount less a provision for any uncollectable debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

(m) Provision of Material Assets

No material assets were provided free of charge to the RTA during the 2003/2004 financial year. However, at a small number of locations, Crown land was provided at peppercorn rentals.

(n) Inventories

Inventories are stated at the lower of cost and net realisable value. The cost is calculated using the weighted average cost. Inventories consist mainly of raw materials and supplies used for the construction and maintenance of roads, bridges and traffic signals.

(o) Investments

Due to the short-term nature of the RTA's investments, book, face and market values are equivalent. Investments held are not quoted on a stock exchange.

(p) Capitalisation of Expenditure

Expenditure (including employee related costs and depreciation) in respect of road development and reconstruction, bridge and tunnel replacement and some road safety and traffic management works are capitalised as part of Infrastructure Systems.

(q) Other Assets

Other assets including prepayments are recognised on a cost basis.

(r) Payables

These amounts represent liabilities for goods and services provided to the RTA and other amounts, including interest. Interest is accrued over the period it becomes due.

(s) Interest Bearing Liabilities

All loans are valued at current capital value. Any finance lease liability is determined in accordance with AAS17 Leases.

(t) Financial Instruments

Financial Instruments give rise to positions that are a financial asset or liability of the RTA and a financial liability or asset of another party. The RTA includes cash at bank, receivables, creditors and borrowings as financial instruments. In accordance with AAS33 Presentation and Disclosure of Financial Instruments, information is disclosed in Note 15 in respect of the credit risk and interest rate risk of those instruments. All such amounts are carried in the accounts at values as disclosed within each of the respective notes to the accounts relating to those financial instruments.

(u) Budgeted amounts

The budgeted amounts are drawn from the budgets as formulated at the beginning of the financial year and with any adjustments for the effects of additional appropriations under s21A, s24 and/or s26 of the Public Finance and Audit Act 1983.

The budgeted amounts in the Statement of Financial Performance and the Statement of Cash Flows are generally based on the amounts disclosed in the NSW Budget Papers (as adjusted above).

(v) Harmonisation with International Accounting Standards (IAS)

The RTA will apply the Australian Equivalents to International Financial Reporting Standards (AIFRS) from the reporting period beginning 1 July 2005.

The RTA is managing the transition to the new standards by allocating internal resources to analyse the pending standards and Urgent Issues Group Abstracts to identify key areas regarding policies, procedures, systems and financial impacts affected by the transition.

As a result of this exercise, the RTA has taken the following steps to manage the transition to the new standards:

- The RTA's International Standards Committee is overseeing the transition.
- The following phases that need to be undertaken have been identified:
 - Planning
 - Impact Assessment
 - System Change and Implementation
 - Post Implementation review
- To date, the Planning Stage is complete and the Impact Assessment is substantially complete. An operational review of the assessed impact should be complete by the end of the first quarter of the financial year ended 30 June 2005. System Change and Implementation should be finalized by 31 December 2004.

NSW Treasury is assisting agencies to manage the transition by developing policies, including mandates of options; presenting training seminars to all agencies; providing a website with up-to-date information to keep agencies informed of any new developments; and establishing an IAS Agency Reference Panel to facilitate a collaborative approach to manage the change.

The RTA has identified a number of significant differences in accounting policies that will arise from adopting AIFRS. Some differences arise because AIFRS requirements are different from existing AASB requirements. Other differences could arise from options in AIFRS. To ensure consistency at the whole of government level, NSW Treasury has advised the RTA of options it is likely to mandate, and will confirm these during 2004-05. This disclosure reflects these likely mandates.

The RTA's accounting policies may also be affected by a proposed standard designed to harmonise accounting standards with Government Finance Statistics (GFS). This standard is likely to change the impact of AIFRS and significantly affect the presentation of the income statement. However, the impact is uncertain, because it depends on when this standard is finalised and whether it can be adopted in 2005-06.

Based on current information, the following key differences in accounting policies are expected to arise from adopting AIFRS:

- AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards* requires retrospective application of the new AIFRS from 1 July 2004, with limited exemptions. Similarly, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* requires voluntary changes in accounting policy and correction of errors to be accounted for retrospectively by restating comparatives and adjusting the opening balance of accumulated funds. This differs from current Australian requirements, because such changes must be recognised in the current period through profit or loss, unless a new standard mandates otherwise.
- AASB 102 *Inventories* for *not-for-profit entities* requires inventory “held for distribution” at no or nominal cost to be valued at the lower of cost and current replacement cost rather than the lower of cost and net realisable value. This may increase the amount of inventories recognised.
- AASB 116 *Property, Plant and Equipment* requires the cost and fair value of property, plant and equipment to be increased to include restoration costs, where restoration provisions are recognised under AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*. Major inspection costs must be capitalised and this will require the fair value and depreciation of the related asset to be re-allocated.
- AASB 117 *Leases* requires operating lease contingent rentals to be recognised as an expense on a straight-line basis over the lease term rather than expensing in the financial year incurred.
- AASB 119 *Employee Benefits* requires the defined benefit obligation to be discounted using the government bond rate as at each reporting date rather than the long-term expected rate of return on plan assets, this will increase the amount and the future volatility of the unfunded superannuation liability and the volatility of the employee benefit expense.
- AASB 1004 *Contributions* applies to *not-for-profit entities* only. Entities will either continue to apply the current requirements in AASB 1004 where grants are normally recognised on receipt, or alternatively apply the proposals on grants included in ED 125 *Financial Reporting by Local Governments*. If the ED 125 approach is applied, revenue and/or expense recognition will be delayed until the RTA supplies the related goods and services (where grants are in-substance agreements for the provision of goods and services) or until conditions are satisfied.
- AASB 136 *Impairment of Assets* requires an entity to assess at each reporting date whether there is any indication that an asset (or cash generating unit) is impaired and if such indication exists, the entity must estimate the recoverable amount. However, the effect of this Standard should be minimal because all the substantive principles in AASB 136 are already incorporated in Treasury’s policy *Valuation of Physical Non-Current Assets at Fair Value*.
- AASB 139 *Financial Instrument Recognition and Measurement* results in the recognition of financial instruments that were previously off balance sheet, including derivatives. The standard adopts a mixed measurement model and requires financial instruments held for trading and available for sale to be measured at fair value and valuation changes to be recognised in profit or loss or equity, respectively. Previously they were recognised at cost. This may increase the volatility of the operating result and balance sheet. The standard also includes stricter rules for the adoption of hedge accounting, and where these are not satisfied, movements in fair value will impact the income statement. To achieve full harmonisation with GFS, entities would need to designate all financial instruments at fair value through profit or loss. However, at this stage it is unclear whether this option will be available under the standard and, if available, whether Treasury will mandate this option for all agencies.
- AASB 140 *Investment Property* requires investment property to be measured at cost or fair value. NSW Treasury is likely to mandate the adoption of fair value. In contrast to current treatment as an asset classified within property, plant and equipment, investment property recognised at fair value is not depreciated and changes in fair value are recognised in the income statement. NSW Treasury is likely to mandate that any investment property interest held by a lessee under an operating lease should be classified and accounted for as investment property. Previously such operating lease payments were accounted for as an expense over the lease term based on the pattern of benefits.

2. EXPENSES

The RTA capitalises a significant portion of expenditure, including employee related costs and depreciation, to Infrastructure Systems.

(a) Employee Related Expenses

Employee related expenses comprise the following specific items:

	2004 \$000	2003 \$000
Salaries and Wages (including Annual Leave)	424,173	391,623
Long Service Leave	22,417	28,249
Superannuation	68,429	115,412
Workers Compensation Insurance	8,883	10,493
Payroll Tax and Fringe Benefits Tax	31,729	28,325
Other	3,463	14,996
	559,094	589,098

	2004 \$000	2003 \$000
Allocation of Employee Related Expenses to Programs		
– Capitalised to Infrastructure	191,104	202,650
– Maintenance	163,428	172,688
– Operating Programs	204,562	213,760
	559,094	589,098

(b) Other Operating Expenses

	2004 \$000	2003 \$000
Registry Customer Services *	103,372	104,415
Driver and Vehicle Management *	50,238	36,471
Road Safety *	92,297	68,782
Traffic and Transport *	80,595	81,207
Ensured Revenue Stream Payments	27,892	23,594
Sydney Harbour Tunnel Tax Liability	–	25,561
SHB Toll Collections *	11,202	9,086
M4/M5 Cashback Scheme	72,464	65,981
Write-Down of Infrastructure Assets	10,811	121,641
Other	64,600	21,690
	513,471	558,428

* These expense categories exclude employee related expenses and depreciation incurred in providing these services.

(i) Auditor's Remuneration

During 2003/2004 an expense of \$0.480 million (2002/2003; \$0.477 million), excluding GST, was incurred for the audit of the financial statements by The Audit Office of NSW. In addition to the audit fee, a special audit was carried out by the NSW Audit Office during 2003/2004, in respect to the Lane Cove Tunnel and the West Link M7 Motorway at a total cost of \$0.059 million (2002/2003; Cross City Tunnel \$0.040 million).

(ii) Cost of sales

During 2003/2004 the cost incurred in relation to the sale of goods was \$20.602 million (2002/2003; \$20.490 million).

