

# ANNUAL REPORT

## 2016-17





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## DEAR MEMBER

### Transport Certification Australia (TCA) 2016-17 Annual Report

It is with pleasure that I present the Annual Report for Transport Certification Australia for the period from 1 July 2016 to 30 June 2017.

The Report is presented in accordance with TCA's Constitution and Memorandum of Understanding, along with the financial reporting requirements of the Corporations Act 2001 (Commonwealth).

I look forward to your continued support.

Yours sincerely



Stephen Golding, AM, RFD  
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Transport Certification Australia  
26 October 2017

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# Message from THE CHAIRPERSON



Stephen Golding AM RFD  
Chairperson, TCA

I am pleased to present TCA's Annual Report for 2016-17.

The 2016-17 financial year represents the first year of our three-year Strategic Plan (2016 - 2019), which recognises the increasing pace at which technologically-driven changes are influencing public policy deliberations and government decision making.

To underpin TCA's Strategic Plan, and in appreciation of the challenges (and opportunities) that come with the increasing use of transport technology applications, TCA's Members updated TCA's Constitution in November 2016.

The updated Constitution not only reaffirmed TCA's established role in providing assurance in the use of telematics and related intelligent technologies, but expanded our role to support the emergence of connected and automated vehicles.

TCA's active management of an open technology market - which focuses on outcomes rather than technology prescription - is central to our purpose, and the delivery of our Key Result Areas.

Also central to our purpose is TCA's interaction with three distinct stakeholder groups:

- Government agencies and regulators (which set policies and/or manage programs using telematics and related technologies)
- Regulated industry sectors/end-users (which use telematics and related intelligent technologies in response to Government/regulatory policies and/or programs)
- Private sector service providers (in TCA's case, the technology and ITS sector, which deliver telematics products and services to regulated industry sectors/end-users).

Our Key Result Areas are:

1. Leadership in telematics and related intelligent technologies
2. Build knowledge sharing and relationships
3. Provide assurance
4. Administer telematics and related intelligent technology programs
5. Manage legislative and legal requirements
6. Generate public value
7. Promote positive values and work environment

With such a complex interplay of stakeholders, in an environment which is subject to increasing levels of technology-led disruption and change, I am pleased that TCA's corporate values of integrity, professionalism, accountability and innovation stand out in all of its dealings.

TCA's ability to manage a growing number of interfaces across government, industry sectors and end-users is testimony to the effort and dedication of TCA's people.

I would like to thank our CEO and TCA staff for a successfully delivered work program.

To this end, I wish to thank each of TCA's Members, as well as my fellow Directors for the direction and guidance they've provided during 2016-17.

Yours sincerely



Stephen Golding  
Chairperson

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# Message from

## THE CHIEF EXECUTIVE OFFICER



Chris Koniditsiotis  
Chief Executive Officer, TCA

I am pleased to report on TCA's activities for 2016-17.

TCA's work program during 2016-17 reflected the growing dependence on telematics and related intelligent technologies by policy makers across government to deliver improved public outcomes. Our work program also demonstrated the value of delivering improved 'whole-of-government' outcomes when it comes to in-vehicle (and road-side) technologies.

This whole-of-government approach benefits TCA's Members in two key ways.

Firstly, TCA performs an increasingly important strategic role in exchanging information, knowledge and experience across policy areas and industry sectors. This reduces the risk of initiatives being progressed which, despite best intentions, can delay progress, create duplication, stifle innovation and multiply costs.

Secondly, TCA's cross-cutting focus ensures harmonisation, consistency and interoperability across government portfolio areas and industry sectors.

With the road and transport portfolio already well advanced in the use of telematics and related intelligent technologies to deliver public purpose outcomes, other portfolios across government can leverage the availability of an open technology market established by TCA and its Members.

This platform approach enables a standardised approach to data collection, privacy management and security across policy areas and industry sectors, and provides the assurance necessary for the technology market to develop (and support) technology applications for government initiatives and programs – irrespective of the portfolio area or industry sector from which telematics applications may emerge.

The key metrics (p.10&11) highlight significant growth during 2016-17, including:

- 27% annual growth in vehicles using devices that meet TCA requirements (or can do so with some amendments)
- Over 60 approved device 'types' in use, ranging from smartphones to advanced telematics devices which support multiple apps
- Seven active submissions from technology providers seeking approval of devices/systems
- Increased take up of TCA administered applications.

Moving forward, TCA will continue to work closely with its Members to identify opportunities which can remove barriers and embrace innovation and technology in transport.

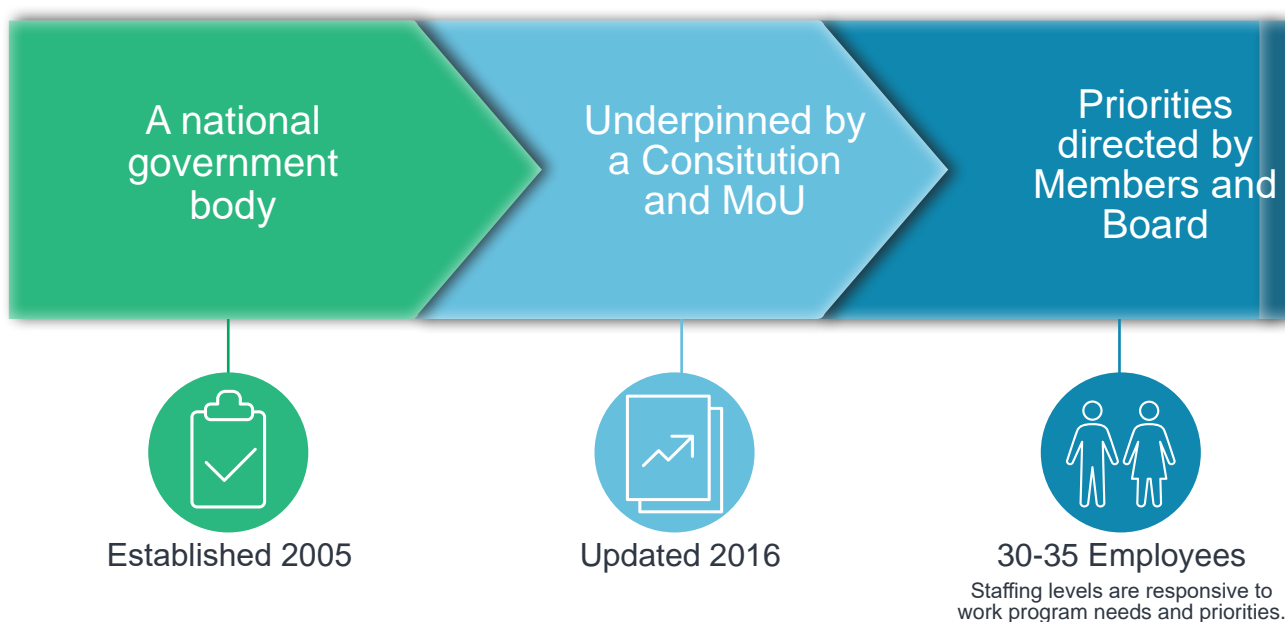
I wish to acknowledge the commitment of all staff, and my executive team, for their efforts during 2016-17, and thank the Chairperson and Board for their ongoing support.

Yours sincerely



Chris Koniditsiotis  
Chief Executive Officer

# About TCA



## Our vision

TCA is a national Government body responsible for providing assurance in the use of telematics and related intelligent technologies, to support the current and emerging needs of Australian Governments.

TCA is a 'cross-cutting' organisation which works across different policy streams, surface transport modes, and government and industry sectors.

Our vision is to be the Australian leader of Advice, Accreditation and Administration services, and to be an essential partner to Government organisations to achieve public outcomes through the use of telematics and related intelligent technologies.

Throughout all our work, TCA strives to uphold four core values of our organisation:

**Integrity** – honesty, impartiality, confidentiality and fairness

**Professionalism** – passion and a commitment to excellence, teamwork and delivery of high-quality services

**Innovation** – a forward thinking commitment to research, development and continual investment in learning

**Accountability** – caring about the needs of others, a focus of achieving outcomes, and a commitment to timeliness and financial responsibility.

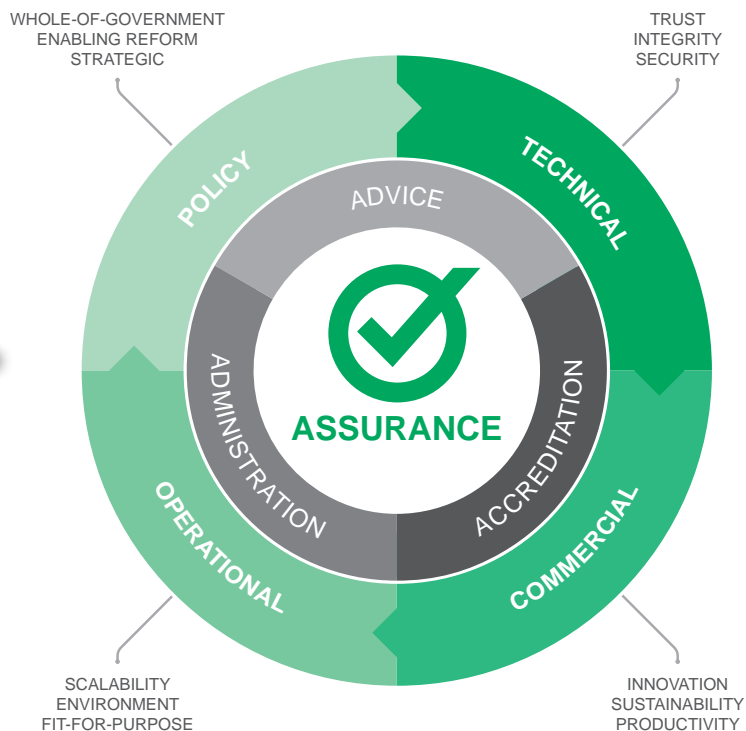


The Commonwealth and each State and Territory represented on the Board



\$7M revenue

Revenue is derived from multiple sources, based on services to Members, government agencies, regulators, and the telematics industry.



