

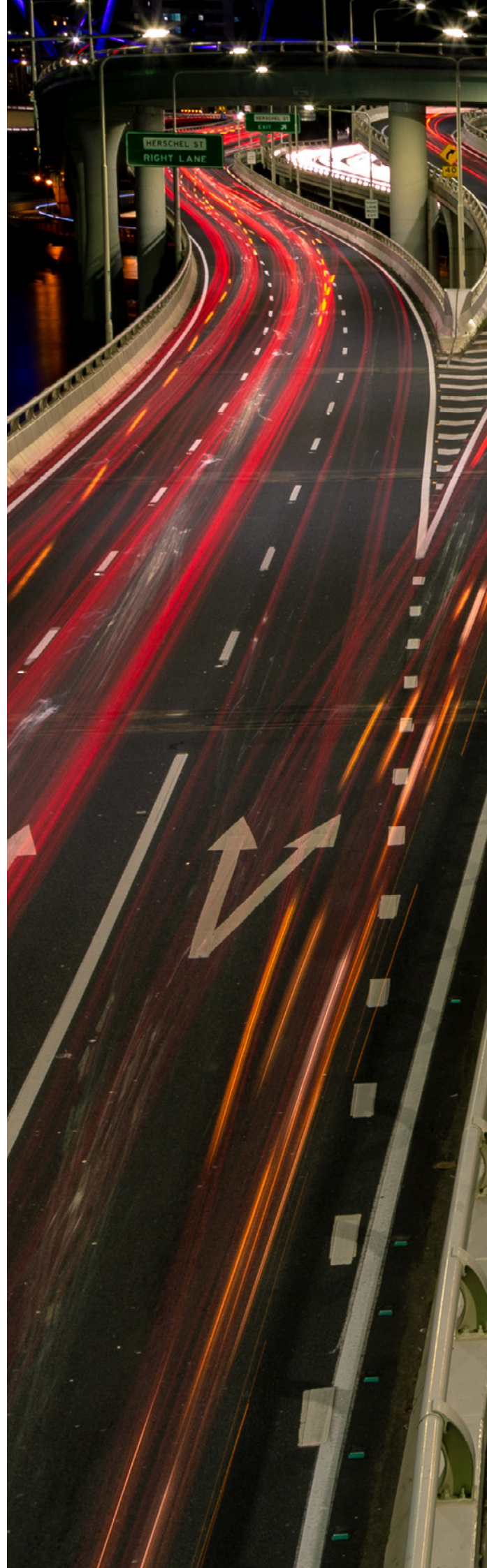


2019-20

Annual Report

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Dear Stakeholder

This 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).

Thank you for your support.

Yours sincerely

Gary Swain
Chairperson
Transport Certification Australia

October 2020





Message from the Chairperson

I am pleased to present TCA's Annual Report for the 2019-20 financial year.

TCA had a great year, successfully delivering its work program during a period with many challenges. As the use of technology continued to disrupt, and reform in the transport sector has continued to evolve, we have also had the broader disruption of the coronavirus pandemic. It is pleasing that TCA has been able to adapt and continue to provide services throughout this period.

The National Telematics Framework also continues to evolve to meet emerging needs of government and industry stakeholders. It is firmly established as a contemporary framework, enabling a range of services at different levels of assurance. Key examples are the Telematics Monitoring Application (TMA) and Road Infrastructure Management (RIM) application, which expanded in use in 2019 and 2020, becoming directly associated with road use notices and permits.

As the number and range of vehicles enrolled in TCA applications increased, so did the volume of vehicle-generated data under TCA's management. This has enabled the development of value-added data analysis and reporting through TCA's Telematics Analytics Platform (TAP), which has in turn supported stakeholders to make more informed decisions about managing our road transport systems.

TCA contributed expert information to several regulatory policy initiatives during the year. This included the National Transport Commission's review of the Heavy Vehicle National Law (HVNL) and the Australian Government's planning for a national freight data hub. These are directly relevant to TCA's role and we'll continue to monitor and support these initiatives where appropriate.

The TCA Board approved the new TCA Strategic Plan for 2020-24, which sets the organisation's role and strategic direction over the coming four years. Key strategic objectives include growth in enrolled vehicles and data, support for emerging technologies, and enabling contemporary assurance models, all with an overarching focus on enabling public purpose outcomes from road transport.

I would like to recognise the previous Chairperson, Shane Gregory, who led the Board and worked with the TCA executive during a period of significant change. He has left a positive legacy. I would also like to acknowledge the previous Austroads Chief Executive, Nick Koukoulas, who played a key role in TCA's successful integration with Austroads during 2019 and 2020.

Personally, I would like to thank the Board for the opportunity to become TCA's Chairperson, which I took on at the end of the financial year. I look forward to this new challenge, and to working with TCA's Executive General Manager Stuart Ballingall and the Corporate Management Group towards continuing the track record of success throughout the year ahead.

Gary Swain
Chairperson





Message from the Executive General Manager

TCA had a successful year, delivering its work program and achieving its key objectives.

Our work program continues to evolve to meet the changing demands of government and industry stakeholders. The year certainly threw up many challenges, with several policy and technical matters that we needed to work through, then the disruption of COVID-19 that affected our services and ways of working. Through it all our staff were adaptive, resilient, and dedicated to supporting our stakeholders.

During the year we continued to evolve the National Telematics Framework, including new and modified applications, features and services. It has been pleasing to see some of the new applications now linked with road use notices and permits, and to hear how our data services are helping to inform policy, investment and operational decisions.