(iii) Bad and Doubtful Debts

The bad and doubtful debts expense for 2003/2004 amounted to \$0.444 million (2002/2003; \$0.515 million).

(iv) Operating lease rental expense

	2004 \$000	2003 \$000
Property	22,269	21,732
IT Equipment	46,916	39,491
Light Motor Vehicles	24,670	21,201
Heavy Motor Vehicles	0,950	1,113
	94,805	83,537

(v) Insurance

Insurance costs (excluding workers compensation) for 2003/2004 amounted to \$35.058 million (2002/2003; \$20.066 million).

(vi) Write-Down of Infrastructure Assets

Infrastructure assets were written down by \$10.811 million in 2003/2004 (2002/2003; \$121.641 million).

(c) Infrastructure Maintenance

Maintenance expenditure relates to the maintenance of roads, bridges and the traffic signal control network and includes employee related costs. Major reconstruction of road segments are capitalised and as such not charged against maintenance expenditure. The RTA capitalised \$100.943 million of such works (2002/2003 \$105.556 million) – refer Note 1(j)(iii).

The RTA expended \$10.941 million in 2003/2004 (2002/2003; \$12.090 million) on natural disaster restoration works from State funds. Some \$1.793 million (2002/2003; \$0.794 million) was also spent on natural disaster restoration works on National Highways during the year. The total cost of natural disaster restoration work in 2003/2004 was \$12.734 million (2002/2003; \$12.884 million), which was included as part of maintenance expenditure.

(d) Depreciation and Amortisation

	2004 \$000	2003 \$000
Depreciation Raised against Operational and Property Assets (Excludes depreciation capitalised as Infrastructure)	26,812	13,273
Depreciation raised against Infrastructure	670,345	554,174
	697,157	567,447

In addition, operational assets were written down by \$0.348 million in 2003/2004 (2002/2003; \$2.575 million). During the year the estimated useful life was extended for roads which had reached the end of their useful life to reflect their on going service potential. This reassessment of the useful life together with the revaluation of the roads has contributed to the increase in the depreciation expense.

(e) Grants and Subsidies

	2004 \$000	2003 \$000
Capital Grants – to Councils for Regional Roads	8,913	11,449
Grants Under Road Safety Program	6,922	6,392
Other	–	1,215
	15,835	19,056

(f) Borrowing Costs

	2004 \$000	2003 \$000
Interest	66,952	72,167
Debt Guarantee	3,000	3,000
Amortisation of premium / discount on Borrowings	5,260	5,436
	75,212	80,603

3. REVENUES

(a) Sale of Goods and Services

	2004 \$000	2003 \$000
<i>Sale of Goods</i>		
– Number Plates	52,936	51,263
– Other	854	3,940
<i>Rendering of Services</i>		
– Third Party Insurance Data Access Charges	10,174	9,714
– Toll Revenue (Sydney Harbour Bridge) adjusted	74,154	72,286
– Correction of Toll Revenue in 2004 for 2003	(6,417)	6,417
– Registry Fees and Charges	41,412	37,505
– Work for Outside Bodies	31,934	29,460
– Other	5,936	4,084
	210,983	214,669

(b) Investment Income

	2004 \$000	2003 \$000
Interest	15,299	7,991
Rent	18,499	18,237
	33,798	26,228

(c) Retained Taxes, Fees and Fines

	2004 \$000	2003 \$000
Heavy Vehicle Permit Fees	854	800
Sanction Fees	5,936	4,884
	6,790	5,684

(d) Grants and Contributions

	2004 \$000	2003 \$000
NSW Government Agencies:		
– Department of Transport	20,600	15,500
– Crown Transactions Entity	–	742
– Other	4,925	13,703
Local Government	401	993
Other Government Agencies	4,269	2,608
Private Firms and Individuals	6,175	4,345
	36,370	37,891

(e) Other Revenue

	2004 \$000	2003 \$000
Reimbursement of Development Costs (Refer Note 7 (c))	79,301	290,614
Value of Emerging Interest of Private Sector Provided Infrastructure		
– M2 (Refer Note 12 (b))	10,568	10,309
– M4 (Refer Note 12 (b))	13,064	13,084
– M5 (Refer Note 12 (b))	14,080	13,971
– Eastern Distributor (Refer Note 12 (b))	9,698	9,246
– Loan to Sydney Harbour Tunnel Company (Refer Note 10 (b))	2,847	8,676
M2 and Eastern Distributor Promissory Notes	369	302
Diesel Fuel Grant	387	–
Calculation adjustment from previous year	–	(3)
	130,314	346,199

4. GAIN ON DISPOSAL OF NON-CURRENT ASSETS

	2004 \$000	2003 \$000
Gain on Sale of Property, Plant and Equipment		
– Proceeds from Sale	29,208	47,702
– Written Down Value of Assets Sold	(28,747)	(39,528)
Net Gain on Sale of Non-Current Assets	461	8,174

5. CONDITIONS ON CONTRIBUTIONS

Contributions received during 2003/2004 were recognised as revenue during the financial year and were expended in that period with no balance of those funds available at 30 June 2004.

6. APPROPRIATIONS

	2004 \$000	2003 \$000
Recurrent Appropriation		
Total recurrent drawdowns from Treasury (per Summary of Compliance)	1,278,099	1,189,424
Less: Liability to Consolidated Fund (per Summary of Compliance)	–	–
	1,278,099	1,189,424
Comprising:		
Recurrent appropriations (per Statement of Financial Performance)	1,278,099	1,189,424
Transfer payments	–	–
	1,278,099	1,189,424
Capital Appropriation		
Total capital drawdowns from Treasury (per Summary of Compliance)	1,067,119	994,585
Less: Liability to Consolidated Fund (per Summary of Compliance)	–	–
	1,067,119	994,585
Comprising:		
Capital appropriations (per Statement of Financial Performance)	1,067,119	994,585
Transfer payments	–	–
	1,067,119	994,585

7. INDIVIDUALLY SIGNIFICANT ITEMS

(a) Superannuation Expense

	2004 \$000	2003 \$000
(Decrease) / Increase in Superannuation Expense due to Tax, Actuarial and Interest Adjustments.	(12,817)	52,298

An actuarial assessment of RTA's unfunded superannuation liability was undertaken during 2003/2004 and resulted in a decrease in the superannuation expense of \$12.817 million – refer Note 16.

(b) Write-Down of Infrastructure Assets

	2004 \$000	2003 \$000
Infrastructure Assets Written Down	10,811	121,641

The following infrastructure assets were deleted during 2003/04 (see note 11(c))

	Replacement Cost \$000	Accum Depn \$000	WDRC \$000
Roads	6,657	2,194	4,463
Bridges	11,961	6,226	5,735
Traffic Signals	707	197	510
Traffic Control Network	292	189	103
	19,617	8,806	10,811

The majority of roads deleted in 2003 related to roads transferred to local councils following the completion of the Yelgun to Chinderah section of the Pacific Highway.

(c) Reimbursement of Development Costs

	2004 \$000	2003 \$000
Revenue received following the letting of Lane Cove Tunnel contracts (2003; Cross City Tunnel and the Westlink M7 Motorway).	79,301	290,614

8. PROGRAMS/ACTIVITIES OF THE AGENCY

(a) Road Network Infrastructure

Network Development

Description: Planning, designing, scheduling and organising the development of road and bridge works.

Objectives: To develop the State's Road network focusing on strategic routes to promote economic growth, improve road safety, encourage greater use of public transport and meet environmental targets.

Maintenance

Description: Manage the primary arterial road network infrastructure as a long-term renewable asset through a program of maintenance and reconstruction works. Provide financial assistance grants to Local Government to assist Councils manage their secondary arterial road network. Manage the provision of disaster repairs for public roads.

Objective: To maintain the RTA's roads and bridges as the first priority at a minimum whole of life cost to ensure reliability, safety and retained value. Support Councils' management of their secondary arterial road network.

(b) Road Safety, Licensing and Vehicle Management

Description: Implementing initiatives to increase safe road use behaviour, ensure that drivers and cyclists are eligible and competent, ensure that vehicles meet

roadworthiness and emission standards, and ensure that a high standard of customer service is maintained.

Objective: To reduce the trauma and cost to the community of road deaths and injuries. To reduce adverse impacts of vehicles on roads and the environment. To ensure compliance with driver licensing and vehicle registration requirements.

(c) Traffic and Transport

Description: Improving road network performance through traffic control systems, managing incidents and route management strategies. Providing priority access for buses, improving facilities for cyclists and pedestrians and maintaining traffic facility assets.

Objective: To maximise the efficiency of moving people and goods by better managing the road network and encouraging the use of alternatives to the motor car.

(d) M4 / M5 Cashback Scheme

Description: Reimbursing motorists directly for the toll component paid using Cashback Cards and Electronic Toll Tags on the M4 and M5 Motorways when driving NSW privately registered cars and motorcycles.

Objective: To reimburse tolls to motorists driving NSW privately registered vehicles on the M4 and M5 Motorways.

9. CURRENT ASSETS – CASH ASSETS

The cash balance comprises:

	2004 \$000	2003 \$000
RTA Operating Account	9,082	8,856
Trust Funds	3,756	3,648
Remitting Account, Cash in Transit and Cash on Hand	28,322	31,887
Tcorp - Hour Glass Facility	62,367	30,918
On Call Deposits	173,342	162,236
Other	568	510
	277,437	238,055

For the purposes of the Statement of Cash Flows, cash includes all the above categories of cash assets.