## Our mission

TCA provides assurance through the provision of Advice, Accreditation and Administration, recognising the intersection of policy, technical, commercial and operational elements.

With an appreciation that policy, commercial and operational sustainability is a mindset, not just an outcome, TCA distinguishes itself as a leading Australian provider of a critical intersection between technology providers and Governments, to ensure sustainable public purpose outcomes.

## What we do

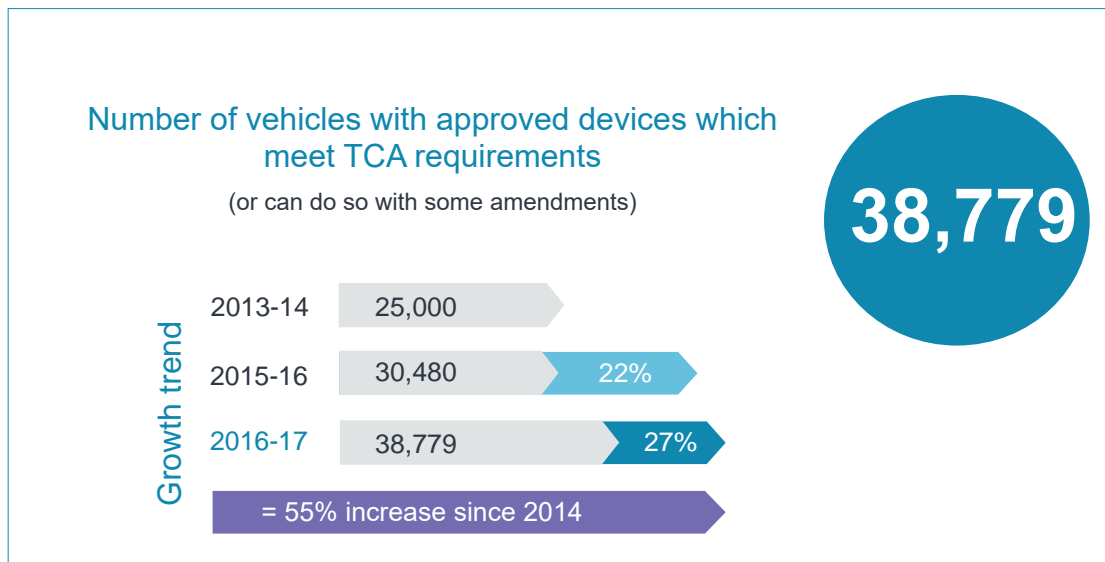
We provide impartial advice, accredit to ensure fit for purpose outcomes and administer on behalf of government programs that utilise telematics and related intelligent technologies to ensure integrity, scalability and interoperability of the market offerings.

To achieve this, TCA interacts with three distinct stakeholder groups to deliver improved public outcomes:

- Government agencies and regulators (which set policies and/or manage programs using telematics and related technologies)
- Regulated industry sectors/end-users (which use telematics and related intelligent technologies in response to government / regulatory policies and/or programs)
- Private sector service providers (in TCA's case, the technology and ITS sector, which deliver telematics products and services to regulated industry sectors/end-users).

# Key Metrics

## 2016-17



Number of devices approved by 'type' and currently used in the market:

**66**

Approved devices include user interfaces, smartphones, and advanced telematics devices which support multiple *apps*

Number of back office operations supporting these devices:

**5**

Number of approved changes initiated by Certified Service Providers in 2016-17 to enhance their product and service offerings:

**50**

 Certified  Type-Approved

Number of Certified (end-to-end) Service Providers	5
Number of Type-Approved suppliers (in addition to Certified Service Providers)	2
Number of commercial agents supporting Certified Service Providers	51
Number of submissions from technology suppliers currently active* (*as at October 2017)	7

All TCA approved devices deliver across multiple private and public policy areas on one open platform certified by TCA for integrity, scalability and interoperability

<b>National Telematics Framework - <i>apps</i></b> (Approved devices may have more than one <i>app</i> installed and operational)	<b>Vehicles monitored</b>	<b>Increase since June 2016</b>
Intelligent Access Program (IAP)	4,160	15%
Intelligent Speed Compliance (ISC)	1,294	35%
On-Board Mass (OBM) System	290	53%
Certified Telematics Service (CTS)	190	Set at 190 due to contract specific arrangements
Speed Guidance	Initial deployment commenced 2016-17	
Road User Pricing	Trial involving over 40 vehicles ran from December 2016 to May 2017	

### **Commercial *apps***

Commercial *apps* are co-located with the National Telematics Framework and comprise a diverse range of services offered by Certified Service Providers on approved devices.

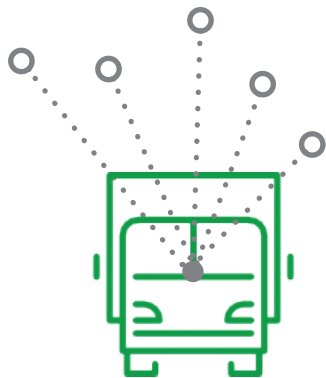
Examples of commercial *apps* available include:

- Drive fatigue management
- Scheduling and dispatch tracking
  - Fleet and driver reporting
- Occupational health and safety
  - Traveller information
  - Route guidance



# Achievements

## 2016-17



### GROWTH IN APPROVED DEVICES

There are now over 38,000 vehicles which use devices which are able to meet TCA's performance based functional and technical specifications (or are able to do so with some amendments).

This represents a 55% increase in the number of Telematics devices since 2014.

This increase is significant, given that the telematics adoption is growing at 5 - 6% per annum, and transport operators are choosing devices capable of supporting regulatory applications.



### ROAD USE CHARGING TRIALS

TCA worked with Main Roads Western Australia (MRWA) to trial a new road user pricing app, which leveraged investments already made by government and industry to support telematics applications.

Representing a first for Australia, the road user pricing app leverages the use of certified telematics to monitor heavy vehicle road use so that road and transport agencies determine road use for charging purposes.

The road use pricing app gives Governments reliable data on how heavy vehicles use the transport network and its key assets. Additionally, the information is collected, handled, and presented in a manner that manages the integrity and availability of road use data, while managing privacy – essential ingredients for charging purposes.

### ALCOHOL INTERLOCK PROGRAM WESTERN AUSTRALIA

TCA finalised its work with the Department of Transport in Western Australia to introduce an Alcohol Interlock Program (AIP) for Western Australia during the second half of 2016.

TCA's work involved the incorporation of specific operational and policy requirements for the AIP into the assessment and approval process for alcohol interlocks, as well as the services provided by alcohol interlock suppliers.

The Functional and Technical Specification for Alcohol Interlocks is available to other jurisdictions aiming to achieve national consistency, and lower implementation and operational costs.

## National Telematics Framework – OBM System

Common Platform supporting Multiple Policy areas



TYPE-APPROVAL APPLICATIONS NOW OPEN FOR ON-BOARD MASS (OBM) SYSTEMS

[www.tca.gov.au](http://www.tca.gov.au)



Type-Approved™

Transport Certification Australia



### RELEASE OF TWO NEW SPECIFICATIONS

TCA released two new specifications to join the growing suite of performance based specifications within the National Telematics Framework.

The *Interconnectivity of Telematics In-Vehicle Unit (IVU) with the Other Systems Functional and Technical Specification* responds to the growing use of telematics IVUs as a 'hub' within vehicles, which connect with any number of other components such as electronic user interfaces, smartphones, and On-Board Mass (OBM) systems.

The *OBM System Functional and Technical Specification* represents a major step forward in establishing performance-based outcomes for the accuracy, integrity and performance of OBM systems which can satisfy the needs of both industry and government.

The Specification, which was developed in consultation with government and industry stakeholders – together with OBM system suppliers – foreshadows developments by the European Commission to better manage mass loadings of heavy vehicles in a cost effective, sustainable manner.

The Specification also caters for numerous policy areas (as depicted in the diagram above).

### TYPE-APPROVAL OF ON-BOARD MASS SYSTEMS

In May 2017 TCA commenced accepting submissions for type-approval of OBM Systems, following the release of the *OBM System Functional and Technical Specification*. Type-approval will improve the nature of OBM Systems in an open technology market, and deliver the assurance sought to underpin productivity and safety gains.

TCA type-approval is more than just a technical assessment of OBM Systems - it also extends to an assessment of the business standing of OBM System suppliers.

TCA anticipates that multiple OBM Systems will become type-approved, providing competition and choice to end-users.

# Achievements

## 2016-17



### DATA INSIGHTS

TCA's provision of data analytics services grew significantly during 2016-17.

Consistent with its legislated obligations, TCA performs analysis of de-identified and aggregated data derived from applications administered through the National Telematics Framework.

During 2016-17, TCA responded to a significant increase in the number of requests received from TCA's Members, which assisted:

- Road planning and investment decision making
- Statistical analysis
- National reform initiatives.



### ON-BOARD MASS PROGRAM

Advanced work on a certified regulatory application using type-approved On-Board Mass (OBM) Systems - known as OBM Stage 3 Implementation - commenced during the first half of the 2017 calendar year.

When it is implemented from the end of 2018, OBM Stage 3 will provide TCA's Members, road managers and regulators with renewed opportunities to further advance heavy vehicle productivity and safety through the availability of an end-to-end certified program which provides assurance in the location, mass and speed data to deliver improved public outcomes.



### TELEMATICS INDUSTRY GROUP MEETINGS

The Telematics Industry Group (TIG) provides a forum where TCA can interact with the telematics sector on government-led initiatives to improve the safety and productivity of transport, through the use of telematics.

A key aspect of the National Telematics Framework is that competition and choice are made available to end users through the marketplace of telematics service providers. Interaction with TIG members is critical to ensure that the telematics sector is kept abreast of policy and operational developments being led by government.

The last TIG meeting was held in June 2017, with over 40 leading experts from the Australian telematics industry in attendance.

The agenda for the last TIG meeting included updates on new Specifications, the availability of OBM System type-approval, and a briefing on the use telematics data to inform road infrastructure planning.





## GROWTH IN THE INTELLIGENT ACCESS PROGRAM

Jurisdictional road managers continued to activate new road access arrangements to improve productivity and safety during 2016-17, which increased the demand for the IAP (and other applications of the National Telematics Framework).