Key successes and headlines for 2019-20 include:

- Total vehicle enrolments in TCA applications was at 6,438, an increase of 14.8%
- First vehicle enrolments in the new Telematics Monitoring Application (TMA) and Road Infrastructure Management (RIM) applications began
- Issued type-approval of an additional five telematics devices, including the first telematics device at level two assurance
- Issued type-approval of an additional four On-Board Mass (OBM) systems, including the first as a Smart OBM System, which includes enhanced and future-ready features
- Established back-office and support services for Victorian vehicles enrolled in the Intelligent Access Program (IAP) for the National Heavy Vehicle Regulator (NHVR)
- Expanded data reporting and analysis to a growing number of users via the Telematics Analytics Platform (TAP)

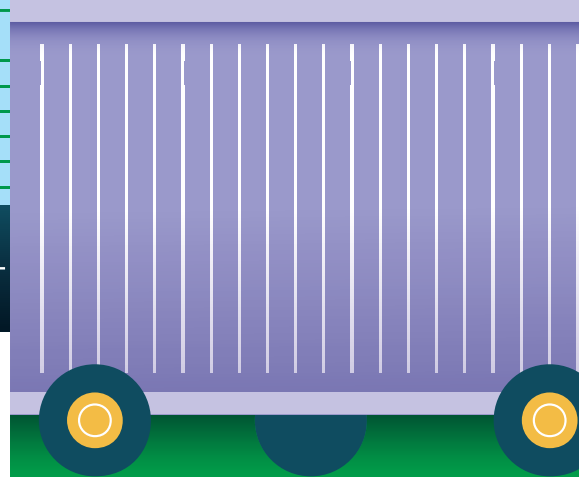
TCA also launched its new corporate website in February 2020. The new online site offers visitors a modern and improved user experience, and easier stakeholder access to reference material, including functional and technical specifications and easy to understand information for end-users. Visitor numbers and user feedback have both been positive.

We maintained accreditation to ISO9001 for our quality management system and to ISO27001 for our information security management system. We also achieved NATA accreditation to ISO17025 for our testing facilities. These validate that TCA systems and processes are recognised as of a high standard, and that our staff have professionalism and pride in what they do.

Thank you to the TCA Board, my colleagues on the Corporate Management Group, and to all TCA staff for their dedication and effort during a challenging but rewarding year. Also thank you to our previous Chairperson, Shane Gregory, and to the previous Austroads Chief Executive, Nick Koukoulas, who departed their roles in 2020. Both provided valued guidance and support in my first year in this role.

I look forward to building upon our successes and delivering on the new Strategic Plan over the coming year.

Stuart Ballingall
Executive General Manager



About Us

Transport Certification Australia (TCA) is a national organisation that provides assurance services relating to transport technologies and data to enable improved public purpose outcomes from road transport.

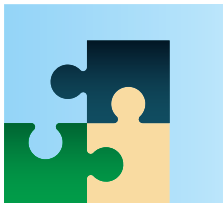
Priority outcome areas enabled by our services include improved road safety, transport efficiency, freight productivity, asset management and sustainability.

Key aspects of TCA include:

- An independent not-for-profit entity, with government oversight
- Administration of the National Telematics Framework, including its rules, specifications, agreements, digital infrastructure and other supporting services
- Assurance services that support but are appropriately separated from regulators, policy makers and enforcement activities, and underpin telematics applications and associated information and data services
- Advice that is based on evidence and a deep subject matter knowledge
- Trusted partner to both government and industry stakeholders, enabling a nationally consistent open market, with services covering all road vehicle types and associated digital infrastructure.

Our Values

In all our work, we strive to uphold four core values of our organisation:



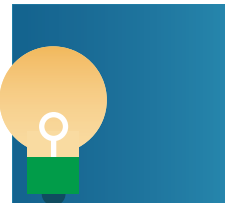
Integrity

Honesty, impartiality, confidentiality and fairness



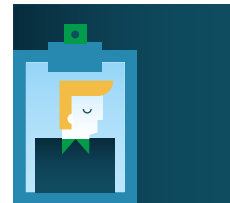
Professionalism

Passion and a commitment to excellence, teamwork and delivery of high-quality services



Innovation

Forward thinking and a commitment to research, development and continual investment in learning



Accountability

Caring about the needs of others, respecting differing opinions, a focus of achieving outcomes, and a commitment to timeliness and financial responsibility.



What We Do

The scope of our services continues to evolve across and within the following service categories:

Assurance

- Certification of application service providers (ASPs), telematics applications and data
- Type-approval of devices and systems, including telematics devices and on-board mass systems
- Auditing of ASPs, applications and associated data.

Administration

- Administration of the National Telematics Framework, including the rules, specifications, agreements and digital infrastructure that it comprises
- Support for applications, schemes and other initiatives on behalf of key stakeholders
- Maintenance of road access maps, scheme conditions, and processing of data and information
- Monitoring the health of the GPS network
- Administration of an audit program for certified services to ensure that the technical, functional, business and legal requirements certified by TCA continue to meet expectations.

Analysis and Reporting

- Standardised and ad-hoc data analysis, reporting and data provision to support the compliance, policy, planning, investment and operational decision making of key stakeholders

- Manage the Telematics Analytics Platform to support user access to data and reporting services
- Provide core analysis and reporting capabilities that key stakeholders require.

Advice

- Provision of authoritative information and trusted advice on transport technologies and data to support policy and regulatory reform, and planning, investment and operational decisions
- Well-developed knowledge on emerging vehicle and transport technologies, including telematics, connected and automated driving systems, and innovative mobility services.

We interact with three distinct stakeholder groups in providing services across assurance, administration, advice and analysis and reporting, to deliver improved public outcomes:

- **Government authorities** – that administer policies, regulations and programs using telematics and related technologies
- **Transport operators** – users of telematics and related intelligent technologies in response to government or regulatory policies and programs
- **ASPs and suppliers** – that develop and deliver telematics (and data) products and services to regulated industry sectors and transport operators.

TCA's Corporate Management Group



Stuart Ballingall
Executive General Manager



Heather Hausler
General Manager
Corporate Operations



Gavin Hill
General Manager
Strategy and Delivery

Key Metrics and Statistics

as at 30 June 2020



6,389

Vehicles enrolled in the Intelligent Access Program (IAP)



2,689

Vehicles enrolled in Intelligent Speed Compliance (ISC) application



Type-Approved Telematics Devices

105,400*

*Estimate provided by ASPs of the number of telematics devices currently fitted to vehicles. These telematics devices are either type-approved, or capable of meeting type-approval requirements.