10. CURRENT ASSETS / NON-CURRENT ASSETS – RECEIVABLES

The RTA's receivables are detailed as follows:

(a) Current

	2004 \$000	2003 \$000
Sale of Goods and Services	28,215	23,071
Goods and Services Tax – Claimable from the Commonwealth	26,922	18,555
Other (including cost recoveries relating to motor vehicle accident damage to RTA property and road clearing)	1,648	1,342
	56,785	42,968
Less: Provision for Doubtful Debts	(1,916)	(1,825)
	54,869	41,143
Unissued Debtors	36,525	25,956
Dishonoured Credit Cards	646	405
	92,040	67,504
Accrued Income		
– Interest	1,048	528
– Property Sales	23,489	18,811
– Other	1,237	1,532
Total Current	117,814	88,375

Most of the RTA's doubtful debts relate to amounts owing as a result of commercial transactions (eg, debts raised for performance of services or goods) and tenants who vacate premises without notice whilst in arrears.

(b) Non-Current

Non-Current receivables are summarised as follows:

	2004 \$000	2003 \$000
Loan to Sydney Harbour Tunnel Company	71,281	68,434
Promissory Notes	1,535	1,166
Other Loans	259	260
	73,075	69,860

Repayment of the interest free \$222.6 million Net Bridge Revenue Loan by the Sydney Harbour Tunnel Company is due on 31 December 2022. The Loan has been assessed as recoverable as at 30 June 2004 and the receivable is valued on a Net Present Value (NPV) basis.

The loan is considered to be part of the RTA's interest in the Tunnel and, as at 30 June 2004, has been assessed at \$71.281 million (30 June 2003; \$68.434 million). Promissory Notes relate to amounts receivable under the Private Sector Road Toll agreement in respect of the M2 Motorway and the Eastern Distributor. The promissory notes are redeemable at the earlier of the achievement of certain Internal Rate of Return (IRR) or the end of the respective concession period. The redeemables are valued on a Net Present Value (NPV) basis. See note 12 (b).

II. NON CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT

This asset category consists of Land and Buildings, Plant and Equipment and Infrastructure Systems.

	2004 \$000	2003 \$000
Land and Buildings		
At Fair Value	3,242,884	3,208,475
Less Accumulated Depreciation	(18,959)	(14,349)
	3,223,925	3,194,126
Plant and Equipment		
At Fair Value	290,877	264,709
Less Accumulated Depreciation	(162,179)	(156,747)
	128,698	107,962
Infrastructure Systems		
At Fair Value	78,888,238	70,611,551
Less Accumulated Depreciation	(13,100,100)	(12,447,253)
	65,788,138	58,164,298
Total Property, Plant and Equipment and Infrastructure Systems At Net Book Value	69,140,761	61,466,386

(a) Land and Buildings

	Works Administration Properties and Officers Residences – Land \$000	Works Administration Properties and Officers Residences – Buildings \$000	Land and Buildings Acquired for Future Roadworks \$000	Leasehold Improvements \$000	Total \$000
Balance 1 July 2003	83,340	109,860	2,998,397	16,878	3,208,475
Additions	–	6,148	238,661	1,737	246,546
Disposals	–	(2,216)	(26,400)	(1,127)	(29,743)
Reclassifications	(1,831)	(882)	2,665	48	–
Transfer to Infrastructure	–	–	(822,338)	–	(822,338)
Reval. on Transfers	–	–	112,247	–	112,247
Revaluations	–	–	616,123	–	616,123
Asset Write down	–	(64)	–	–	(64)
Prior Years Adjustment	–	–	(88,362)	–	(88,362)
Balance 30 June 2004	81,509	112,846	3,030,993	17,536	3,242,884
Accumulated Depreciation					
Balance 1 July 2003	–	7,926	–	6,423	14,349
Depreciation Expense	–	4,215	–	3,802	8,017
Write Back on Disposal	–	(2,217)	–	(1,126)	(3,343)
Revaluation	–	(64)	–	–	(64)
Prior Years Adjustments	–	–	–	–	–
Balance 30 June 2004	–	9,860	–	9,099	18,959
Written Down Value					
As at 30 June 2004	81,509	102,986	3,030,993	8,437	3,223,925
As at 1 July 2003	83,340	101,934	2,998,397	10,455	3,194,126

Land and buildings for future roadworks comprise untenanted land for road works (average rateable value – \$2,092million), surplus properties (market value – \$569 million) and rentable properties (market value – \$370 million).

(b) Plant and Equipment

	Plant Equipment and Motor Vehicles \$000	Computer Hardware and Software \$000	Electronic Office Equipment \$000	Total \$00
Balance 1 July 2003	168,460	90,501	5,748	264,709
Additions	28,464	10,947	924	40,335
Disposals	(10,601)	(2,298)	(1,268)	(14,167)
Reclassifications	52	(54)	2	–
Balance 30 June 2004	186,375	99,096	5,406	290,877
Accumulated Depreciation				
Balance 1 July 2003	98,434	53,399	4,914	156,747
Depreciation Expense	12,141	4,916	196	17,253
Write Back on Disposal	(8,616)	(2,088)	(1,117)	(11,821)
Reclassification	52	(14)	(38)	–
Balance 30 June 2004	102,011	56,213	3,955	162,179
Written Down Value				
As at 30 June 2004	84,364	42,883	1,451	128,698
As at 1 July 2003	70,026	37,102	834	107,962

(c) Infrastructure Systems

Infrastructure systems are valued as follows:

	2004 \$000	2003 \$000
Roads – Written Down Replacement Cost		
Opening Balance – Replacement Cost	35,144,437	32,228,206
Additions at cost	817,887	884,079
Deletions	(6,657)	(173,813)
Inflation Adjustment	–	2,205,965
Revaluation	213,188	–
	36,168,855	35,144,437
<i>Less: Accumulated Depreciation</i>		
Opening Balance	10,826,077	10,412,305
Deletions	(2,194)	–
Current Year Expense	582,300	478,123
Revaluation	(6,352)	(64,351)
	11,399,831	10,826,077
Roads – Written Down Value	24,769,024	24,318,360
Land Under Roads and Within Road Reserves		
Opening Balance	27,471,006	23,328,157
Transfer in from "Land and Buildings acquired for Future Roadworks"	822,338	150,675
Revaluation	6,061,070	3,992,174
Total Land under Roads and Within Road Reserves	34,354,414	27,471,006
Bridges - Written Down Replacement Cost		
Opening Balance – Replacement Cost	6,751,865	5,991,323
New Bridges at cost	145,335	208,879
Inflation Adjustment	178,045	–
Deletions	(11,961)	(24,574)
Revaluations	–	576,237
Closing Balance	7,063,284	6,751,865
<i>Less: Accumulated Depreciation</i>		
Opening Balance	1,540,596	1,493,335
Current Year Expense	72,326	60,025
Write Back on Disposal	(6,226)	(12,764)
	1,606,696	1,540,596
Bridges – Written Down Value	5,456,588	5,211,269

As a result of the Roads (General) Amendment (Alpine Way Declaration) Regulation 2004 on 17 May 2004 the RTA assumed control of the Alpine Way. The Alpine Way is a 91.95km stretch of road, previously managed by the Department of Environment and Conservation, running through the Kosciuszko National Park.

The value of the road has been recognised in the accounts at the value recorded by the Department of Environment and Conservation \$81.665m. The road and land under road will be revalued during the year ending 30 June 2005.

(c) Infrastructure Systems (cont)

	2004 \$000	2003 \$000
Traffic Signals Network – Written Down Replacement Cost		
Opening Balance – Replacement Cost	249,656	225,411
New Traffic Signals at cost	7,923	8,210
Traffic Signals Deleted	(707)	(316)
Inflation Adjustment	12,447	–
Revaluation	–	16,351
Closing Balance	269,319	249,656
Less: Accumulated Depreciation		
Opening Balance	64,953	52,829
Current Year Expense	12,613	12,208
Write back on deleted Traffic Signals	(197)	(84)
Revaluation	(2,340)	–
	75,029	64,953
Traffic Signals Network – Written Down Value	194,290	184,703
Traffic Control Network – Written Down Replacement Cost		
Opening Balance – Replacement Cost	36,017	24,459
Additions at unit replacement rates	12,274	11,840
Deletions	(292)	(282)
	47,999	36,017
Less: Accumulated Depreciation		
Opening Balance	15,627	11,954
Current Year Expense	3,106	3,818
Write back on deleted TMC assets	(189)	(145)
	18,544	15,627
Work-in-Progress	23,342	23,342
Traffic Control Network – Written Down Value	52,797	43,732
Major Works in Progress		
Opening Balance	935,228	1,036,972
Additions at cost	769,897	738,569
Transfers out on completion	(744,100)	(840,313)
Major Works in Progress	961,025	935,228
Total Infrastructure Systems	65,788,138	58,164,298

The network was improved during the year with a number of major projects being opened to traffic. These included the Liverpool to Parramatta Transitway, the F3 widening between Hawkesbury and Calga and the Halfway Creek realignment.

The depreciation expense in respect of roads \$582.300 million (2002/2003; \$478.123 million) reflects the loss of service potential based on straight-line depreciation methodology.