During 2016-17, road managers introduced:

- Safety, Productivity and Environment Construction Transport Scheme (SPECTS) in NSW
- Expanded arrangements for Higher Productivity Freight Vehicles (HPFVs) in Victoria
- The extension of operating arrangements for Performance Based Standards (PBS) Super Quad Road Trains in Western Australia
- The use of the IAP as a mandatory requirement for Class 1, 2 and 3 Special Purpose Vehicles (SPVs) in Queensland.

## OPERATIONAL DEVELOPMENTS TO NATIONAL TELEMATICS FRAMEWORK

### Delivering Operational Efficiencies

TCA has driven efficiencies and operational enhancements to the administration of applications within the National Telematics Framework, to better deliver upon the needs and expectations of stakeholders.

During 2016-17, TCA introduced a number of operational enhancements to better manage re-certifications and audits, with a greater focus on a risk-based administration approach.

### Issuing of Certificates of Evidence

During 2016-17, TCA's Members increased the use of the IAP to manage enforcement against non-compliant activity, resulting in successful prosecutions for breaches of road transport law (based on certificates of evidence issued by TCA for compliance and enforcement purposes).



## NEW RESOURCE FOR INTELLIGENT ACCESS PROGRAM

TCA released a new document to help stakeholders better understand the Intelligent Access Program (IAP).

The *Overview of the IAP Functional and Technical Specification* allows a wider audience to understand and appreciate the IAP and the importance of heavy vehicle access management on our road networks.

The overview document captures the key functional and technical aspects of the *IAP Functional and Technical Specification*, in plain language. It also describes the roles and responsibilities of the different entities involved in the operation of the IAP.

# Achievements

## 2016-17



### STAKEHOLDER ENGAGEMENT

TCA continues to respond to calls for advice from a growing diversity of stakeholders across policy areas and industry sectors.

Advice on telematics and related intelligent technologies was provided to the following policy areas and industry sectors during 2016-17:

- Taxi, hire car and ridesharing regulators
- Waste transport management regulators and users
- Port managers and users
- Safety regulators and managers.

### ORGANISATION FOR ECONOMIC COOPERATION AND DEVELOPMENT

TCA is the lead Australian organisation participating in the new Organisation for Economic Cooperation and Development (OECD) Working Group on 'Policies to Extend the Life of Road Assets'.

The focus of the Working Group is to present best practice options for infrastructure managers to extend the lives of road infrastructure. As distinct from other best practice approaches – which have an orientation towards traditional civil engineering approaches – this Working Group will focus on the 'management, use and consumption' of road assets.

A key area of interest for the Working Group is the operation of heavy vehicles, and providing policy guidance on best practice options to optimise the balance between productivity, safety and asset management.

Specific policy areas to be developed through the Working Group include:

- A full life-cycle approach to the maintenance and utilisation of road assets
- Improving the compliance management of heavy vehicle loadings
- Using technologies (such as the IAP, OBM and Weigh-In-Motion) to manage compliance, while also providing a critical feedback loop of data and information which can further advance asset management practices.

The Working Group has requested that TCA lead the work package which references the use of the IAP and OBM Systems.



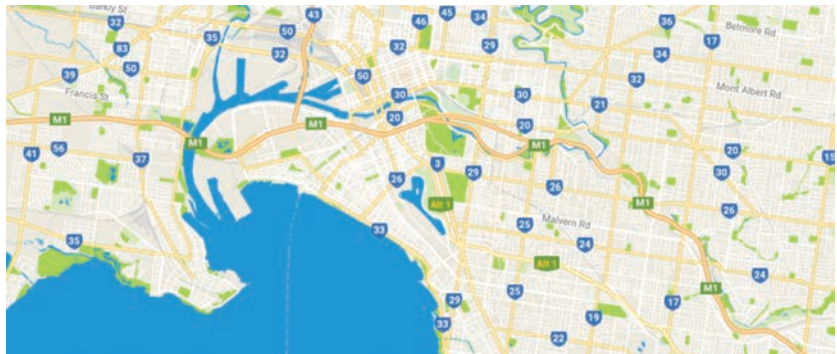
## ADVICE ON NEW SAFETY CAMERA SPECIFICATION

TCA provided advice on a new specification for use in taxis, hire cars and ride share vehicles for the TransLink Division of the Queensland Department of Transport and Main Roads.

The new safety camera specification forms part of 'Stage 2' of the Queensland Government's Personalised Transport Reforms, which will see the introduction of new safety camera requirements for vehicles that are not pre-booked (i.e. rank and hail), or involve payments being made during the journey.

During July 2017 TCA provided advice on how the specification can best deliver improved outcomes with respect to technology innovation, competition, safety, cost and integrity.

TCA is also working with TransLink to establish a framework for assessing and approving cameras for conformance against the specification.



## INDUSTRY FRAMEWORK AND ROAD ATTRIBUTE DATA

The *Industry Framework for Trialling Road Freight ITS and Associated Technologies* was completed during 2016-17.

The Framework, which was amongst the first of its kind in the world, led to technology pilots on the Victorian road network during 2016. These pilots demonstrated real-world deployments of technology which increase productivity, safety and efficiency benefits, and the potential for wider deployment locally and internationally.

A final report on the outcomes of the Framework was finalised during 2016-17 by TCA and VicRoads, which presented key observations, learnings and recommendations for future initiatives.

One of the pilots successfully deployed through the Industry Framework was the use of road attribute data from TCA's Members in route guidance apps.

The pilot demonstrated how route guidance apps - using road attribute data - can assist heavy vehicle drivers stay on approved routes (according to the configuration and/or load of a vehicle).

Significantly, VicRoads is the first Road Manager in the country to make road attribute data available in this way.

TCA has made a commitment to work with TCA's Members' to achieve a nationally consistent outcome in the provision of road attribute information to telematics providers.



# Cooperative Intelligent Transport Systems Feature



Cooperative Intelligent Transport Systems (C-ITS) combine information and mobile communication technologies to enable valuable interactions between vehicles, roadside infrastructure, mobile devices and back-office systems. Also known as Connected and Automated Vehicles (CAVs), C-ITS delivers a safer and more efficient transport network.

One of the major challenges for road managers, regulators, policymakers and road users is the collaboration and coordination of the international C-ITS environment. Finding solutions to this challenge is the critical task of Harmonisation Task Groups (HTGs): joint European Commission and United States Department of Transportation collaborations that TCA has co-led on two occasions, including HTG7 during 2016-17.

International harmonisation enables the coordination of safety and sustainability issues, technical and policy standards, and the identification and removal of regional and international differences that potentially limit the public policy outcomes of C-ITS.

TCA applied its expertise in delivering commercially viable and secure environments on behalf of governments (like that which will be required for C-ITS) and its operational knowledge in assuring public policy outcomes to advance Australia's adoption of C-ITS in a manner consistent with international standards.

The key work areas of HTG7 included:

- Strengthening & promoting security
- Standards analyses
- Gap analyses
- Global identifiers



Image courtesy of the U.S. Department of Transportation

### TCA contributed to Austroads' Connected and Automated Vehicles Program

TCA contributed to Austroads' Connected and Automated Vehicles (CAVs) program, specifically in security credential management, a key component in ensuring CAVs are able to trust other participants within the connected transport network (intelligent transport systems, non-vehicle road users, and other CAVs).

This included translating large quantities of European Commission and United States research and engaging with international experts to distil and pose enabling policy questions to be addressed for AU/NZ, and to outline the standards, system requirements and architecture necessary to achieve the desired C-ITS operational outcomes.

Through this engagement, TCA contributed the following key reports to Austroads for the benefit of Australian stakeholders:

- Security Standards and Options for Compliance Assurance
- System Requirements for a Security Credential Management System
- System Architecture for a Security Credential Management System
- Indicative Cost Estimates for a Security Credential Management System.

As part of the Roads Australia 2017 International Study Visit delegation, TCA experienced first-hand how international jurisdictions are preparing to manage and administer CAVs on their public road networks.

Workshops were held across four leading global cities – San Francisco, Pittsburgh, London and Stockholm – to engage with transport, automotive, technology, researchers and government leaders.

CAVs represent a fundamental shift that will continue to disrupt policy, technical, operational and commercial perspectives. Contributions from all parts of Australian government and industry are required to collectively achieve a national, coordinated and consistent framework to manage CAVs in Australia.

TCA has demonstrated its capability and experience to contribute to this framework in the areas of advice, accreditation and administration pertaining to connected vehicle standards, security and conformance of connected and cooperative systems.



Philip Lloyd, TCA General Manager Implementation, with a driverless vehicle from Waymo.

# Cooperative Intelligent Transport Systems



## CONNECTED VEHICLE SECURITY DISCUSSION PAPER

In September 2016, TCA released a discussion paper on the future security in the adoption and development of Cooperative Intelligent Transport Systems (C-ITS).

C-ITS enable real-time wireless communication between vehicles, roadside infrastructure, mobile devices and back-office systems.

The paper was aimed at governments, policy makers, industry stakeholders and anyone interested in the future shape of the automotive and transport sectors, to contribute towards a C-ITS environment that works safely, securely and seamlessly.

C-ITS are a critical part of the transformation occurring to our vehicles, roads, cities and technologies – including automated vehicles, smart cities and the Internet of Things (IoT).

As we move into a world where vehicles become computers on wheels, we need to devise new



## CONNECTED VEHICLE SECURITY AND STANDARDS INDUSTRY EVENT

ways for 'trust' to be established between vehicles and all road users – not just drivers.

This is especially important for key, safety-critical applications – a warning about an impending crash hazard that does not work in real-time is useless. Similarly, a 'fake' warning is potentially just as dangerous as receiving no warning at all.

## SUBMISSION TO AUSTRALIAN COMMUNICATIONS AND MEDIA AUTHORITY

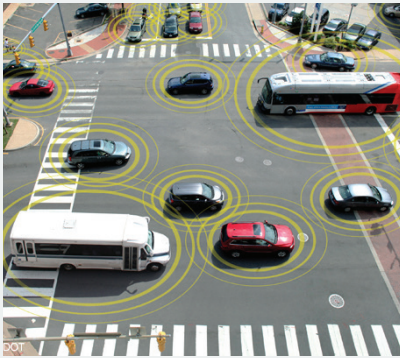
TCA made a submission to the Australian Communications and Media Authority on the proposed regulatory measures on the 5.9Ghz spectrum.