437

Vehicles fitted with On-Board Mass (OBM) linked to the IAP



18

Vehicles enrolled in Telematics Monitoring Application (TMA)

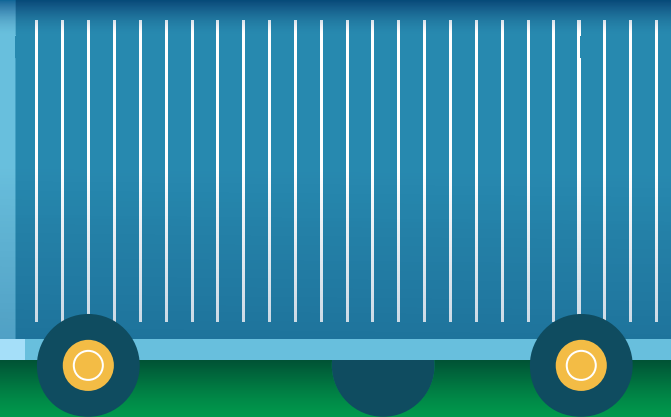
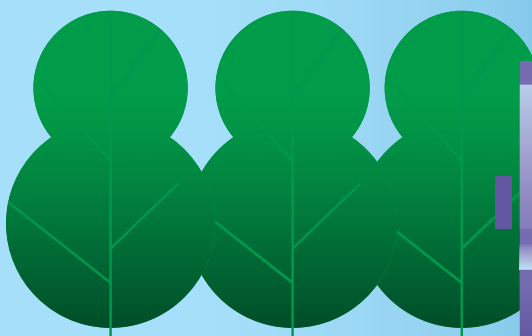
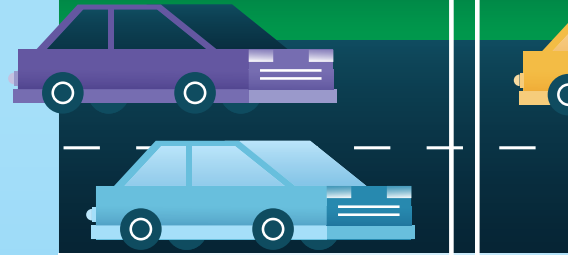
6 Schemes



103

Vehicles enrolled in Road Infrastructure Management (RIM) application

4 Schemes



Type-Approved OBM Systems

4,550**

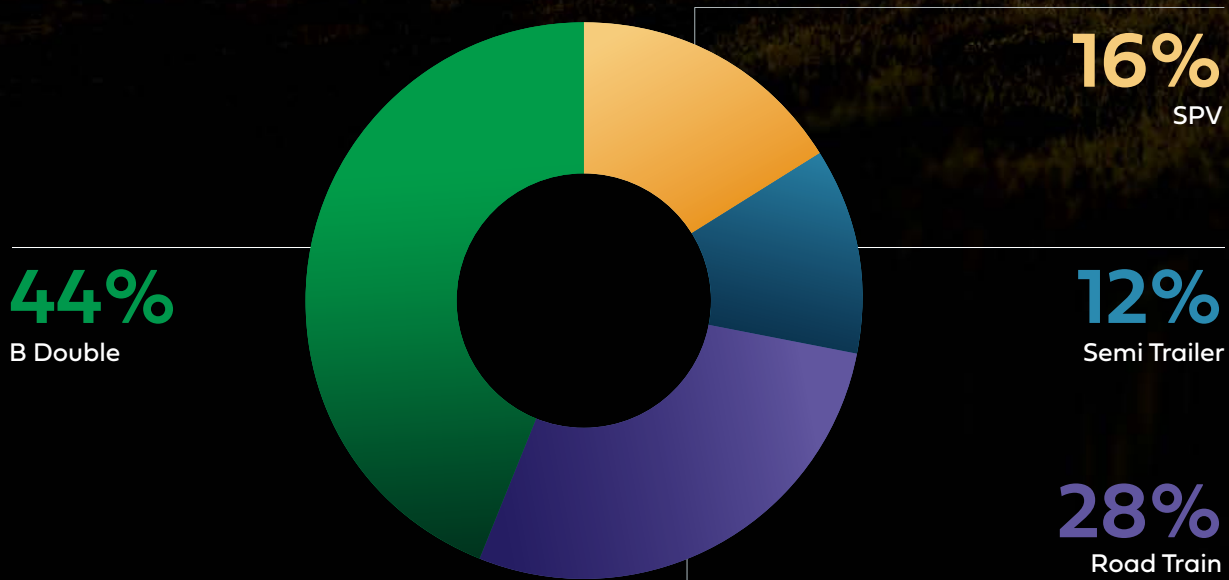
**Estimate based on information provided by suppliers of the number of type-approved OBM systems currently fitted to vehicles. These OBM systems are either type-approved to Category A, or capable of meeting Category A type-approval requirements.