Traffic signals and all bridges were subject to a full revaluation in 2002/2003. Roads have been revalued during the current year.

(d) Cultural Collection Assets

At 30 June 2004 Cultural Collection Assets, including original art works, none have been brought to account during the current year (2002/2003; \$0.033 million).

Other Cultural Collection items, including prints, drawings and artefacts, were also identified as being under the control of the RTA, but could not be reliably valued.

12. CURRENT / NON CURRENT ASSETS – OTHER

(a) Current

These comprise:

	2004	2003
	\$000	\$000
Prepayments	7,142	5,317

(b) Non-Current

The RTA's Other Non Current Assets are represented by Private Sector Provided Infrastructure:

	2004	2003
	\$000	\$000
Sydney Harbour Tunnel		
Carrying amount at start of year	568,260	541,971
Revaluation	20,914	26,292
Less: Calculation adjustment from previous Year	–	(3)
Carrying amount at end of year	589,174	568,260
M2 Motorway		
Carrying amount at start of year	50,816	40,507
Annual Increment – Emerging Right to Receive	10,568	10,309
Carrying amount at end of year	61,384	50,816
M4 Motorway		
Carrying amount at start of year	90,643	77,559
Annual Increment – Emerging Right to Receive	13,064	13,084
Carrying amount at end of year	103,707	90,643
M5 Motorway		
Carrying amount at start of year	87,221	73,250
Annual Increment – Emerging Right to Receive	14,080	13,971
Carrying amount at end of year	101,301	87,221
Eastern Distributor		
Carrying amount at start of year	29,214	19,968
Annual Increment – Emerging Right to Receive	9,698	9,246
Carrying amount at end of year	38,912	29,214
	894,478	826,154

Sydney Harbour Tunnel

The RTA's interest in the Sydney Harbour Tunnel has been valued based on the RTA's right to the time share of its ownership, total service potential and remaining useful life at the date of its transfer to the RTA in 2022. At the date of this transfer, the value will equate to the current written down replacement cost of the Tunnel. The cost of constructing the Tunnel was \$683.3 million. The current written down replacement cost of the Tunnel is \$589.174 million (2002/2003; \$568.260 million).

In separately classifying the Sydney Harbour Tunnel as an infrastructure asset, the RTA recognises that the contractual arrangements relating to the Tunnel are unique.

The construction of the Tunnel was financed by 30 year inflation linked bonds issued by the Sydney Harbour Tunnel Company to the private sector in the amount of \$486.7 million. Sydney Harbour Tunnel Company shareholders' loans (repaid in 1992) of \$40 million, and an interest free, subordinated loan (the Net Bridge Revenue Loan) provided by the RTA of \$222.6 million, based on the projected net toll revenue from the Sydney

Harbour Bridge during the construction period. Under the Ensured Revenue Stream Agreement (ERS), the Government has agreed to make ERS payments (net of tolls collected from the Tunnel) to enable the SHTC to meet financial obligations arising from the operation and maintenance of the Tunnel and repayment of principal and interest on funds borrowed by it for the design, construction and operation of the Tunnel.

During the year ended 30 June 2004, tolls collected from the Tunnel amounted to \$46.603 million (2002/2003; \$46.923 million). These tolls were applied to the financial obligations of the Tunnel and resulted in a reduction in ERS payments from \$85.062 million to \$38.459 million (2002/2003; \$82.050 million to \$35.127 million).

From 1993 the RTA listed a possible tax liability as a contingent liability in the annual accounts until the liability crystallised during the 2002/2003 financial year. Following negotiations between interested parties including the Australian Tax Office, a settlement agreement was entered into between the RTA, the State Government, the Sydney Harbour Tunnel Company Limited and Tunnel

Holdings Pty Limited. The past and future tax liabilities are disclosed at net present value in Note 17.

The RTA however now revalues the Tunnel each year. Based on movements in the Road Cost Index during the 2003/2004 reporting period, the RTA's interest in the Tunnel was \$589.174 million as at 30 June 2004, which equated to an increase in the value of the Tunnel during 2003/2004 of \$20.914 million (2002/2003; \$26.289 million).

M2 Motorway

To facilitate the financing, design and construction of the Motorway, the RTA leased land detailed in the M2 Motorway Project Deed for the term of the Agreement.

Until the project realises a real after tax internal rate of return of 12.25 percent per annum, the rent is payable, at the Lessee's discretion, in cash or by promissory note. On achievement of the required rate, the rent is payable in cash. Under the terms of the lease, the RTA must not present any of the promissory notes for payment until the earlier of the end of the term of Agreement or the achievement of the required rate of return.

Payments for the rents for the Trust Lease and the Trust Concurrent Lease for the year ended 30 June 2004 have been made by promissory notes in the value of \$6.708 million and \$1.677 million respectively. The RTA, as at 30 June 2004, has received promissory notes for rent on the above leases totalling \$60.649 million. The term of the Agreement ends on the forty fifth anniversary of the M2 commencement date (ie. 26 May 2042), subject to the provisions of the M2 Motorway Project Deed. The net present value of these promissory notes, as at 30 June 2004, is \$0.588 million.

The RTA has, from the date of completion of the M2 Motorway on 26 May 1997, valued the asset by reference to the RTA's emerging share of the written down replacement cost of the asset at date of handback over the concession period.

Under the terms of the Project Deed, ownership of the M2 Motorway will revert to the RTA on the earlier of the achievement of specified financial returns outlined in the Deed or 45 years from the M2 Commencement Date of 26 May 1997. The conservative period of 45 years has been used to calculate the RTA's emerging share of the asset.

M4 and M5 Motorways

The RTA has valued the infrastructure assets in respect of the M4 and M5 Motorways by reference to the RTA's emerging share of the written down replacement cost of each asset apportioned over the period of the respective concession agreement.

Ownership of the M4 Motorway and M5 Motorway will revert to the RTA in 2010 and 2023 respectively. The initial concession period for the M5 Motorway was for the period 14 August 1992 to 14 August 2022. In consideration for Interlink Roads undertaking construction of an interchange at Moorebank (M5 Improvements), the initial concession period was extended by 1.11 years to 23 September 2023.

The M5 Motorway Call Option Deed provides that if, after at least 25 years from the M5 Western Link commencement date of 26 June 1994, the RTA determines that the expected financial return has been achieved, the RTA has the right to purchase either the business from ILR or the shares in ILR from Infrastructure Trust of AustralAsia Ltd (ITA) and the Commonwealth Bank of Australia (CBA). The exercise price under the M5 Call Option Deed will be based on open market valuation of the business or shares.

Eastern Distributor

An agreement was signed with Airport Motorway Limited (AML) in August 1997 to finance, design, construct, operate, maintain and repair the Eastern Distributor which was opened to traffic on 18 December 1999.

In consideration of the RTA granting to AML the right to levy and retain tolls on the Eastern Distributor, AML is required to pay concession fees in accor-

dance with the Agreement. From the date of Financial Close, which occurred on 18 August 1997, AML has paid \$105 million by way of promissory notes (being \$15 million on Financial Close and \$15 million on each anniversary of Financial Close). A further \$2.2 million was received in cash six months after Financial Close and \$8 million in cash on the third anniversary of Financial Close. Under the Agreement, the promissory notes show a payment date (subject to provisions in the Project Deed) of 31 December 2042 and, as at 30 June 2004, the promissory notes have a net present value of \$0.947 million.

Under the terms of the Project Deed, ownership of the Eastern Distributor will revert to the RTA on the earlier of the achievement of specified financial returns outlined in the Deed or 48 years from the Eastern Distributor Commencement Date of 18 December 1999. The conservative period of 48 years has been used to calculate the RTA's emerging share of the asset.

Cross City Tunnel

An agreement was signed with the Cross City Motorway (CCM) in December 2002 to design, construct, operate and maintain the Cross City Tunnel. Major construction started on 28 January 2003 with an anticipated completion date of July 2005.

The anticipated construction cost is \$680 million, with the cost being met by the private sector. Under the terms of the agreement, the CCM will operate the motorway for a total of 30 years 2 months from the opening of the Tunnel to traffic, after which the motorway will be transferred back to the Government.

On completion of the Cross City Tunnel, the RTA will value the asset by reference to the RTA's emerging share of the written down replacement cost of the asset over the period of the concession period.

Westlink M7 Motorway

An agreement was signed with the Westlink consortium in February 2003 to design, construct, operate and maintain the Westlink M7 Motorway. Major construction started on 7 July 2003 with an anticipated completion date of August 2006.

The anticipated construction cost is \$1.5 billion. The Federal Government is contributing \$356 million towards the cost of the project with the remainder of the cost being met by the private sector. The RTA is responsible under the contract for the provision of access to property required for the project. Under the terms of the agreement, the Westlink Consortium will operate the motorway for a total of 34 years to July 2040, after which the motorway will be transferred back to the Government.

On completion of the Westlink M7 motorway, the RTA will value the asset by reference to the RTA's emerging share of the written down replacement cost of the asset over the period of the concession period.

Lane Cove Tunnel

An agreement was signed with the Lane Cove Tunnel Company in December 2003 to finance, design, construct, operate and maintain the Lane Cove Tunnel Project. Major construction started on 24 June, 2004 with an anticipated motorway opening date of May 2007.