TCA's submission aimed to articulate risks associated with potential implementation of the Class Licence in its proposed form, and sought clarification regarding regulatory arrangements to ensure safety and public purpose outcomes are given priority.

TCA hosted the Connected Vehicle Security and Standards industry event in Melbourne during May 2017, with seventy attendees representing a range of organisations including national, state and local government agencies, vehicle manufacturers, industry peak bodies, telematics service providers and consultants.

The keynote address was given by Peter Todd (Deputy Chief Executive, VicRoads), with presentations also provided by the CITI Cooperative Intelligent Transport Initiative (NSW), CAVI Cooperative and Automated Vehicle Initiative (QLD), and the University of Melbourne Connected Transport Living Lab (VIC). Experts from the visiting HTG7 team presented on international deployments of CAVs, the Harmonised Architecture Reference for Technical Standards, and the Security Credential Management System.





## INTELLIGENT TRANSPORT SYSTEMS AND HEAVE GOODS VEHICLE REGULATION

TCA is the Australian lead on the OECD (Organisation for Economic Cooperation and Development)/ITF (International Transport Forum) project on ITS Applications for Heavy Goods Vehicle (HGV) Regulation.

The project builds upon Sweden's strong, collaborative relationship with Australia on High Capacity Transports (HCT)/High Capacity Vehicles (HCV) initiatives, and is:

- Enabling exchange of knowledge on current best-practice approaches to HCT, including the use of intelligent systems (with specific reference IAP)
- Comparing regulatory frameworks, strategies and road maps for HCT in different countries
- Providing guidance to policymakers on fundamental principles for HCT frameworks.



## HARMONISATION TASK GROUPS

The C-ITS and automated vehicle environment continues to evolve rapidly.

Following its co-leadership of Harmonisation Task Group (HTG) 6, which developed a Security Policy Framework for C-ITS, TCA is the co-lead on HTG 7 (together with the European Commission and the United States Department of Transport).

As the only organisation ensuring Australia's interests are captured in international harmonisation efforts, this work has allowed TCA to bring first-hand HTG knowledge to bear in local work, including Austroads and Member organisations inclusive of Transport and Main Roads Queensland activities.

In both cases, TCA's contribution has centred on advice for procuring, implementing and developing the requirements for the C-ITS security solution being

adopted by, and emerging from, regions participating in HTGs, namely a Cooperative Credential Management System.

With pre-deployments and pilots underway or being planned across all participating regions, HTG7 is working with stakeholders to incorporate the learnings that enhance the standards analysis. Australia is already benefiting from this engagement by providing consistency with international standards and, most importantly, ensuring they capture our needs as far as possible – this reduces the cost and complexity for Australian deployments.

# Intelligent Transport Systems World Congress 2016

## Melbourne



Susan Harris, CEO ITS Australia, The Hon Luke Donnellan MP, Minister for Roads & Road Safety & Minister for Ports and Chris Koniditsiotis, CEO TCA

TCA was the Official Demonstrations Partner for the 23rd Intelligent Transport Systems (ITS) World Congress, held in Melbourne in October 2016.

The ITS World Congress is the world's largest ITS-related international conference. The congress invites Governments, research bodies and commercial enterprises from a wide range of countries and regions to showcase their latest ITS research findings and products through information sessions and exhibitions.

TCA worked collaboratively with some of the world's leading providers of intelligent transport systems, and VicRoads, to produce a world first demonstration of interoperability in action on Australian roads.

The technical demonstrations and tours showed applications of the latest ITS technology, including connected, driverless and automated vehicles.



The focus on interoperability allowed – not only for the first time at an ITS World Congress, but the first time anywhere in the Southern Hemisphere – individual demonstrators to ‘talk to each other’ and the roadside using an open, agreed language.

TCA worked closely with VicRoads to organise the demonstrations, equipping seven sets of traffic signals along Clarendon Street. Delegates were able to experience first-hand interoperable Vehicle-to-Infrastructure (V2I) applications, by travelling through these intersections in a connected vehicle.

This was the first time many of these technologies have been tested outside of a simulated or tightly controlled environment. Interoperability doesn’t occur by accident. The collaborative development, testing and application of standards is essential. But making sure they work in the real world is the real test.

In addition to the Demonstrations, TCA presented a variety of papers and facilitated discussion throughout the week of the

Congress. This included a Stakeholder Workshop on security for C-ITS and a Special Interest Session on Innovative Applications of ITS for Road Freight Productivity and Safety.





# Presentations



## Presentations delivered by TCA Personnel in 2016-17

### **ALC Supply Chain Safety Summit, Melbourne**

*Technology as a Driver of Chain of Responsibility Compliance*

Chris Koniditsiotis, Chief Executive Officer

17 August 2016

### **Teletrac Navman Regional Forum, Toowoomba**

*Achieving Better Productivity Through Telematics*

Gavin Hill, General Manager Strategic Development

8 September 2016

### **ICWIM 7, International Conference on**

#### **Weigh-In-Motion, Foz do Igacu, Brazil**

*Accuracy of Mass Sensor Units (MSUs) used for On-Board Mass (OBM) Monitoring – Awarded Best Oral Presentation*

Chris Koniditsiotis, Chief Executive Officer

7 November 2016

### **VTA Freight Outlook, Melbourne**

*Realising Productivity Benefits through In-Vehicle Technology*

Paul Corkill, General Manager Operations

9 November 2016

### **Chain of Responsibility and Heavy Vehicle Safety Conference, Brisbane**

*Regulatory Telematics – What You Need to Know*

Gavin Hill, General Manager Strategic Development

14 November 2016

### **14th International Symposium on Heavy Vehicle Transport Technology (HVTT), Rotarua, New Zealand**

*On-Board Mass (OBM) linked to the IAP*

*Operational Learnings and Next Steps*

Gavin Hill, General Manager Strategic Development

16 November 2016

### **Teletrac Navman Regional Forum, Lismore**

*Achieving Better Productivity Through Telematics*

Gavin Hill, General Manager Strategic Development

15 March 2017

### **Victorian Transport Infrastructure Conference, Melbourne**

*Reducing Melbourne's Congestion – Evolving Transport Technologies*

Gavin Hill, General Manager Strategic Development

22 March 2017

### **APEC Heavy Vehicle Overloading Workshop, Brisbane**

*The economic cost of overloaded vehicles: A case study - Weigh-In-Motion technology and on-board scales*

Chris Koniditsiotis, Chief Executive Officer

3 April 2017

### **Queensland Transport Infrastructure Conference, Brisbane**

*Assuring Security in Connected and Automated Vehicles*

Chris Koniditsiotis, Chief Executive Officer

24 May 2017

### **National Electronic Tolling Forum, Sydney**

*International Harmonisation of C-ITS Standards*

Philip Lloyd, General Manager Implementation

24 May 2017

### **ITF Focus session – High Capacity Transport: Technologies for tailored network access International Transport Forum, Leipzig, Germany**

*The Australian Intelligent Access Program: lessons learned*

Chris Koniditsiotis, Chief Executive Officer

31 May 2017

### **Victorian Transport Association State Conference, Lorne**

*Securing the next wave of productivity through telematics*

Gavin Hill, General Manager Strategic Development

5 June 2017

### **Telematics Seminar (Rijkswaterstaat, part of the Dutch Ministry of Infrastructure and the Environment), Rotterdam, The Netherlands**

*Telematics Program in Australia*

Gavin Hill, General Manager Strategic Development

29 June 2017

### **Telematics Seminar (Rijkswaterstaat, part of the Dutch Ministry of Infrastructure and the Environment), Rotterdam, The Netherlands**

*Managing Overloading in Australia*

Gavin Hill, General Manager Strategic Development

29 June 2017



# Intelligent Transport Systems (ITS) World Congress Melbourne, October 2016 Presentations



## **Demonstrations Media Launch event**

### **Introduction**

Chris Koniditsiotis, Chief Executive Officer  
9 October 2016

### **Higher productivity road trains and regulatory ITS: results of trialling super quads**

Paul Corkill, General Manager Operations  
11 October 2016

### **On-Board Mass (OBM) monitoring for regulatory purposes: operational learnings**

Paul Corkill, General Manager Operations  
11 October 2016

### **Implementing electronic work diaries – safety, productivity, efficiency**

Gavin Hill, General Manager Strategic Development  
11 October 2016

### **Towards a national vision for a secure, connected future through C-ITS**

Chris Koniditsiotis, Chief Executive Officer  
13 October 2016

### **Connectivity and Big Data – Challenges in capturing, securing and connecting big data**

Plenary Session – Moderator  
Chris Koniditsiotis, Chief Executive Officer  
13 October 2016

### **TCA Special Interest Session – Innovative applications of ITS for road freight productivity and safety**

Chris Koniditsiotis, Chief Executive Officer  
13 October 2016

## **Technology-based reforms for taxis and hire cars**

Gavin Hill, General Manager Strategic Development  
13 October 2016

### **Implementing a secure, operational environment for C-ITS**

Sean McQueen, Strategic Analyst and Policy Officer  
13 October 2016

### **International Harmonisation of C-ITS – Recommendations from Harmonisation Task Group 7**

David Rowe, Engineer  
13 October 2016

### **High Capacity Transport and Innovative Applications of ITS Policy Transfer Between Regions**

Special Interest Session - Moderator  
Gavin Hill, General Manager Strategic Development  
13 October 2016

### **Alcohol interlocks – a national approach**

David Rowe, Engineer  
14 October 2016

### **TCA Stakeholder Workshop – A vision for a secure, connected future through Cooperative Intelligent Transport Systems (C-ITS)**

Chris Koniditsiotis, Chief Executive Officer  
Gavin Hill, General Manager Strategic Development  
14 October 2016