Key statistics from applications of the National Telematics Framework

as at 30 June 2020

Monitored Vehicles by Vehicle Type

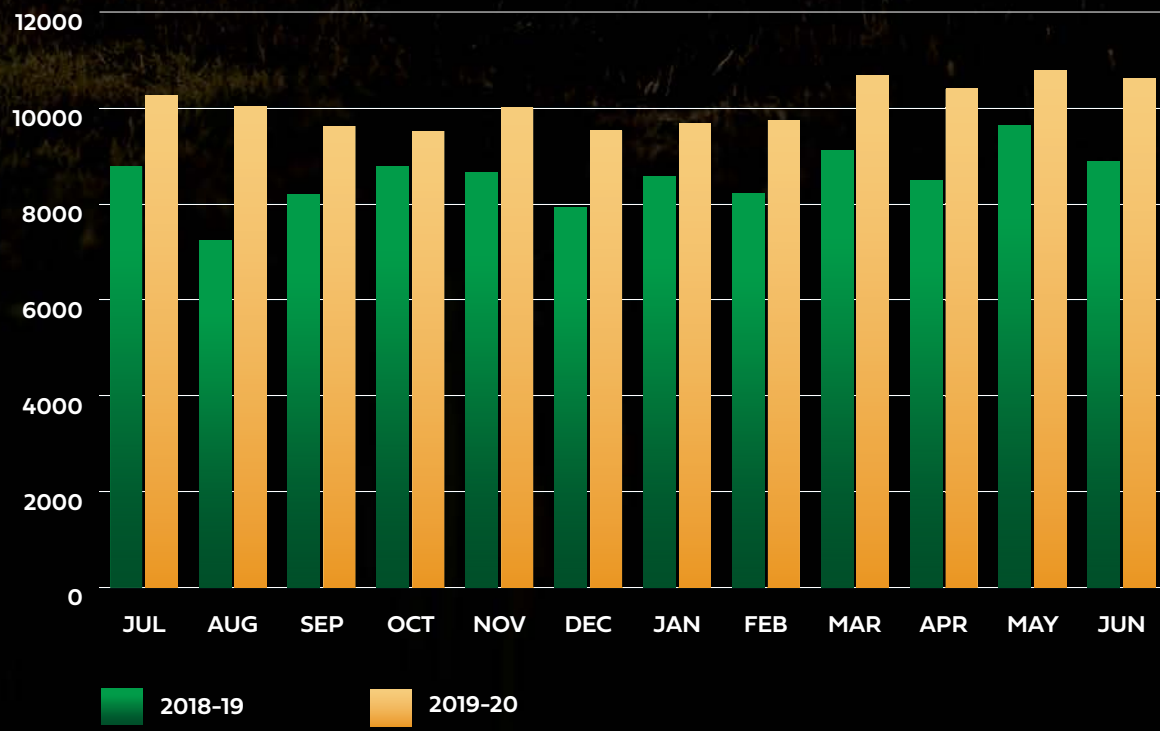


94,676 km

average distance travelled by each vehicle in the NTF in 2019-20



Average distance travelled per freight vehicle per month (km)



Over

623 million km

travelled by vehicles in the NTF in 2019-20

Achievements

National Telematics Framework

2019-20 was a busy year with exciting growth in the National Telematics Framework, which TCA administers under the direction of Australian governments.

The National Telematics Framework (NTF) is a digital business platform consisting of infrastructure and rules that support an open marketplace of telematics and related intelligent technology providers.

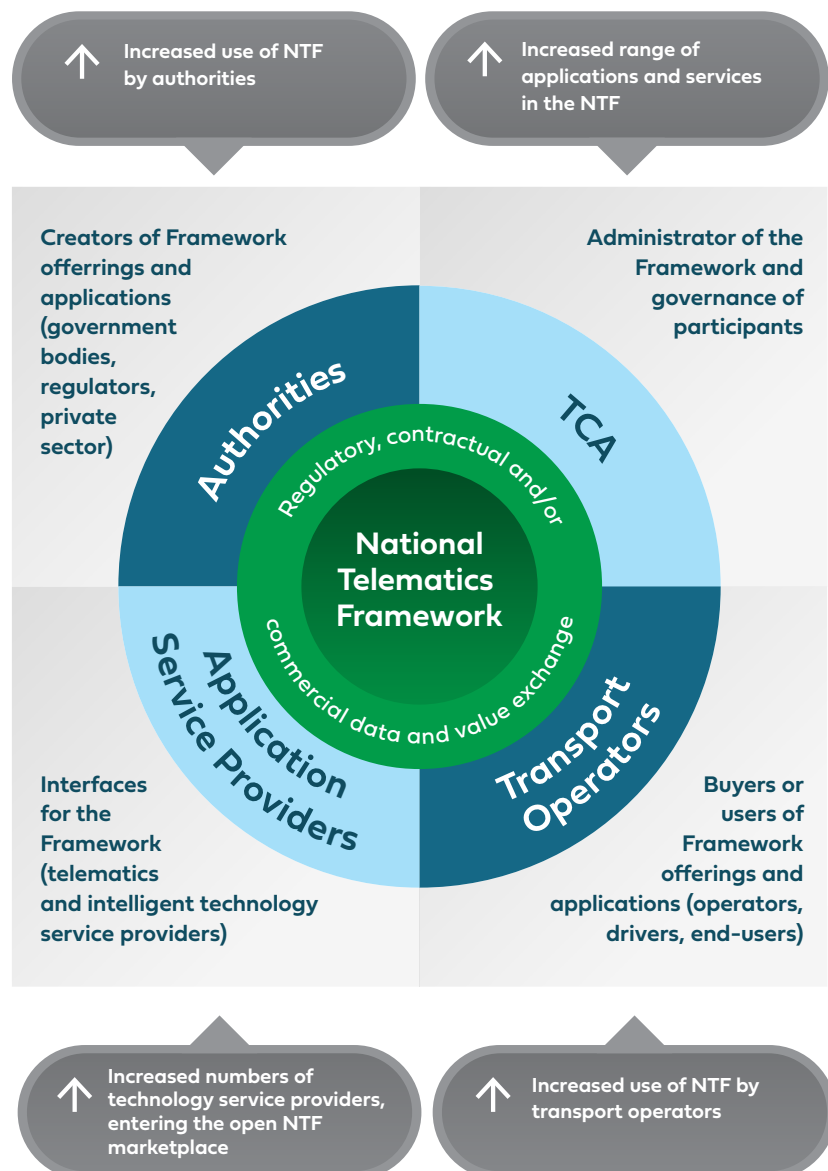
The National Telematics Framework:

- Provides a national platform for the use of telematics and related intelligent technologies
- Supports different applications across regulatory, contractual and commercial needs
- Supports different levels of assurance
- Is outcome focussed and encourages innovation.

The number of parties now interacting with the NTF puts it at the forefront of providing essential digital infrastructure for use by stakeholders to advance road transport management and reform.

The NTF delivers public purpose outcomes through a suite of inter-related functions and activities:

National Telematics Framework Ecosystem





Growth in the use of the NTF

There was considerable growth in the use of the National Telematics Framework during 2019-20, which catered to the evolving needs of stakeholders across the country.