The anticipated construction cost is \$1.1 billion, with the cost being met by the private sector. The RTA is responsible under the contract for the provision of access to property required for the project, which has been identified by the Project Deed. Under the terms of the agreement, Lane Cove Tunnel Company will design and construct the motorway and then operate the motorway for the remainder of the term of 33 years and 1 month. The term commenced on the date the agreement with LCTC became effective, and will end on 10 January 2037 after which the motorway will be transferred back to the Government.

On completion of the Lane Cove Tunnel, the RTA will value the asset by reference to the RTA's emerging share of the written down replacement cost of the asset over the period of the concession period.

13. CURRENT LIABILITIES – PAYABLES

	2004 \$000	2003 \$000
Trade Creditors	104,467	73,210
Creditors Arising from Compulsory Acquisitions	75,240	10,687
Accrued Expenses		
– Salaries, Wages and Oncosts	12,773	9,373
– Works Contract Expenditure	129,954	99,752
– Work Carried out by Councils	49,337	58,635
– Interest	11,652	14,453
– Other (Including Non Works Contracts)	88,182	72,706
Other	5,857	444
	477,462	339,260

14. CURRENT / NON-CURRENT LIABILITIES – INTEREST BEARING LIABILITIES

	2004 \$000	2003 \$000
Current		
Tcorp Borrowings	106,263	198,519
Other	–	–
	106,263	198,519
Non-Current		
Tcorp Borrowings	789,842	774,630
Other	1,573	1,542
	791,415	776,172

Loan Borrowings are due as follows:

	2004 \$000	2003 \$000
Tcorp		
Within 1 year	106,263	198,519
Between 1 and 2 years	166,826	–
Between 2 and 5 years	201,338	417,329
After 5 years	421,678	357,301
	896,105	973,149

The weighted average interest rate on the NSW Treasury Corporation (Tcorp) loan portfolio as at 30 June 2004 is 6.62% (30 June 2003; 6.96%).

	2004 \$000	2003 \$000
Other Loan Borrowings		
Repayable within 1 year	—	—
Between 1 and 5 years	191	184
After 5 years	1,382	1,358
	1,573	1,542

Come and Go Facility.

The "Come and Go" Facility established for cash management purposes was used a number of times to cover funding shortfalls incurring a total interest charge of \$0.120 million (2002/03; Nil).

Financing arrangements

	2004 \$000	2003 \$000
Unrestricted access was available at the balance sheet date to the "Come and Go" facility:		
Total facility	70,000	70,000
Used at balance sheet date	—	—
Unused at balance sheet date	70,000	70,000

15. Financial Instruments

(a) Interest Rate Risk

Interest rate risk is the risk that the value of the financial instruments will fluctuate due to changes in market interest rates. The RTA's exposure to interest rate risks and the effective interest rates of financial assets and liabilities at the balance sheet date are as follows:

Financial Instrument	Floating Interest Rate		Fixed Interest Rate						Non Interest Bearing		Total Carrying Amount as per Balance Sheet		Weighted Average Effective Interest Rate	
	2004	2003	1 Year or Less		Over 1 to 5 years		More than 5 years		2004	2003	2004	2003	2004	2003
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Financial Assets														
Cash	28,322	32,676	-	-	-	-	-	-	9,082	8,067	37,404	40,743	-	-
Receivables	-	-	-	-	-	-	-	-	190,889	156,175	190,889	156,175	-	-
Treasury Corp Hourglass	62,367	30,646	-	-	-	-	-	-	-	-	62,367	30,646	5.53%	4.90%
Futures Margin	-	272	-	-	-	-	-	-	-	-	-	272	-	-
On call Deposits	177,098	165,884	568	380	-	-	-	-	-	130	177,666	166,394	5.47%	4.99%
Total – Financial Assets	267,787	229,478	568	380	-	-	-	-	199,971	164,372	468,326	394,230		
Financial Liabilities														
Borrowings – Treasury Corp	-	-	106,263	198,519	368,164	417,329	421,678	357,301	-	-	896,105	973,149	6.62%	6.96%
– Tcorp Come and Go	-	-	-	-	-	-	-	-	-	-	-	-	-	-
– Other	-	-	-	-	191	184	1,382	1,358	-	-	1,573	1,542	6.54%	6.54%
Creditors	-	284	-	-	-	-	-	-	104,467	54,878	104,467	55,162	-	-
Contract Security Deposits	-	-	-	-	-	-	-	-	2,119	2,548	2,119	2,548	-	-
Total – Financial Liabilities	-	284	106,263	198,519	368,355	417,513	423,060	358,659	106,586	57,426	1,004,264	1,032,401		

(b) Credit Risk

Credit Risk is the risk of financial loss arising from another party to a contract or financial obligation. The RTA's maximum exposure to credit rate risk is represented by the carrying amounts of the financial assets net of any provisions for doubtful debts included in the Balance Sheet. The repayment of the Sydney Harbour Tunnel Loan ranks behind all creditors to be paid. Redemption of the M2 and Eastern Distributor promissory notes is dependent upon counterparties generating sufficient cash flows to enable the face value to be repaid.

	Banks		Governments		Other		Total	
	2004	2003	2004	2003	2004	2003	2004	2003
	\$000	\$000	\$M000	\$M000	\$000	\$000	\$000	\$000
Financial Assets								
Cash	28,322	32,676	-	-	9,082	8,067	37,404	40,743
Receivables	-	-	4,980	26,434	185,909	129,741	190,889	156,175
Investments	239,465	196,802	-	130	568	380	240,033	197,312
Total – Financial Assets	267,787	229,478	4,980	26,564	195,559	138,188	468,326	394,230

(c) Net Fair Values

The carrying value of debtors, investments, creditors and borrowings approximate net fair value. The future cash flows of the Sydney Harbour Tunnel loan and M2 and Eastern Distributor promissory notes are discounted using standard valuation techniques at the applicable yield having regard to the timing of the cash flows.

(d) Interest rate swap contracts

The borrowings of the RTA are managed by the NSW Treasury Corporation (Tcorp) in accordance with a Memorandum of Understanding. The interest rate risk relating to these borrowings is also managed by Tcorp and accordingly the RTA enters into interest rate swaps. At 30 June 2004 it is obliged to receive interest at variable rates and to pay interest at fixed rates under these swap contracts. The swap contracts are settled on a net basis and the net amount receivable or payable at the reporting date is included in other debtors or creditors.

Swaps currently in place cover approximately 4.00% (2003/04; 6.00%) of the loan principal outstanding. The fixed interest rates range between 5.95% and 6.30% (2003/04; 5.25% and 6.30%).

At 30 June 2004, the notional principal amounts and periods of expiry of the interest rate swap contracts are as follows:

	2004 \$000	2003 \$000
Within 1 year	23,000	–
Between 1 and 2 years	–	23,000
Between 2 and 5 years	14,500	43,400
	37,500	66,400

16. CURRENT/NON-CURRENT LIABILITIES – PROVISIONS

	2004 \$000	2003 \$000
Employee Benefits and related On-costs		
Current		
Superannuation	22,500	17,227
Annual Leave	35,255	33,732
Long Service Leave	22,956	10,899
	80,711	61,858
Non-Current		
Superannuation	234,139	284,229
Long Service Leave	136,097	139,322
Workers Compensation (Liability under the former Department of Motor Transport self-insured scheme)	612	619
	370,848	424,170
Total Provisions	451,559	486,028
Aggregate Employee Benefits and related On-costs		
Provisions – current	80,711	61,858
Provisions – non-current	370,848	424,170
Accrued salaries, wages and on-costs (Note 13)	12,773	9,373
	464,332	495,401

The Government Actuary completed an assessment of the Gross Superannuation Liabilities for the defined benefits schemes administered by the SAS Trustee Corporation for the year ended 30 June 2004, identifying the unfunded superannuation liability of the RTA. The assessment was based on the full requirements of AAS25 Financial Reporting by Superannuation Plan which requires that a "market determined risk adjusted discount rate" be applied as the valuation interest rate in the calculation on the value of the accrued benefits. A review of the key economic assumptions used in the 1998 valuation was undertaken prior to calculating the gross superannuation liability of the various defined benefit schemes as at 30 June 2004.

The economic assumptions used are as follows:

	2004/2005 %	2005/2006 %	Thereafter %
Rate of Investment Return	7.0	7.0	7.0
Rate of Salary Increase (*)	4.0	4.0	4.0
Rate of Increase in the CPI	2.5	2.5	2.5

(*) A promotional scale also applies.

This assessment resulted in the RTA's unfunded superannuation liability being decreased by \$44.817 million. During the year the RTA made an additional payment of \$32 million (2003; \$32 million) against the unfunded superannuation liability.