### **Australia's National Telematics Framework**

Sean McQueen, Strategic Analyst and Policy Officer  
14 October 2016

# Personnel

The 2016-17 organisational structure comprised the CEO's office and four divisions. TCA personnel as at 30 June 2017 are listed below:



## STRATEGIC DEVELOPMENT

Gavin Hill (pictured above)  
General Manager  
Strategic Development

Lucille Degenhardt  
Communications Manager

Sean McQueen  
Strategic Analyst and Policy Officer

Sharon Reay  
Government Services Manager



## CORPORATE OPERATIONS

Heather Hausler (pictured above)  
General Manager  
Corporate Operations

Mark Aitken  
Finance Manager

Michael Anthonisz  
Senior Lawyer

Natasha Failla  
Office Manager

Maria McGrath  
Human Resource Manager

Tony Wells  
Manager Administration Services



## IMPLEMENTATION

Philip Lloyd (pictured above)  
General Manager Implementation

Sean Barnett  
Software Architect

Ashleigh Gordon  
JavaScript and HTML Developer

David Rowe  
Engineer

Peter Taylor  
Implementation Manager  
On-Board Mass

Dean Winkle  
Project Manager ITS Initiatives



## CEO OFFICE

Chris Koniditsiotis (pictured above)  
Chief Executive Officer

Carmel Bonaventura  
Executive Assistant



## OPERATIONS

Paul Corkill (pictured above)  
General Manager Operations

Omar Alarcon  
Audit Program Manager

Paul Beynon  
Senior Operations Officer

Andriy Dyukov  
Hardware Manager Telematics

Ivan Enierga  
Hardware Engineer

Andrew Komolhathai  
IT Engineer

Kathy Li  
Business Analyst

Stephen Mikecz  
Technical Project Officer

Anthony O'Meara  
Data Insights Manager

Sunil Patel  
Electronics Engineer

Emma Sawtell  
Personal Assistant

Janelle Shotton  
Operations Manager

Andre Socha  
IT Manager

Elise Thompson  
Re-Certification Officer

Victor Thomson  
Senior Operations Officer



# Consultants

## Consultants / Contractors

(presented in alphabetical order)

Alexander McKendrick  
Allens Linklaters  
ASTA Solutions  
Codarra Advanced Systems  
Datalabs  
Derwent Executive  
GPSat Systems Australia  
Hugh McMaster Consulting  
Interfact Pty Ltd  
John Chisholm Consulting  
Lennox Group Pty Ltd  
McBain McCartin & Co  
More Than Ideas  
National Association of Testing  
Authorities

Norton Gledhill Lawyers  
Orchard HRO  
Ornamentum Pty Ltd  
Phillips Ormond Fitzpatrick  
PSMA Distribution  
SAI Global Limited  
Salted Signal Labs  
Security Innovation Inc  
Shine Wing Australia  
Strategic HR Solutions  
Thomson Geer  
Trinitas  
Willis Australia Ltd

# Governance

## TCA Members

- Access Canberra – ACT
- Department of Infrastructure and Regional Development – CTH
- Department of Planning, Transport and Infrastructure – SA
- Department of State Growth – TAS
- Department of Transport – NT
- Department of Transport and Main Roads – QLD
- Main Roads Western Australia – WA
- Roads and Maritime Services – NSW
- VicRoads – VIC

## TCA Board

TCA is governed by a Board of Directors, comprising senior officials from each Member agency, and an independent Chairperson. Each Member is entitled to nominate a Director (and an Alternate Director). The Directors are responsible for appointing the independent Chairperson.

The Board has responsibility for providing strategic direction to TCA management, approves the annual work program and budget, and oversees TCA's performance against its Strategic Plan and Business Plan.

At time of publication (October 2017) the TCA Board comprised the following:

Chairperson, Mr Stephen Golding, AM, RFD  
Independent TCA Director

Company Secretary, Mr Oliver Carton  
Lennox Group Pty Ltd

Director, Mr David Snowden  
Chief Operating Officer  
Access Canberra  
(No Alternate Director)

Director, Mr Marcus James  
General Manager  
General Manager for Surface Transport  
Productivity Branch  
Department of Infrastructure and Regional  
Development  
(Alternate Director – Ms Donna Wieland)

Director, Mr Gary Swain  
Deputy Secretary  
Transport Services  
Department of State Growth  
(Alternate Director – Ms Penelope Nicholls)

Director, Mr Des Snook  
Executive Director  
Road Network Services  
Main Roads Western Australia  
(No Alternate Director)

Director, Ms Christina Heffner  
Executive Director  
(Legislation and Standards)  
Transport Regulation Branch  
Customer Services, Safety and Regulation Division  
Department of Transport and Main Roads  
(Alternate Director – Ms Miranda Blogg)

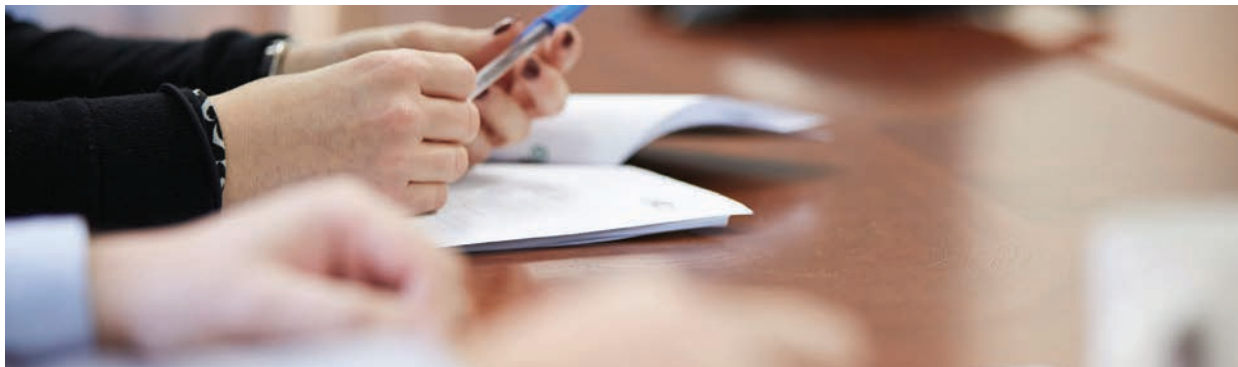
Director, Mr Bernard Carlon  
Executive Director, Centre for Road Safety  
Transport for NSW  
(No Alternate Director)

Director, Ms Wendy Sladen  
Director – Pipelines and Programs  
Investment and Design Services  
VicRoads

(Alternate Director – Ms Annette Bury)



# Committees



- IAP Service Provider Liaison Group
- Certification and Audit Committee
- Jurisdiction Liaison Group
- OBM Reference Group
- Telematics Industry Group (TIG)
- Pricing Audit and Risk Committee
- Remuneration and Development Committee

The Chief Executive Officer is:

- A Director of Intelligent Transport Systems (ITS) Australia
- President of the International Society for Weigh-In-Motion (ISWIM)
- An observer on the Western Australian Heavy Vehicle Productivity and Technology Steering Committee
- A participant of the OECD Working Group on 'Intelligent Transport Systems for Freight'

## **TCA participates in Government and industry groups:**

- Austroads' Connected and Automated Vehicles Industry Reference Group
- Cooperative ITS Harmonisation Task Group 7 (HTG7)
- Geoscience Australia Positioning Navigation and Timing Working Group
- ITS Australia
- International Society for Weigh in Motion (ISWIM)
- Standards Australia CS-077 (AS3547)
- Standards Australia IT-023 (TC204)
- OECD Working Group on 'Policies to Extend the Life of Road Assets'

# SPECIAL PURPOSE FINANCIAL REPORT

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

ABN 83 113 379 936

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# Directors'

# REPORT

The directors of Transport Certification Australia Limited (the company) submit herewith the annual financial report of the company for the financial year ended 30 June 2017.

The names of the directors and alternate directors of the company during or since the end of the financial year are:

- Stephen Golding (Chairperson)
- Bernard Carlon (Appointed 28 June 2017)
- Christina Heffner (Appointed 24 August 2016)
- Marcus James
- Brett Phillips (Resigned 24 August 2016)
- Wendy Sladen (Appointed 24 August 2016)
- David Snowden (Appointed 24 August 2016)
- Des Snook
- Gary Swain
- Peter Wells (Resigned 16 December 2016)
- Miranda Blogg – Alternate Director for Christina Heffner (Appointed 24 August 2016)
- Annette Bury – Alternate Director for Wendy Sladen (Appointed 24 August 2016)
- Bernard Carlon – Alternate Director for Peter Wells (Resigned 16 December 2016)
- Penelope Nicholls – Alternate Director for Gary Swain
- David Snowden – Alternate Director for Brett Phillips (Resigned 24 August 2016)
- Donna Wieland – Alternate Director for Marcus James

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

The number of directors meetings and number of meetings attended by each of the directors of the company during the period are:

## Director's Meetings

Directors	No. of Meetings Attended	No. of Meetings Eligible to Attend
Stephen Golding	7	7
Bernard Carlon	1	1
Christina Heffner	6	7
Marcus James	5	7
Brett Phillips	1	1
Wendy Sladen	7	7
David Snowden	4	7
Des Snook	5	7
Gary Swain	7	7
Peter Wells	0	3

#### Director's Meetings

Alternate Directors	No. of Meetings Attended	No. of Meetings Eligible to Attend
Miranda Blogg	1	1
Annette Bury	-	-
Bernard Carlon	2	3
Penelope Nicholls	-	-
David Snowden	-	-
Donna Wieland	1	2

#### Pricing Audit and Risk Committee Meetings

Directors	No. of Meetings Attended	No. of Meetings Eligible to Attend
Des Snook	3	3
Stephen Golding	3	3
Marcus James	2	3

#### Remuneration and Development Committee Meetings

Directors	No. of Meetings Attended	No. of Meetings Eligible to Attend
Stephen Golding	1	1
Gary Swain	1	1