This increase was driven by the introduction and uptake of:

- *New applications of the NTF*, including:
 - Road Infrastructure Management (RIM): 4 new operating arrangements came into place using the RIM application during 2019-20 including:
 - Safety, Productivity, Construction and Environment Transport Scheme (SPECTS) (NSW)
 - Port Botany Container Movement Efficiency Scheme (NSW)
 - Oversize Overmass (OSOM) Vehicle Movement Scheme (NSW)
 - Dangerous Goods Movement Study (NSW).
 - Telematics Monitoring Application (TMA): 4 new operating arrangements came into place using the TMA during 2019-20 including:
 - Hill Descent Monitoring (WA)
 - Higher Mass Limits (NSW)
 - Special Purpose Vehicle (SPV) Monitoring Scheme (Tas)
 - PBS Vehicle Monitoring Scheme (Tas)

- *New levels of assurance:* The NTF now supports a suite of telematics applications with different levels of assurance to accommodate a diverse range of purposes. During 2019-20, applications spanning the full breadth of assurance became operational and available through the NTF, spanning from Level 1 Assurance (lowest assurance) through to Level 3 Assurance (highest assurance). In early 2020, TCA initiated research and engaged with stakeholders on options to clearly differentiate new and existing applications of the NTF, and different levels of assurance.
 - Find out more about levels of assurance from our website at tca.gov.au/levels-of-assurance.
- *New providers and suppliers:* During this period, the availability of new applications with lower levels of assurance encouraged new ASPs and suppliers to enter the NTF for the first time. Some highlights from the period include:
 - The registration of the first provider to offer the RIM application in the market
 - Recognition of two systems already in use by transport operators for use in the RIM application
 - A 44% increase in the number of providers and suppliers seeking to offer services through the NTF
 - 4 requests for type-approval of telematics devices (2) and OBM systems (2)

Use of schemes with telematics applications

A scheme is a specific use of an application linked to delivering a policy objective, and it inherits the relevant features of the application it's associated with. Key processes within a scheme, such as enrolment and reporting, are consistent with processes described in the telematics application it's associated with, and across all schemes associated with the application. This relationship is an efficient method of reusing the same technology and hardware for a range of purposes.

Several schemes associated with telematics applications such as TMA and RIM have been developed for use by authorities, including Transport for NSW, Main Roads Western Australia and the Department of State Growth in Tasmania.

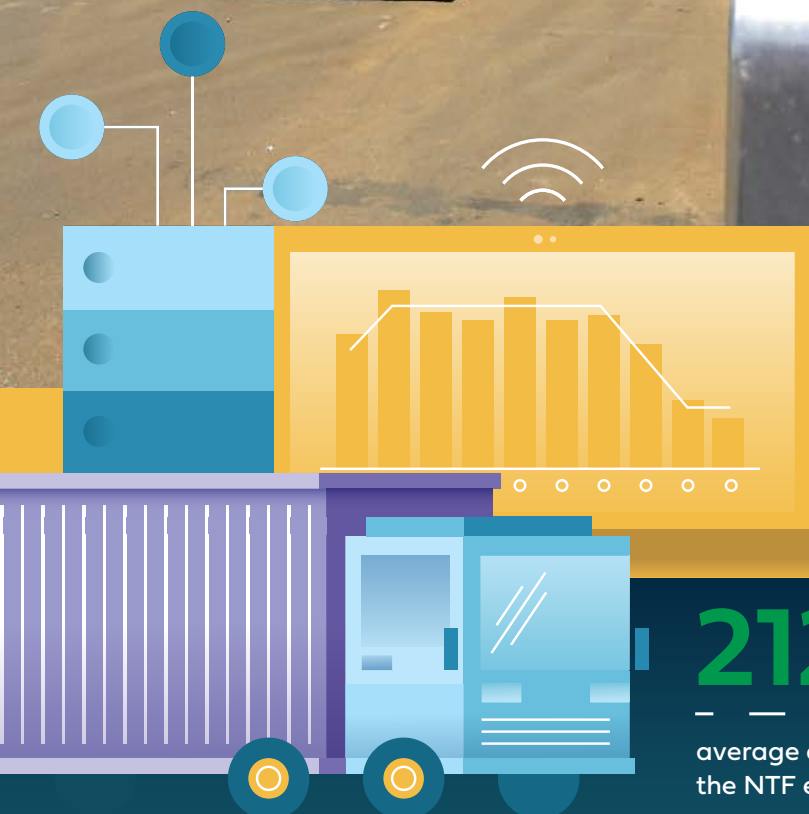
- 2 new type-approvals for OBM systems, being 1 Smart OBM System (Category B), which can be used at Level 3 Assurance, and 1 OBM System (Category B)
- The type-approval of the first telematics device at Level 2 Assurance.



Growth in the use of the NTF (cont'd)