The unfunded liability disclosed in the Statement of Financial Position is composed of:

	SASS \$000	SANCS \$000	SSS \$000	Total 2004 \$000	Total 2003 \$000
Gross Liability Assessed by Actuaries as at 30 June 2004	247,776	60,116	479,584	787,476	722,385
Less: Investment Reserve Account Balance held by SAS Trustee Corporation (including actuarial, tax and interest adjustments)	(107,024)	(47,417)	(376,396)	(530,837)	(420,929)
Unfunded Liability (Fully Provided in Provisions)	140,752	12,699	103,188	256,639	301,456

17. CURRENT/NON-CURRENT LIABILITIES - OTHER

	2004 \$000	2003 \$000
Current		
Statutory Creditors	14,222	11,668
Principal Outstanding on Bonds Issued to Private Sector	13,131	12,311
Unearned Rent on M4 and M5 Motorways	3,105	3,105
Sydney Harbour Tunnel Tax Liabilities	1,567	1,538
Income Received in Advance	12,057	8,107
Holding Accounts	33,471	21,256
Other creditors	354	40
	77,907	58,025
Non-Current		
Principal Outstanding on Bonds Issued to Private Sector	358,679	371,811
Unearned Rent on M4 and M5 Motorways	23,662	26,692
Sydney Harbour Tunnel Tax Liabilities	22,232	22,484
	404,573	420,987

The liability in respect of the Sydney Harbour Tunnel has been recognised at the Net Present Value (NPV) of the Ensured Revenue Stream Agreement (ERS). This has been calculated at \$371.811 million (2002/2003; \$384.122 million), being the principal outstanding as at 30 June 2004 on the bonds issued by the Sydney Harbour Tunnel Company to the private sector.

Since 1993 the RTA has disclosed a possible tax liability as a contingent liability in its annual accounts. This liability crystallised during the 2002/2003 tax year. Following negotiations between interested parties including the Australian Taxation Office, a settlement was entered into between the RTA, the State Government, the Sydney Harbour Tunnel Company Limited and Tunnel Holdings Pty Ltd (refer note 12(b)).

The non-current tax liability has been calculated at net present value.

	2004 \$000	2003 \$000
Current		
Sydney Harbour Tunnel Past Tax Liability	1,228	1,200
Sydney Harbour Tunnel Future Tax Liability	339	338
	1,567	1,538
Non-Current		
Sydney Harbour Tunnel Past Tax Liability	14,684	15,114
Sydney Harbour Tunnel Future Tax Liability	7,547	7,370
	22,231	22,484

Under the M4 lease agreement, \$46.615 million was received from Statewide Roads Pty Ltd (SWR) as rent in advance. In accordance with generally accepted accounting principles, this revenue is brought to account over the period of the lease. This treatment is summarised as follows:

	2004 \$000	2003 \$000
Rent earned in prior years	30,871	28,496
Rent earned in current year	2,374	2,375
Unearned rent as at 30 June 2004	13,370	15,744
	46,615	46,615

The land acquisition loan of \$22.000 million, based on the cost of land under the M5 originally purchased by the RTA, was repaid in June 1997 by Interlink Roads Pty Ltd (ILR). The repayment of the loan is considered to be a prepayment of the remaining rental over the period of the concession agreement. In accordance with AAS 17, this revenue is brought to account over the period of the lease.

In consideration for ILR undertaking construction of an interchange at Moorebank (M5 Improvements) on the M5 Motorway, the original concession period (to 14 August 2022) has been extended by 1.11 years to 23 September 2023.

This treatment is summarised as follows:

	2004 \$000	2003 \$000
Rent earned in prior years	7,947	7,216
Rent earned in current year	731	731
Unearned rent as at 30 June 2004	13,322	14,053
	22,000	22,000

18. CHANGES IN EQUITY

	Accumulated Funds		Asset Revaluation		Total Equity	
	2004 \$000	2003 \$000	2004 \$000	2003 \$000	2004 \$000	2003 \$000
Balance at the beginning of the financial year	40,249,806	39,274,802	20,172,964	13,138,969	60,422,770	52,413,771
Surplus/Deficit for Year	569,769	747,729	–	–	569,769	747,729
Increment/Decrement on:						
– Land and Buildings	–	–	640,072	444,251	640,072	444,251
– Authority Infrastructure	–	–	6,494,356	6,817,019	6,494,356	6,817,019
Transfer of assets under Administrative Arrangements from Department of Environment and Conservation	81,665	–	–	–	81,665	–
Transfers from Asset Revaluation Reserve for asset disposals	42,789	227,275	(42,789)	(227,275)	–	–
Balance at the end of the financial year	40,944,029	40,249,806	27,264,603	20,172,964	68,208,632	60,422,770

19. COMMITMENTS FOR EXPENDITURE

(a) Capital Commitments

	2004 \$000	2003 \$000
Payable no later than 1 year		
– Value of work to be completed	560,943	371,745
– Plant, light vehicles, trucks	52	61
Payable later than 1, but not later than 5 years		
– Value of work to be completed	154,440	52,986
– Plant, light vehicles, trucks	209	243
Payable later than 5 years	58,301	17,378
	773,945	442,413

(b) Other Expenditure Commitments

	2004 \$000	2003 \$000
Payable no later than 1 year		
– Value of work to be completed	281,334	165,210
Payable later than 1, but not later than 5 years	108,212	63,850
Payable later than 5 years	52,769	68,255
	442,315	297,315

(c) Operating Lease Commitments

Operating Lease Commitments relate to Property, IT Equipment and Light and Heavy Motor Vehicles.

Operating lease commitments are not recognised in the financial statements as liabilities.

Total Operating Lease Commitments are as follows:

	2004 \$000	2003 \$000
Not later than 1 year	72,662	71,491
Later than 1 year and not later than 5 years	154,450	173,743
Later than 5 years	7,514	18,756
	234,626	263,990

In respect of Property Leases, the RTA has various lessors with leases which have specific lease periods ranging from 1 year to 20 years.

The Property Operating Lease Commitments are as follows:

	2004 \$000	2003 \$000
Not later than 1 year	23,368	22,272
Later than 1 year and not later than 5 years	46,780	45,233
Later than 5 years	7,514	12,816
	77,662	80,321

IT Equipment Operating Leases have been negotiated with Dell Computer Pty Ltd, Fujitsu Australia Ltd, and Macquarie IT Pty Ltd.

The IT Equipment Operating Lease Commitments are as follows:

	2004 \$000	2003 \$000
Not later than 1 year	20,661	24,602
Later than 1 year and not later than 5 years	19,083	31,349
Later than 5 years	–	–
	39,744	55,951

The Light Motor Vehicle Lease is with State Fleet Services and is financed by Macquarie Bank. The lease is scheduled to cease in September 2008.

The Light Motor Vehicle Operating Lease Commitments are as follows:

	2004 \$000	2003 \$000
Not later than 1 year	26,507	23,760
Later than 1 year and not later than 5 years	83,938	95,040
Later than 5 years	–	5,940
	110,445	124,740

The Heavy Motor Vehicle Lease is held and financed with Orix. The lease is scheduled to cease in July 2007.

The Heavy Motor Vehicle Operating Lease Commitments are as follows:

	2004 \$000	2003 \$000
Not later than 1 year	2,126	857
Later than 1 year and not later than 5 years	4,649	2,121
Later than 5 years	—	—
	6,775	2,978

20. CONTINGENT ASSETS

The total commitments detailed above include GST input tax credits of \$131.732 million (2002/2003; \$91.183 million) that are expected to be recoverable from the ATO.

21. CONTINGENT LIABILITIES

There are some 3 claims (2002/2003; 6 claims) for damage or injury currently being litigated with an estimated total contingent liability to the RTA of \$1.17 million (2002/2003; \$0.694 million). There are also 4 significant contractual disputes (2002/2003; 4 disputes) with an estimated total contingent liability of \$1.71 million (2002/2003; \$5.510 million).

Any claims resulting from incidents which have occurred since 1 July 1989 are not included in the above figures as costs for such claims are now covered by the RTA's Insurance with the Treasury Managed Fund.

During the year the RTA sold a property at 109 – 113 George St to Landcom for \$7.26 million (inclusive of GST). At 30 June 2004 a deposit of \$0.66 million had been paid with the remaining amount outstanding recognised as a debtor.

A condition of the agreement to sell this property was that, over a five-month period, Landcom would assess the likely cost of remediation and archaeological works. If Landcom assess the costs to be in excess of \$3.3 million the RTA has the right to rescind this agreement and would have to refund the \$0.66 million deposit to Landcom, as well as Landcom's expenses incurred for the demolition and environmental / archaeological assessment.

Where the costs are assessed to be less than \$3.3 million the RTA will pay for the remediation and archaeological works.

22. NATIVE TITLE

The Commonwealth's legislation (Native Title Act) and the New South Wales statute (Native Title (New South Wales) Amendment Act) have financial implications for New South Wales Government Agencies generally.

In this regard the RTA has undertaken an assessment of the impact on its financial position. This assessment indicates as at 30 June 2004 there were no Native Title claims, which had, been initiated against the RTA.

23. BUDGET REVIEW

(a) Net Cost of Services

The actual net cost of services of \$1,775 million was \$273 million more than the budget. This variance was primarily due to an increase of \$185 million in depreciation, \$144 million in other operating expenses and \$88 million in maintenance expenditure. These increases in expenditure were in part offset by a higher than expected revenue estimate of \$111 million, primarily relating to revenue received for the Lane Cove Tunnel.

(b) Assets and Liabilities

Net assets have increased by \$14,010 million as compared to budget. This is principally due to an increase in the value of Infrastructure Systems of \$13,510 million, including a revaluation of \$7,134 million, which was not included in the budget estimate.