## INFORMATION ON DIRECTORS

Director	Qualifications	Experience	Special Responsibilities
Stephen Golding AM, RFD (Chairperson)	Bachelor of Engineering Master of Engineering Science Bachelor of Economics Honorary Fellow of the Institution of Engineers Fellow of the Chartered Institute of Logistics and Transport Fellow of the Australian Institute of Management Fellow of the Institute of Transportation Engineers Fellow of the Australian Institute of Company Directors Chartered Professional Engineer Registered Professional Engineer Queensland	Current: Chair TCA Ltd since December 2005. Director, North Queensland Bulk Ports Corporation. Board Member, Queensland Reconstruction Authority and Transmax Pty Ltd.  Past: 38 years in Queensland Department of Main Roads, including appointment as Director General from 2000-2005. Board Member, Bundaberg Port Authority, 1991-1993 Director, Mackay Ports Limited, 2005-2009 Chair, Sure Smart Water 2007-2008 Member, Advisory Board of Governance, Qld Department of Primary Industries, 2006-2008 34 years in Active Army Reserve concluding as a Major General, 1994-2004 Member, Chief of Army's Senior Advisory Committee, 1994-1997	Member of Pricing, Audit and Risk Committee; Member of Remuneration and Development Committee
Bernard Carlon	Master of Arts (Management)	Executive Director Centres for Road Safety and Maritime Safety NSW. Over 30 years' experience in NSW public sector in, Health, Justice, Recreation, Environment and Transport sectors. Alternate Director of TCA February 2016 to December 2016. Member of TCA Board since June 2017.	-
Christina Heffner	Bachelor of Laws	Executive Director, Heavy Vehicles, Department of Transport and Main Roads. Previous roles over 15 years of experience in the public service, Commonwealth and Queensland, predominantly in legal areas. Member of the Qld Bar Association. Alternate Director of ANCAP Board Member of TCA Board since August 2016.	-

Director	Qualifications	Experience	Special Responsibilities
Marcus James	Bachelor of Arts (Hons) (ANU) Master of Arts (ANU)	General Manager, Road Safety and Productivity Branch, Australian Government, Department of Infrastructure and Regional Development. Over 30 years' experience in the Australian Public Service in a range of agencies and two years with the New Zealand public sector. Alternate Director of Austroads Board since September 2016. Alternate Director of TCA August 2013 to February 2015. Member of TCA Board since February 2015.	Member of Pricing, Audit and Risk Committee
Wendy Sladen	Bachelor of Economics (Hons)	Director Pipelines and Programs, VicRoads. Over 20 years in micro economic regulatory reform, predominantly in the road transport sector in Victoria and with the National Road Transport Commission. Extensive background in Commonwealth State relations Member of TCA Board since August 2016.	-
David Snowden	Master of Business Administration Graduate Diploma, Public Sector Management.	Chief Operating Officer, Access Canberra. Over 20 years of regulatory, enforcement and senior management experience in Commonwealth, Territory and New Zealand public sector agencies, encompassing Transport, Customs and Competition and Consumer protection. Holds the statutory positions of ACT Commissioner for Fair Trading, Registrar General and CEO of the Gaming and Racing Commission. Alternate Director of TCA April 2015 to August 2016. Member TCA Board since August 2016.	-
Des Snook	Bachelor of Engineering Member of Engineers Australia Member of Australian Institute of Company Directors.	38 years with Main Roads Western Australia. 17 years as Executive Director at Main Roads. 13 years as Member on WA Road Safety Council. Member TCA Board since inception (2005).	Chair of Pricing, Audit and Risk Committee
Gary Swain	Bachelor of Economics with majors in Economics and Asian Studies	Deputy Secretary, Transport Services with broad service delivery, regulatory and policy responsibilities relating to all aspects of State Government road services. Previous roles relate primarily to infrastructure services in public and private sector capacities with an emphasis on change and reform. Member TCA Board since June 2015.	Member of Remuneration and Development Committee

## INFORMATION ON DIRECTORS

Alternate Director	Qualifications	Experience	Special Responsibilities
Miranda Blogg	Bachelor of Civil Engineering (QUT) PhD Civil Engineering (QUT) Registered Professional Engineer Queensland	Twenty years in traffic and transportation engineering - primarily in the private sector and research and development, with almost a decade spent in the USA. Four years in government at the Queensland Department of Transport and Main Roads. Current Director (Cooperative and Automated vehicles). Past branch president of the Australia Institute of Transport, Planning and Management. Past branch president of the Institute of Transportation Engineers. Alternate Director of TCA since August 2016.	Alternate Director for Christina Heffner
Annette Bury	Advance Diploma Governance, Risk & Compliance Diploma Security & Risk Management Cert IV Security & Risk Management Cert IV Government Security Cert IV Government Fraud Control Cert IV Government Investigation	15 year experience with a major grain marketing organisation. 7 years' experience in risk & insurance roles within the private sector. Overall 14 years experience in the Victorian Government public sector including 8 years in risk, governance & compliance management roles. Alternate Director of TCA since August 2016.	Alternate Director for Wendy Sladen
Penelope Nicholls	Bachelor of Arts	38 years' experience in the Tasmanian public sector, with the last 20 years in senior management policy and regulatory roles in transport and infrastructure portfolios. Currently General Manager Road User Services in the Department of State Growth. Alternate Director of TCA since April 2014.	Alternate Director for Gary Swain
Donna Wieland	Bachelor of Applied Science (UC) Bachelor of Applied Science (UC) Graduate Diploma in Financial Planning (SIA)	General Manager, Surface Transport Regulation, Surface Transport Policy Division, Department of Infrastructure and Transport. Over 20 years' experience in the Australian Public Service across multiple agencies, including senior executive service roles in the Department of Finance and Deregulation and the Australian Government Information Management Office. Alternate Director of TCA since February 2015.	Alternate Director for Marcus James

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## PRINCIPAL ACTIVITIES

The company is a national government body responsible for providing assurance in the use of telematics and related intelligent technologies, to support the current and emerging needs of Australian Governments.

The company is a 'cross-cutting' organisation which works across different policy streams, surface transport modes, and government and industry sectors.

The company provides three broad categories of service, providing opportunities to realise positive outcomes through the deployment of telematics and related intelligent technologies:

### **Advice:**

- Enabling public purpose outcomes to be achieved through the use of telematics and related intelligent technologies
- Informs TCA's Members and other government organisations on the opportunities for policy makers to advance outcomes across surface transport modes
- Assisting governments to gain a better appreciation of the complex interaction of policy, technical, operational and commercial elements when developing new policies and programs and revisiting those in existence
- Achieving a whole of government approach to the deployment of telematics applications.

### **Accreditation:**

Giving confidence to governments in the use of telematics and related intelligent technologies by working with stakeholders to provide assurance through the deployment of quality systems in an operational environment. TCA's accreditation services include:

- Development of functional and technical specifications
- Assessment of conformance against functional, technical and business requirements
- Development of standards
- Management of government pilots, initiatives and reforms that utilise telematics and related intelligent technologies.

### **Administration:**

Administration of telematics and intelligent technology applications and programs provides assurance to governments, industry sectors and end-users. This includes:

- Type-approval of hardware
- Certification and audit of Service Providers
- The operational, end-to-end management of government programs and applications which utilise telematics and related intelligent technologies.

The company's vision is to be the Australian leader of Advice, Accreditation and Administration services, and to be an essential partner to government organisations to achieve public outcomes through the use of telematics and related intelligent technologies.

The company's Strategic Plan contains seven Key Result Areas (KRAs), which align with and deliver the objectives and strategies of TCA's Members and other stakeholders

### **KRA 1: Leadership in telematics and related intelligent technologies**

Raise awareness, and inform thinking on the opportunities available to Members and other stakeholders through the use of telematics and related intelligent technologies – and C-ITS applications – across surface transport modes to advance public purpose outcomes.

### **KRA 2: Build knowledge sharing and relationships**

Build strong relationships with Members and other national and international stakeholders to create improved learning understanding and innovation to support end-use policy development and decision making.

### **KRA 3: Provide assurance**

Provide Members and other stakeholders with assurance in the use of telematics and related intelligent technologies – and C-ITS applications – to advance surface transport productivity, safety and efficiency outcomes, through the provision of Advice, Accreditation and Administration services.

### **KRA 4: Administer telematics and related intelligent technology programs**

Administer programs which utilise telematics and related intelligent technologies for, and on behalf of, Members and other stakeholders, to ensure ITS policy, technical, operational and commercial outcomes align with end-use policy intent.



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## DIRECTORS' REPORT

### **KRA 5: Manage legislative and legal requirements**

Manage an operational environment which ensures all the roles, functions and obligations assigned to TCA in legislation are met - including security and the management of privacy - and the protection of data derived from telematics and related intelligent technology programs administered by TCA.

### **KRA 6: Generate Public Value**

Generate public value to Members and other stakeholders through the administration of the National Telematics Framework, upholding the principles of the Policy Framework for ITS in Australia – and other related government policies, frameworks and strategies - working with global standard setters to be at the forefront of international developments, managing the intersection of ITS policy, technical, commercial and operational issues, and achieving financial sustainability.

### **KRA 7: Promote positive values and work environment**

Maintain a positive work environment which promotes a culture of inclusiveness, and upholds TCA's values of Integrity, Professionalism, Accountability and Innovation to deliver TCA's strategic vision.

The above KRAs and strategies are measured on an annual basis against pre-determined Key Result Indicators and deliverables assigned to projects within the annual work program. Through the Board Chairperson and the Remuneration and Development Committee Chairperson, the Board conduct an annual review and assessment meeting of the annual KRAs and strategies.

### **Review of operations**

The expenditure program of the company does not align with its revenue cycle and requires the utilisation of cash reserves in years where a shortfall in revenue exists. The surplus of the company for the financial year after providing for income tax amounted to \$548,758. This result was favourable when compared to the budgeted loss for the year of \$61,013 and budgeted carry forward surplus of \$890,366. The actual accumulated carry forward surplus was \$1,884,470, this is due to prudential management of operational costs and the sourcing of new revenues during the year. As at 30 June 2017, the company has net assets of \$2,562,892 (2016: \$2,014,134) including cash reserves of \$2,428,144 (2016: \$2,073,122).

### **Members Guarantee**

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the Constitution states that each Member is required to contribute a maximum of \$50 each towards meeting any outstanding liabilities of the company. At 30 June 2017 the number of Members was 9 (2016: 9 members).