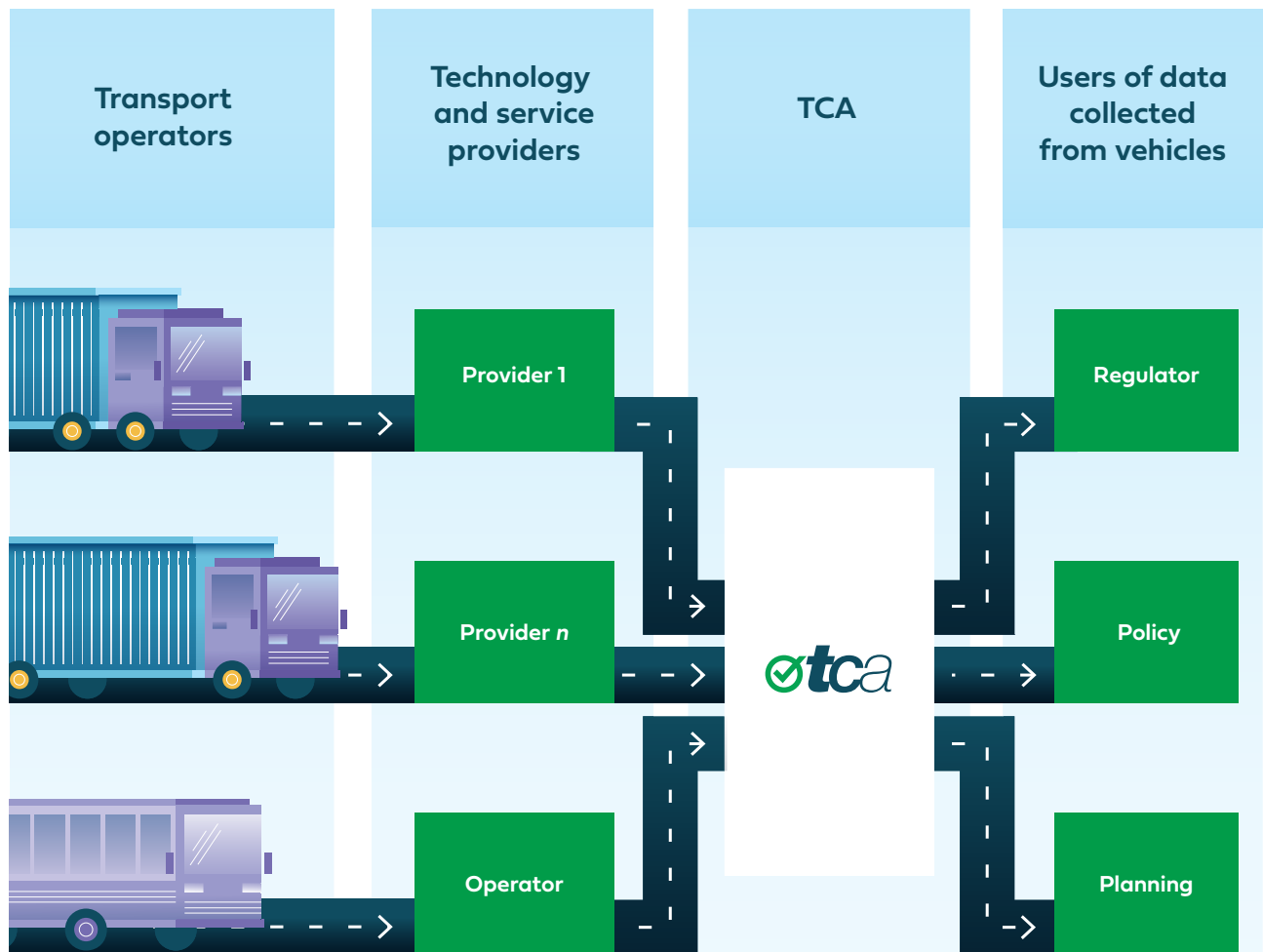
- Expanded provision of data analysis and reporting services through the Telematics Analytics Platform (TAP): TCA has responded to the needs of stakeholders by expanding the provision of data analytics and reporting services to governments over the course of 2019-20. This included undertaking bespoke research on the movements of Dangerous Goods vehicles through a voluntary collaborative study between Transport for NSW (TfNSW) and the Dangerous Goods industry, which provided rich insights into vehicle movements in this sector on the NSW road network. More information is available under the **Achievements** section of this report, highlighting our successes in data insights delivered during 2019-20.
- TCA also expanded the use of the TAP, providing de-identified and aggregated data analytics to jurisdictional road managers to support improved policy, planning, road management and investment decisions.



212GB

average amount of data collected through the NTF each month during 2019-20

TCA prepared for the rollout of the web-based TAP portal to all local councils in two jurisdictions (NSW and TAS), a service that's progressing in 2020-21, and leveraging upon development work undertaken in 2019-20.



Managing IAP backend services for Victoria

As part of the NHVR national services transition, TCA now provides data analytics and reporting services for vehicles monitored under the IAP in Victoria for compliance purposes.

During 2019-20, TCA assumed responsibility for managing the IAP backend services for Victoria, on behalf of the NHVR. This included transitioning of all services, data transfers analysis, reporting, and administration to TCA in December 2019, followed by a series of enhancements that has significantly improved the outcomes experienced by those involved with management of the IAP in Victoria.

One of the key improvements has been the optimisation of the Intelligent Access Conditions used by service providers to assess telematics data to generate non-compliance reports (NCRs) where necessary. Since the optimised Intelligent Access Conditions were introduced, there has been more than a 66% reduction in spatial NCRs (translate to an estimated reduction of 542,000 spatial NCRs per annum).

The Victorian High Productivity Freight Vehicle (HPFV) Intelligent Access Condition was further optimised to remove known heavy vehicle depots and worksites. This work will not only 'cleanse' data

for compliance and enforcement purposes, but reduces the need for alarms to be generated, data to be stored, transferred and analysed, and thus, reduces the overall cost of the application.

During the period that TCA has administered the IAP backoffice for the NHVR, IAP enrolments in Victoria increased significantly, rising from 790 in early December 2019 to 1,050 at the end of July 2020 – an increase in participating vehicles of 33%.

National Telematics Framework developments during 2019-20

The National Telematics Framework continues to evolve with the needs of stakeholders. The introduction of new applications and features through the Framework has encouraged policy makers and program managers to make greater use of telematics for a variety of needs.

Status of 16 initiatives from TIC-approved business case

In November 2018 the Transport and Infrastructure Council (TIC) approved a business case that was developed to improve the Intelligent Access Program (IAP).

The business case approved by TIC contained a range of enhancements to the IAP, as well as new applications and features to be offered through the National Telematics Framework. The business case was informed by extensive consultation with road managers, regulators, peak industry bodies and the telematics sector.

Consultation revealed that stakeholders recognised the need for the IAP application, which provides the highest level of assurance (level 3) and certificate-based evidence. However it was possible to offer transport operators access arrangements with lower levels of assurance.

It was clear that other applications to manage heavy vehicle access and network utilisation, with lower levels of assurance, were needed to meet the needs of stakeholders.

TCA prepared a stakeholder report that consolidates feedback from stakeholders, to accompany the business case.