The value of land and buildings held increased by \$393 million as compared to budget, while current assets increased by \$89 million, and receivables of \$5 million.

The change in net assets is also impacted by an increase in total liabilities of \$144 million as compared to the budget. This is principally due to increases in payables of \$100 million.

(c) Cash Flows

Net cash flow from operating activities is \$53 million less than the budget. This was mainly due to revenue received of \$92 million following the letting of contracts for the Lane Cove Tunnel projects and was offset by an increase in operating expenditure of \$186 million.

Net cash outflow in relation to investing activities is \$95 million less than the budget due to purchases of land and buildings, plant and equipment and infrastructure systems being \$105 million less than the budget.

A variance of \$8 million in respect of the opening cash as compared to the budget has occurred due to the fact that the 2003/04 budget was prepared prior to the finalisation of 2002/2003 financial statements.

24. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET COST OF SERVICES

	2004 \$000	2003 \$000
Net Cash used on Operating Activities	(1,205,792)	(1,387,309)
Depreciation and amortisation	692,082	572,883
(Decrease)/Increase in Provisions and Entitlements	(34,468)	39,379
Rent Revenue in respect of M4 and M5 Motorways	(3,030)	(3,106)
Value of Emerging Interest of Private Sector Provided Infrastructure	(50,256)	(55,283)
ERS payments utilised to redeem current principal portion of bonds issued to Private Sector	(13,133)	(12,311)
Sydney Harbour Tunnel Tax Liabilities	(252)	22,484
Increase/(Decrease) in Payables and Other Liabilities	63,328	(29,648)
(Increase) in Receivables and Other Assets	(31,122)	(8,285)
Loss on Sale of Assets	12,874	113,467
Contributions from Government	2,345,218	2,184,009
Net Cost of Services	1,775,449	1,436,280

END OF AUDITED FINANCIAL STATEMENTS

Supplementary Financial Information
For the Year Ended 30 June 2004

The Year in Brief 2003/04

	Initial Budget \$M	Actual \$M
NEW FUNDS AVAILABLE		
Commonwealth		
National Highways	311	319
Roads of National Importance	86	99
Federation Fund	17	9
Australian Transport Safety Bureau – Blackspots Program	14	14
Other	18	19
Total Commonwealth	446	460
State		
Motor Vehicle Taxes	914	948
Consolidated Fund Allocation	735	729
Untied – Commonwealth Road Funds	137	137
M4/M5 Cashback Scheme	71	71
RTA Revenue	344	448
Total State	2,201	2,333
TOTAL NEW FUNDS	2,647	2,793
Use of Cash Balances	–	(35)
Increase in Liabilities/Reduction in Operational Assets	37	78
Total Fund Utilised	2,684	2,836
EXPENDITURE		
Road Network Infrastructure		
– Network Development	1,118	1,046
– Infrastructure Maintenance	711	849
Traffic and Transport	213	240
Road Safety, Licensing and Vehicle Management	417	473
Debt Servicing and Repayment	149	152
M4/M5 Cashback	71	73
Voluntary Redundancies	5	3
Total Expenditure	2,684	2,836

Supplementary Financial Information
For the Year Ended 30 June 2004

2003/04 Budget

Funds budgeted to be available to the Roads and Traffic Authority for 2003/04 as published in state Budget Paper No. 3 amounted to \$2,684 million. Variations to the initial budget were as follows:

	\$M	Actual \$M
TOTAL INITIAL BUDGET		2,684
<i>Add: Increase in Receipts</i>		
Commonwealth Funds	39	
Motor Vehicle Taxation	26	
RTA Revenue	100	165
		2,849
<i>Less: Decrease in Receipts</i>		
Consolidated Fund Revenue	2	2
		2,847
<i>Less: Decrease in use of Cash Balances</i>	50	50
		2,797
<i>Add: Increase in Balance Sheet Movements</i>	1	1
TOTAL REVISED BUDGET		2,798

Total funds available for 2003/04 amounted to \$2,798 million and variances from the revised budget were as follows:

	\$M	\$M
TOTAL REVISED BUDGET		2,798
<i>Increase in Receipts</i>		
Motor Vehicle Tax	8	
RTA Revenue	3	11
		2,809
<i>Less: Decrease in Receipts</i>		
Commonwealth Funds	25	
Consolidated Fund Revenue	3	28
		2,781
<i>Add: Increase in Balance Sheet Movements</i>	40	40
		2,821
<i>Add: Increase in use of Cash Balances</i>	15	15
TOTAL REVISED BUDGET		2,836

Supplementary Financial Information
For the Year Ended 30 June 2004

The Year Ahead

	2004/05 Budget \$M
NEW FUNDS AVAILABLE	
Commonwealth	
National Highways	352
Roads of National Importance	121
Federation Fund	12
Australian Transport Safety Bureau – Blackspots Program	14
Other	24
Total Commonwealth	523
State	
Motor Vehicle Taxes	981
Consolidated Fund Allocation	693
Untied – Commonwealth Road Funds	141
M4/M5 Cashback Scheme	77
RTA Revenue	397
Total State	2,289
TOTAL NEW FUNDS	2,812
Use of Cash Balances	24
Increase in Liabilities/Reduction in Operational Assets	23
Total Fund Utilised	2,859
EXPENDITURE	
Road Network Infrastructure	
– Network Development	1,148
– Infrastructure Maintenance	815
Traffic and Transport	219
Road Safety, Licensing and Vehicle Management	450
Debt Servicing and Repayment	145
M4/M5 Cashback	77
Voluntary Redundancies	5
Total Expenditure	2,859

Supplementary Financial Information For the Year Ended 30 June 2004

Commonwealth Grants

The Commonwealth Government provides road funding to New South Wales for the construction and maintenance of National Highways, upgrading Roads of National Importance, Road Safety Blackspots Program and for the replacement of three Murray River crossings under the Centenary of Federation Fund.

Funding received in 2003/04 was \$318.9 million (2002/03: \$264.9 million) for National Highways, \$99.3 million (2002/03: \$92.6 million) for Roads of National Importance, \$13.8 million (2002/03: \$14.4 million) for the Road Safety Blackspots Program and \$8.5 million (2002/03: Nil) for the Centenary of Federation Fund bridges.

Interstate Road Transport Act, 1985

The Interstate Road Transport Act, 1985 enables heavy vehicles to have Federal registration if they are not registered in a State or Territory and are involved only in interstate trade.

Under the Federal Scheme vehicle owners are required to pay either a flat rate or a charge based on distance travelled. The moneys are collected in NSW by the RTA on behalf of the Commonwealth and paid into the Interstate Road Transport Trust Fund. The proceeds are then distributed to the States as a contribution towards road repair and maintenance costs.

Funds received by the RTA under this scheme during 2003/04 amounted to \$19.2 million (2002/03: \$16.5 million).

State Sources

Motor Vehicle Taxation

Motor vehicle taxation, collected by the RTA when vehicles are registered, is hypothecated to the Roads Program. During 2003/04 receipts from motor vehicle taxation totalled \$947.5 million (2002/03: \$881.8 million).

Number of Registered Motor Vehicles in NSW

Year	Number of Motor Vehicles Registered *	% Change Over Previous Year
1994-1995	3,311,402	0.6(+)
1995-1996	3,367,092	1.7(+)
1996-1997	3,421,409	1.6(+)
1997-1998	3,493,340	2.1(+)
1998-1999	3,535,732	1.2(+)
1999-2000	3,636,353	2.8(+)
2000-2001	3,729,100	2.6(+)
2001-2002	3,821,229	2.5(+)
2002-2003	3,930,458	2.9(+)
2003-2004	4,046,361	2.9(+)

* Excluding plant, tractors, trailers and caravans.

Contribution for Specific Works

The following contributions towards specific works were received during 2003/04.

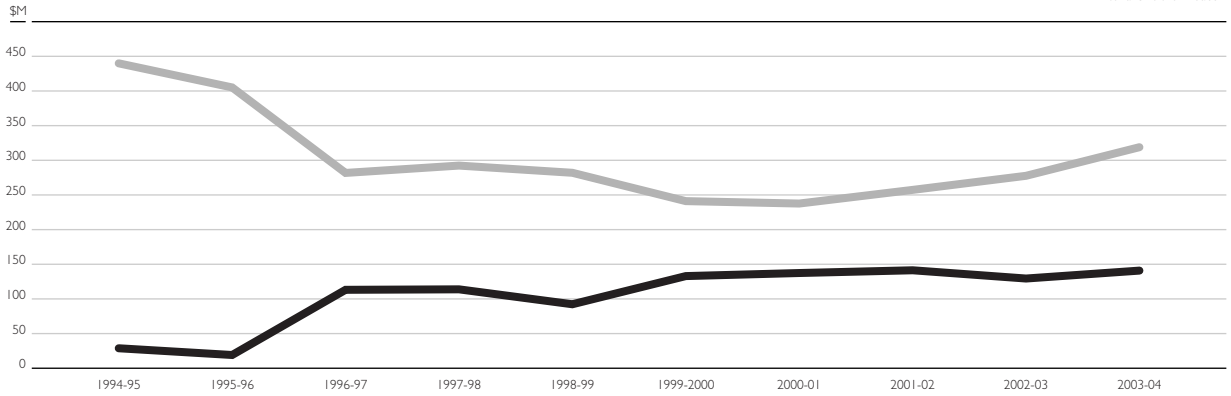
	\$M
State Government Departments for	
– General Purposes	26.879
– Sydney Harbour Bridge	2.915
Councils	0.401
Private Firms and Individuals	6.175
	36.370