### **Auditor's independence declaration**

The auditor's independence declaration is included on page 38 of the annual report.

Signed in accordance with a resolution of directors made pursuant to s.298 (2) of the Corporations Act 2001.

On behalf of the Directors



Stephen Golding  
Director  
Melbourne, 11 October 2017

**AUDITORS INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF TRANSPORT CERTIFICATION AUSTRALIA LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017 there have been:

- (i) No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit, and
- (ii) No contraventions of any applicable code of professional conduct in relation to the audit.

*ShineWing Australia*

**ShineWing Australia**  
Chartered Accountants

*M. Schofield*

**Matthew Schofield**  
Partner

Melbourne, 11 October 2017

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## DIRECTORS' DECLARATION

The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 3 to the financial statements.

The directors of the company declare that:

1. The financial statements and notes as set out on pages 40 to 52, are prepared in accordance with the Corporations Act 2001 and:
  - a. comply with Accounting Standards as described in Note 3 to the financial statements and the Corporations Regulations 2001; and
  - b. give a true and fair view of the company's financial position as at 30 June 2017 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 3 to the financial statements.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to s.295 (5) of the Corporations Act 2001.

On behalf of the Directors



Stephen Golding  
Director  
Melbourne, 11 October 2017

## Statement of comprehensive income for the year ended 30 June 2017

	Note	2017 \$	2016 \$
Revenue	4	7,151,595	5,834,836
Advertising and promotional expenses		(63,099)	(65,173)
Employee benefits expenses		(4,352,276)	(3,530,825)
Depreciation	4	(112,597)	(111,076)
Meeting expenses		(30,747)	(24,379)
Travel and accommodation expenses		(354,923)	(302,891)
Dues and subscriptions expenses		(152,534)	(187,993)
Consulting expenses		(541,957)	(500,971)
Office expenses		(715,572)	(636,345)
Other expenses		(279,132)	(234,322)
<b>Profit before income tax</b>	20	548,758	240,861
Income tax expense	5	-	-
<b>Profit for the year after tax attributable to members of the entity</b>	20	548,758	240,861
Other comprehensive income		-	-
<b>Total comprehensive profit for the year</b>		<b>548,758</b>	240,861
Profit attributable to members of the entity		<b>548,758</b>	240,861
Total comprehensive profit attributable to members of the entity	20	<b>548,758</b>	240,861



## Statement of financial position as at 30 June 2017

	Note	2017 \$	2016 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	15(a)	2,428,144	2,073,122
Trade and other receivables	7	720,503	804,858
Other current assets	8	448,366	336,345
<b>Total current assets</b>		<b>3,597,013</b>	<b>3,214,325</b>
<b>Non-current assets</b>			
Plant and equipment	9	679,238	466,998
<b>Total non-current assets</b>		<b>679,238</b>	<b>466,998</b>
<b>Total assets</b>		<b>4,276,251</b>	<b>3,681,323</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	10	415,784	379,548
Other current liabilities	12	1,030,023	1,049,783
<b>Total current liabilities</b>		<b>1,445,807</b>	<b>1,429,331</b>
<b>Non-current liabilities</b>			
Provisions	11	267,552	237,858
<b>Total non-current liabilities</b>		<b>267,552</b>	<b>237,858</b>
<b>Total liabilities</b>		<b>1,713,359</b>	<b>1,667,189</b>
<b>Net assets</b>		<b>2,562,892</b>	<b>2,014,134</b>
<b>EQUITY</b>			
Retained earnings (Members' funds)		2,562,892	2,014,134
<b>Total equity</b>		<b>2,562,892</b>	<b>2,014,134</b>

## Statement of changes in equity for the year ended 30 June 2017

	Retained earnings \$	Total \$
<b>Balance at 1 July 2015</b>	1,773,273	1,773,273
Profit for the year	240,861	240,861
Total comprehensive income for the year	-	-
<b>Balance at 30 June 2016</b>	2,014,134	2,014,134
<b>Balance at 1 July 2016</b>	2,014,134	2,014,134
Profit for the year	548,758	548,758
Total comprehensive income for the year	-	-
<b>Balance at 30 June 2017</b>	2,562,892	2,562,892

## Statement of cash flows for the year ended 30 June 2017

	Note	2017 \$	2016 \$
<b>Cash flows from operating activities</b>			
Receipts from members and applicants		7,902,310	5,641,755
Payments to suppliers and employees		(7,414,621)	(5,462,228)
Interest received		49,228	44,255
Net cash provided by operating activities	15(b)	536,917	223,782
<b>Cash flows from investing activities</b>			
Proceeds from sale of plant and equipment		3,036	77,000
Payments for plant and equipment		(184,931)	(176,987)
Net cash used in investing activities		(181,895)	(99,987)
<b>Net increase in cash and cash equivalents</b>		355,022	123,795
Cash and cash equivalents at the beginning of the financial year		2,073,122	1,949,327
<b>Cash and cash equivalents at the end of the financial year</b>	15(a)	2,428,144	2,073,122

# NOTES ON THE FINANCIAL STATEMENTS

## 1. General information

Transport Certification Australia Limited (the company) is a company limited by guarantee, incorporated and domiciled in Australia.

The financial statements were authorised for issue on 11th October 2017 by the directors of the company.

Transport Certification Australia Limited's registered office and its principal place of business are as follows:

Registered office	Principal place of business
Level 12	Level 12
535 Bourke Street	535 Bourke Street
Melbourne VIC 3000	Melbourne VIC 3000

From 18 September 2017, the registered office and its principal place of business changed to Level 6, 333 Queen Street, Melbourne Victoria.

## 2. Adoption of new and revised Accounting Standards

### **AASB 9: Financial Instruments (December 2014) and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2018).**

These Standards will be applicable retrospectively (subject to the provisions on hedge accounting) and include revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments, and simplified requirements for hedge accounting.

The key changes that may affect the company on initial application of AASB 9 and associated Amending Standards include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to the hedging of non-financial items. Should the entity elect to change its hedge accounting policies in line with the new hedge accounting requirements of AASB 9, the application of such accounting would be largely prospective.

These changes are not expected to significantly impact the company's financial statements.

### **AASB 15: Revenue from Contracts with Customers and associated amending standards (applicable to annual reporting periods beginning on or after 1 January 2018 as further amended by AASB 2015-8).**

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers. The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services.

To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract; and
- recognise revenue when (or as) the performance obligation is satisfied.

The transitional provisions of this Standard permit an entity to either restate the contracts that existed in each prior period presented as per AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors (subject to certain practical expedients in AASB 15) or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. There are also enhanced disclosure requirements regarding revenue.

Although the directors anticipate that the adoption of AASB 15 may have an impact on the company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

## 2. Adoption of new and revised Accounting Standards (continued)

### **AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019)**

When effective, this standard will replace the current accounting requirements applicable to leases in AASB 117 and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new standard include:

- Recognition of a right-to-use asset and liability for all leases (excluding short term leases with less than 12 months of tenure and leases relating to low value assets);
- Depreciation of right-to-use assets in-line with AASB 116 Property, plant and equipment in profit or loss and unwinding of the liability in principal and interest components;
- Variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- By applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account all components as a lease; and
- Additional disclosure requirements.

The transitional provisions of this standard allows a lessee to either retrospectively apply the standard to comparatives in line with AASB 108: Accounting Policies, Changes in Accounting Estimates and Error; or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Although the directors expect that the new standard will result in lease assets and liabilities being recognised on the balance sheet and a change in how related expenses are incurred, the financial impact has not yet been determined.

### **AASB 1058: income of Not-for-Profit Entities (applicable to annual reporting periods beginning on or after 1st January 2019)**

AASB 1058 applies to transactions where the consideration to purchase an asset is significantly less than its fair value in order to support the entity to further its objectives. It also applies to volunteer services.

The following are the key requirements in this standard:

- Income arising from the excess of the initial carrying amount of an asset over the related contributions by owners, increases in liabilities, decreases in assets, and revenue should be immediately recognised in profit or loss. For this purpose assets, liabilities and revenue are to be measured in accordance with the applicable standard;
- A liability is recognised for the excess of the initial carrying amount of a financial asset (received in a transfer to enable the entity to acquire or construct a recognisable non-financial asset that is to be controlled by the entity) over any related amounts recognised in accordance with other standards. This liability has to be amortised to profit or loss as the entity satisfies its obligations under the transfer; and
- An entity may elect to recognise volunteer services or a class of volunteer services as an accounting policy choice if the fair value of those services can be measured reliably, whether or not the services would have been purchased if they had not been donated. Recognised volunteer services shall be measured at fair value and any excess over the related amounts (such as contribution by owners or revenue) should be immediately recognised in profit or loss.

Although the directors anticipate that the adoption of AASB 1058 may have an impact on the company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

## 3. Summary of significant accounting policies

### **Reporting basis**

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users who are dependent on general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the Corporations Act 2001. The company is a not-for-profit for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the Corporations Act 2001 and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements except for the cash flow information have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The amounts presented in the financial statements have been rounded to the nearest dollar.



### 3. Summary of significant accounting policies (continued)

#### Accounting policies

The material accounting policies that have been adopted in the preparation of these statements are as follows:

##### (a) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

##### (b) Employee benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting date. Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made for those benefits. These cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows. Long Service Leave becomes payable to employees on a pro rata basis after 7 years of continuous service. As at 30 June 2017 7 employees have been employed for 7 years of continuous service (2016: 10).

##### (c) Financial Instruments

###### Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

###### Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

###### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

###### Financial Liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

###### Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

### 3. Summary of significant accounting policies (continued)

#### Impairment (continued)

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if the management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance accounts.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

#### Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

#### (d) Impairment of Assets

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair amount less costs to sell and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon on the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of a class of asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

#### (e) Income tax

The company's income is subject to the concept of mutuality whereby income received from Members is generally exempt from income tax.

#### (f) Leased assets

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, which are transferred to the company, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period. Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged to the statement of comprehensive income in the period in which they are incurred, as this represents the pattern of the benefits derived from the leased assets.