The approved business case included 16 improvements, including:

- Enhancements which relate specifically to the Level 3 Assurance IAP application, to improve efficiency and reduce costs
- New applications of the National Telematics Framework, including the RIM application (Level 1 Assurance) and the TMA (Level 2 Assurance)
- New features which can be used across applications of the National Telematics Framework (such as turn by-turn navigation and restricted access vehicle route guidance).

TCA has made considerable progress in delivering on the 16 initiatives from the business case:

- 10 of the initiatives have been completed
- 3 of the initiatives have been partially completed and are continuing to be progressed
- 3 of the initiatives are being progressed but are dependent on decisions by authorities

More information is available under the **Achievements** section of this report, highlighting new applications and features delivered, as part of this business case.

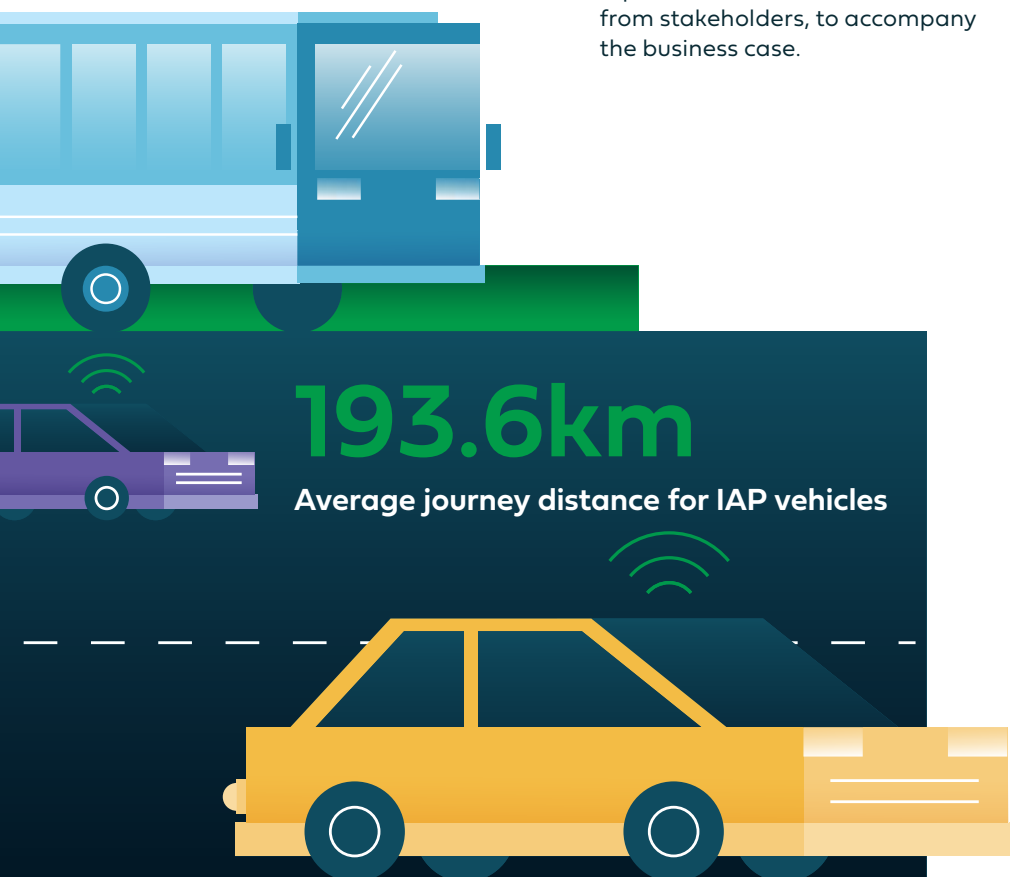




Table 1 – Summary status for the 16 initiatives of the TIC - endorsed business case (at August 2020)

Initiative	Status
1.1 Introduce a new application to support road asset management and planning application specifically for road managers (including local governments), with lower levels of assurance	✔
1.2 Enhance the availability of IAP information for research purposes	✔
2.1 Optimise electronic conditions to manage key risks	Progressing
2.2 Enable on-demand access to telematics data	✔
2.3 Improve the management of enrolments and cancellations	✔
2.4 Improve the management of self-declarations	✔
3.1 Enable the use of real-time alerts	Progressing
3.2 Improve vehicle configuration identification	✔
3.3 Enable new access applications with lower levels of assurance ('IAP lite') <i>Note – 'IAP lite' now named 'TMA'</i>	✔
3.4 Make the Telematics Analytics Platform (TAP) available for use across multiple producers (<i>i.e. authorities</i>)	Progressing
4.1 Streamline processes for providers to offer applications with lower levels of assurance (through the National Telematics Framework)	✔
4.2 Improve the management of alarms and malfunctions	✔
4.3 Update hardware requirements	✔
5.1 Enable turn-by-turn navigation/route guidance for heavy vehicle drivers	Progressing
5.2 Allow transport operator systems to be used for access applications	Progressing
5.3 Share Non-Compliance Reports (NCRs) with transport operators and drivers	Progressing

Expanded suite of performance-based telematics specifications

TCA published the new *Telematics Monitoring Application Functional and Technical Specification* in July 2019. The specification provides requirements for service providers to offer services for the TMA application. Requirements are specified for NTF components, including telematics devices, enrolment, ASP back-office capabilities and reporting, as well as optional connected devices such as OBM systems and user interfaces.

TCA also published a new *Road Infrastructure Management Functional and Technical Specification* in July 2019. The specification provides requirements for service providers to offer the RIM application, which provides road managers with access to road asset utilisation data for asset planning and network management.

The fully revised *Telematics Device Functional and Technical Specification* responds to the rapid pace of technological developments, emerging connected vehicles, the growing use of devices on assets other than vehicles, and the use of lower-level assurance applications through the NTF.

In particular, the introduction of Level 2 Assurance applications necessitated a fresh look at the functional and technical requirements for telematics devices. To meet this need, the specification now includes two sets of requirements for telematics devices used at Level 2 Assurance as well as Level 3 Assurance, enabling type-approval of devices used at either level of assurance and more closely meeting the needs of the ASP or supplier. The set of requirements at Level 2 Assurance represents the first defined standard for device usage at this level of assurance in Australia.