Untied Commonwealth Road Grants

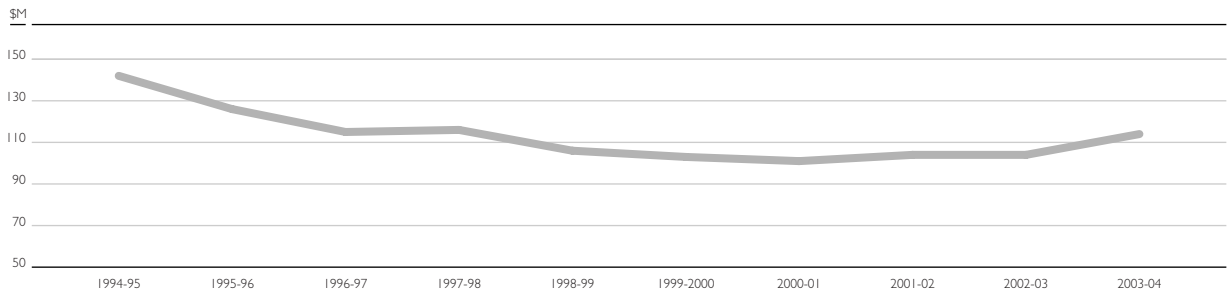
Since 1990/91, Commonwealth road funds have been allocated to the States under the Australian Land Transport Development Act. However, the Commonwealth decided that funds previously allocated for the State's arterial roads were to be untied from 1 January 1994 and were to be provided to the States under the heading of "Identified Roads Grants within the General Revenue Assistance to the States".

The Commonwealth Government untied road funding to NSW for 2003/04 was \$137.2 million (2002/03: \$133.8 million).

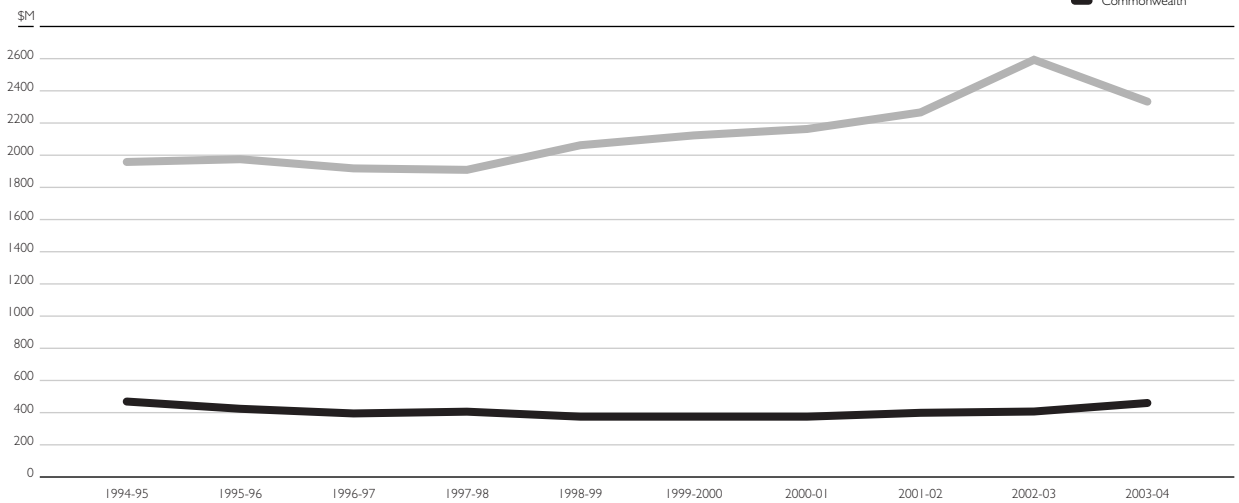
COMMONWEALTH GRANTS Constant Dollar 2003-2004 Terms



COMMONWEALTH GRANTS PER REGISTERED VEHICLE Constant Dollar 2003-2004 Terms



FUNDING OF STATE ROAD NETWORK Constant Dollar 2003-2004 Terms



Supplementary Financial Information
For the Year Ended 30 June 2004

Road Cost Index

The Authority's road Cost Index, which is used to adjust money values in various tables and graphs within tis Annual Report, is shown in the table 'Roads and Traffic Authority Road Cost Index'.

The index, which has been specifically developed by the RTA, is widely accepted as a measure of change in the cost of roadworks, bridgeworks and traffic facilities. It is based upon changes in prices of samples within the broad elements of wages, stores, plant, haulage, corporate and regional administration, property acquisitions and financing costs. Each index component has been allocated a predetermined weighting which is reviewed at 3 to 4 yearly intervals to adjust for changes in the proportions used in RTA roadwork activities. The last review was completed in June 2002. Expenditure and basic weights have been updated to reflect the current expenditure composition in the development and maintenance of road, bridge and traffic facilities. The index was also rebased from 1996/97 to 2002/03.

Roads and Traffic Authority Road Cost Index (Base year: 2002/03=100.0)

	Index	% Increase/(Decreased) over previous year
1994-1995	78.9	1.9
1995-1996	83.0	5.1
1996-1997	85.2	2.7
1997-1998	87.4	2.5
1998-1999	91.2	4.4
1999-2000	91.5	0.4
2000-2001	92.9	1.5
2001-2002	94.3	1.5
2002-2003	100.0	6.1
2003-2004	104.8	4.8

Payments to Councils

Payments made to local government councils during 2003/04 were as follows:

	\$M	\$M
Classified Roads		
– Development	15.620	–
– Maintenance	236.844	–
– Vehicle Management	0.300	–
– Road Safety	26.523	–
– Traffic Management	40.341	319.628
Local Roads		
– Natural Disasters		8.577
		328.205

Administered Revenues – Collections

The RTA administers, but does not control, the collection of various fees, fines and levies on behalf of the Crown Transactions Entity. Monies collected on behalf of the Crown Transactions Entity are not recognised as the RTA's revenues.

The RTA's Administered revenue Collections were as follows:

	Total 2003-04 \$M	Total 2002-03 \$M
(A) Consolidated Fund Receipts		
Vehicle Registration Fees	198.569	188.575
Drivers Licence Fees	93.512	62.877
Vehicle Transfer Fees	34.139	32.233
Other Fees and Charges	29.805	22.906
Total	356.025	306.591
(B) Collections – Other Authorities		
Unregistered Vehicle Permit(QBE)	5.512	7.702
Stamp Duty	580.945	1,020.211
Interstate Road Transport Scheme Report	7.687	11.625
Firearms Licence Fees	0.433	0.863
Security Licence Fees	(0.478)	(0.938)
Proof of Age	0.800	1.609
Other Fees and Charges	1.754	5.158
Total	596.653	1,056.230

Customer Service/Motor Registries

For information on vehicle registrations, drivers' licences, motor registry locations and opening hours call 13 22 13 from anywhere in NSW.

Monday-Friday 8.30am-5pm

Saturday 8.30am-12pm

For corporate and regional offices call 131 782 from anywhere in NSW.

Monday-Friday 8am-5.30pm

Transport Management Centre

25 Garden St

Eveleigh 1430

PO Box 1625

Strawberry Hills 2012

Telephone 02 8396 1400

Fax 02 8396 1425

Monday-Friday 8am-5pm

To report traffic incidents

131700 (24 hours)

Traffic inquiries 132 701 (24 hours)

Head Office

Centennial Plaza

260 Elizabeth St

Surry Hills 2010

PO Box K198

Haymarket 1238

DX 13 Sydney

Telephone 131 782

Monday-Friday 8am-5.30pm

Sydney region

81-85 Flushcombe Rd

Blacktown 2148

PO Box 558

Blacktown 2148

DX 8120 Blacktown

Telephone 131 782

Fax 02 8814 2593

Monday-Friday 8.30am-5pm

Hunter region

59 Darby St

Newcastle 2300

Locked Bag 30

DX 7813 Newcastle

Telephone 131 782

Fax 02 4924 0344

Monday-Friday 8.30am-5pm

Northern region

31 Victoria St

Grafton 2460

PO Box 576

DX 7610 Grafton

Telephone 131 782

Fax 02 6640 1301

Monday-Friday 8.30am-5pm

Southern region

71-77 Kembla St

Wollongong 2500

PO Box 477

Wollongong East 2520

DX 5178 Wollongong

Telephone 131 782

Fax 02 4227 3705

Monday-Friday 8.30am-5pm

South West region

1 Simmons St

Wagga Wagga 2650

PO Box 484

DX 5407 Wagga Wagga

Telephone 131 782

Fax 02 6938 1183

Monday-Friday 8.30am-5pm

Western region

51-55 Currajong St

Parkes 2870

PO Box 334

DX 520256 Parkes

Telephone 131 782

Fax 02 6861 1414

Monday-Friday 8.30am-5pm

Pacific Highway Office

21 Prince St

Grafton 2460

PO Box 546

DX 7610 Grafton

Telephone 1800 653 092

Fax 02 6640 1001

Monday-Friday 8.30am-5pm

www.rta.nsw.gov.au