#### (g) Plant and equipment

Plant and equipment are carried at cost, less, where applicable, any accumulated depreciation and impairment losses. All assets are depreciated over their useful lives to the company.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

The depreciable amount of all fixed assets is depreciated on a straight line or diminishing value basis over the assets useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

### 3. Summary of significant accounting policies (continued)

The following useful lives are used in the calculation of depreciation:

Furniture and fixtures	6 - 20 years	Plant and equipment	2.5 - 20 years
Computers	2.5 - 10 years	Motor vehicles	4 - 7 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the Statement of Comprehensive Income.

#### (h) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

#### (i) Revenue

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Revenue from Members is recognised upon the invoicing of fees and charges in accordance with the annual agreement of Members. Revenue received in advance for the subsequent funding year is reflected in the statement of financial position as Funding in Advance.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

Revenue in the form of application fees from applicants for certification as IAP Service Providers is recognised upon the invoicing of fees at the time of the application is made. Revenue in the form of operational fees from IAP Service Providers is recognised upon the invoicing of fees.

All revenue is stated net of the amount of goods and services tax (GST).

#### (j) Accounts Receivable and Other Debtors

Accounts receivable and other debtors will include any outstanding contributions from Members and outstanding operational fees from IAP Service Providers at the end of the reporting period. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

#### (k) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

#### (l) Accounts Payable and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

#### (m) Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company. During the year, there were no significant or material critical accounting estimates or judgements made by the directors.

#### (n) Comparative figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by Accounting Standards or as a result of changes in accounting policy.

#### 4. Profit for the year

Profit for the year has been arrived at after crediting/(charging) the following items of income and expense:

	2017 \$	2016 \$
Revenue:		
Contributions received from members	2,077,481	2,700,524
Contributions received from regulators	1,219,057	-
Application fees received from applicants	43,763	83,016
Operational fees	1,727,501	1,495,332
Interest revenue	48,430	47,649
Major projects	1,967,113	1,450,237
Other revenue	68,250	58,078
	7,151,595	5,834,836
Depreciation	112,597	111,076

#### 5. Income tax

	2017 \$	2016 \$
The prima facie tax payable on the operating profit before income tax is reconciled to the income tax expense as follows:		
Prima facie tax payable on operating profit (loss) before income tax at 30% (2016: 30%)	164,627	72,258
Non taxable Member income arising from the principle of mutuality	(164,627)	(72,258)
Income tax expense	-	-

#### 6. Remuneration and retirement benefits

##### (a) Directors and Alternate Directors

Name	Position	Appointed Date	Retirement Date
Stephen Golding	Chairperson	21 December 2005	
Bernard Carlon	Director	28 June 2017	
Christina Heffner	Director	24 August 2016	
Marcus James	Director	25 February 2015	
Brett Phillips	Director	27 June 2012	24 August 2016
Wendy Sladen	Director	24 August 2016	
David Snowden	Director	24 August 2016	
Des Snook	Director	28 November 2005	
Gary Swain	Director	24 June 2015	
Peter Wells	Director	29 February 2012	16 December 2016



## 6. Remuneration and retirement benefits

### (a) Directors and Alternate Directors (continued)

Name	Position	Appointed Date	Retirement Date
Miranda Blogg	Alternate Director	24 August 2016	
Annette Bury	Alternate Director	24 August 2016	
Bernard Carlon	Alternate Director	24 February 2016	16 December 2016
Penelope Nicholls	Alternate Director	30 April 2014	
David Snowden	Alternate Director	25 May 2015	24 August 2016
Donna Wieland	Alternate Director	25 February 2015	

All Directors and Alternate Directors have been in office since the beginning of the financial year unless otherwise stated.

### (b) Key Management Personnel Remuneration

Key management personnel includes the 5 (2016:6) members of the Corporate Management Group as at 30 June 2017 and the independent Chairperson of the Board of Directors. Following a divisional restructure in March 2017, the Corporate Management Group reduced from 6 members to 5 members.

#### 2017

Primary				Post-employment	Equity	Other	Total
Salary, fees, & commissions	Superannuation contribution	Cash bonus	Non-cash benefits	Superannuation	Options		
\$	\$	\$	\$	\$	\$	\$	\$
1,322,434	105,445	-	-	-	-	2,500	1,430,379

#### 2016

Primary				Post-employment	Equity	Other	Total
Salary, fees, & commissions	Superannuation contribution	Cash bonus	Non-cash benefits	Superannuation	Options		
\$	\$	\$	\$	\$	\$	\$	\$
1,103,266	102,616	-	-	-	-	1,374	1,207,256

### (c) Remuneration Practices

Directors, with the exception of the Chairperson, are not entitled to any remuneration in their role as directors of Transport Certification Australia Limited.

## 7. Trade and other receivables

CURRENT	2017 \$	2016 \$
Trade receivables	720,503	804,858
	720,503	804,858

## 8. Other current assets

	2017 \$	2016 \$
Security deposits	168,948	105,673
Prepayments	103,117	55,262
Other	176,301	175,410
	448,366	336,345

## 9. Plant and equipment

	Work In Progress \$	Computers \$	Motor Vehicles \$	Furniture and fixtures \$	Plant and equipment \$	Total \$
<b>2017</b>						
At cost	211,880	639,203	94,438	358,108	672,651	1,976,280
Accumulated depreciation	-	(446,980)	(59,146)	(193,982)	(596,934)	(1,297,042)
Carrying amount at the end of the year	211,880	192,223	35,292	164,126	75,717	679,238
<b>2016</b>	-					
At cost	-	601,219	94,438	352,803	661,160	1,709,620
Accumulated depreciation	-	(435,091)	(52,889)	(174,655)	(579,987)	(1,242,622)
Carrying amount at the end of the year	-	166,128	41,549	178,148	81,173	466,998

## 10. Trade and other payables

	2017 \$	2016 \$
<b>CURRENT</b>		
Trade payables	285,572	127,792
Goods and services payable	30,889	113,771
Other payables	99,323	137,985
	415,784	379,548

## 11. Provisions

	2017 \$	2016 \$
<b>NON-CURRENT</b>		
Employee benefits	267,552	237,858
	267,552	237,858

## 12. Other current liabilities

	2017 \$	2016 \$
Accrued expenses	285,431	335,821
Member payment for services in advance	742,256	713,962
Other income received in advance	2,336	-
	1,030,023	1,049,783

### 13. Related party transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

### 14. Lease commitments

	2017 \$	2016 \$
Non-cancellable operating lease commitments not capitalised in the financial statements		
Payable – minimum lease payments:		
- not later than one year	312,037	317,035
- later than one year but not later than five years	1,536,514	80,028
- later than five years	55,111	-
	1,903,662	397,063

The company's operating lease relates to the rental of its office premises. The lease for Level 12, 535 Bourke Street Melbourne expires on 30 September 2017. The company has leased alternate office premises at Level 6, 333 Queen Street Melbourne, with occupancy commencing 18 September 2017 for a lease period of 6 years.

### 15. Notes to the statement of cash flows

#### (a) Reconciliation of cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2017 \$	2016 \$
Cash deposits with Bank	2,427,744	2,072,722
Petty cash	400	400
	2,428,144	2,073,122

#### (b) Reconciliation of profit for the year to net cash flows from operating activities

	2017 \$	2016 \$
Profit for the year	548,758	240,861
Non-Cash items:		
Depreciation	112,597	111,076
Net (gain) on disposal of property and equipment	(5,110)	15,354
(Increase)/decrease in assets:		
Trade and other receivables	84,355	(301,051)
Other assets	(106,371)	(56,682)
Increase/(decrease) in liabilities:		
Trade and other payables	(50)	16,188
Provisions	29,694	12,606
Other liabilities	(126,956)	185,430
Net cash provided by (used in) operating activities	536,917	223,782

## 16. Remuneration of auditors

	2017 \$	2016 \$
Audit of the financial report	25,300	24,500
Other services (taxation) provided by a related division of the auditor	7,350	7,350
	32,650	31,850

## 17. Events after the Reporting Date

No matters have arisen since the end of the financial year which have significantly affected or may significantly affect the operations, results of operations and the state of affairs of the company entity in subsequent financial years.

## 18. Economic dependence

The company is dependant on its Members, being the state and territory transport government agencies and the Commonwealth Department of Infrastructure and Transport for the majority of its revenue used to operate the business. In the event of any shortfall in the yearly operational budget, the Members will be required to provide additional funding on an ad hoc basis to support the company. The Members have agreed to a new contribution model commencing in the 2016/2017 year.

## 19. Capital management

The board of directors control the capital of the company to ensure that the company can fund its operations and continue as a going concern. The company does not have any debt and its capital includes retained earnings and financial liabilities, supported by financial assets. There are no externally imposed capital requirements. Management effectively control the company's capital by assessing the company's financial risks and adjusting its capital structure in response to changes in these risks and in its funding needs. These responses include the management of funding levels from Members and maintaining sufficient levels of working capital.

## 20. Operational Losses

The expenditure program of the company does not align with its revenue cycle and requires the utilisation of carry forward cash reserves in years where a shortfall in revenue exists.

## 21. Members Guarantee

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the Constitution states that each Member is required to contribute a maximum of \$50 each towards meeting any outstanding liabilities of the company. At 30 June 2017 the number of Members was 9 (2016: 9 members).



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRANSPORT CERTIFICATION AUSTRALIA LTD**

### *Opinion*

We have audited the financial report of Transport Certification Australia Ltd. ("the Company") which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Company's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### *Basis for Opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Emphasis of Matter – Basis of Accounting*

We draw attention to Note 3 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the director's financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

### *Information Other than the Financial Report and Auditor's Report Thereon*

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



#### *Responsibilities of the Directors for the Financial Report*

The directors of the Company are responsible for the preparation of the special purpose financial report that gives a true and fair view and have determined that the basis of preparation described in Note 3 of the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The director's responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

#### *Auditor's Responsibilities for the Audit of the Financial Report*

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit.

We identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

We conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

*ShineWing Australia*

**ShineWing Australia**  
Chartered Accountants

*M. Schofield*

Matthew Schofield  
Partner

Melbourne, 11 October 2017





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