The specification broadens the market for telematics devices used in NTF applications by:

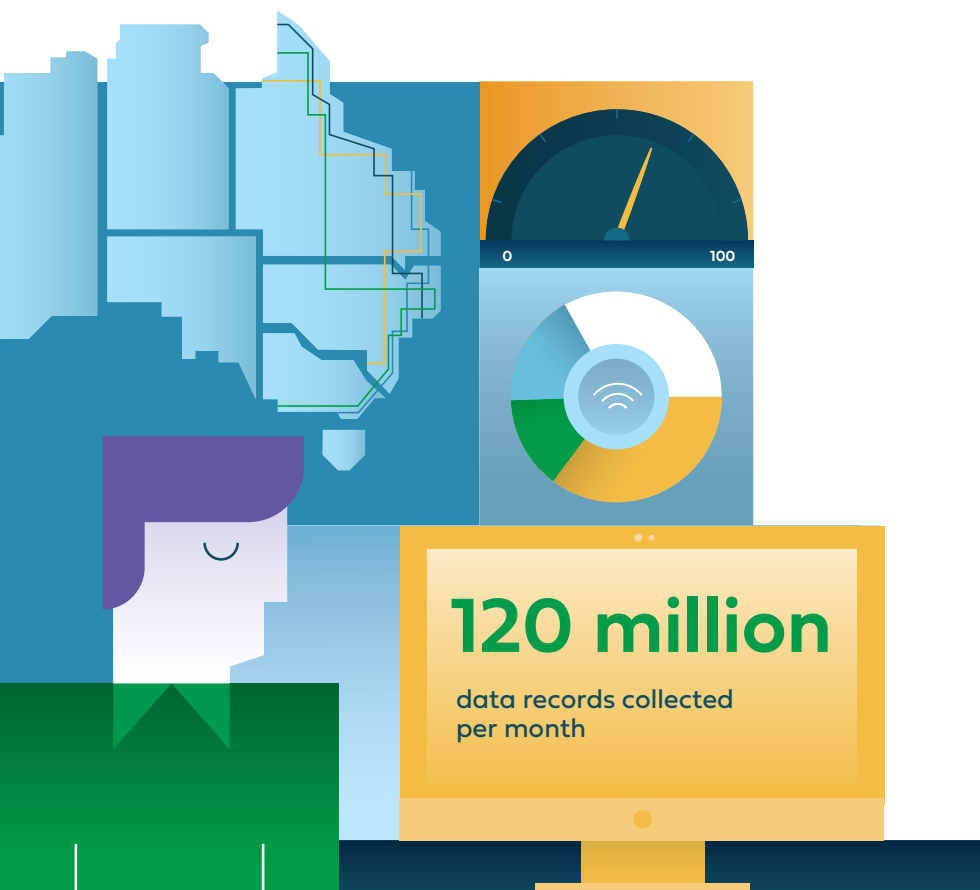
- Removing unnecessary telematics device requirements for use in applications at Level 2 Assurance (such as TMA)
- Lowering barriers to entry for new telematics devices (and suppliers of telematics devices)
- Reducing costs to transport operators and other users of telematics
- Increasing the use and adoption of telematics across a diverse range of industry sector
- Providing a clear path to upgrade, if necessary, from type-approval of usage at Level 2 Assurance to type-approval of usage at Level 3 Assurance.

Common design components of telematics applications

Telematics applications are designed for use within the NTF and to leverage the resources that the Framework provides for greater interoperability, scalability, security and operational oversight.

Telematics application design minimises, where possible, whole-of-solution and whole-of-life costs and complexity to stakeholders, particularly where stakeholders may operate more than one telematics application and associated devices.

Telematics applications are designed to follow component architecture design principles to facilitate cross-certification (i.e. where a stakeholder uses more than one telematics application or device). For example, discrete functions such as mass monitoring or vehicle configuration, or the entry of self-declared data, may be structured as optional parts of a telematics application rather than designing multiple distinct



applications that would include one or more of those features.

Common components of telematic applications include standard mechanisms for telematics data exchange and reporting, standard enrolment processes, a single reference for defined data records and schemas, and a common data element 'language' (as provided in the Telematics Data Dictionary). Common design components allow service providers to offer new applications, features and schemes easily.

Interoperability for fatigue management devices

TCA developed an interoperability protocol for fatigue management devices. The protocol establishes – for the first time – a standardised way to transfer information, to ensure interoperability between devices. Three main objectives guided the development of the protocol:

- Enable standardisation and interoperability
- Remove barriers to the use of fatigue management devices
- Easy adoption across all technology providers.

The protocol responds to the growing use of fatigue management devices and the need for them to talk to connected telematics devices, and vice versa, in a consistent manner.

Digital mapping services

During 2019-20, TCA provided support to jurisdictional road managers through digitised conditions of access, and restricted access vehicle mapping activities.

Transport for New South Wales (TfNSW) has further requested TCA for support and administration in expanding available public networks for key restricted access vehicles, including Controlled Access



Busses, PBS 3A vehicles and PBS 2B vehicles. These interactive maps are available for public use on the TfNSW web portal, and have been well received by segments of industry.

New website

In February 2020 TCA launched a new website following a series of user experience design workshops with stakeholders.

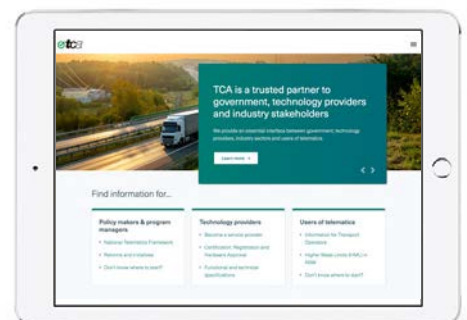
The new website focused on user personas and aimed to improve visitor experience when they visited our website. It also offered easier navigation, offering a one-stop shop for:

- Transport operator information on applications and schemes
- Supplier and service provider information on certification, registration, hardware approval and functional and technical specifications, among other things
- Authorised users to access commonly used documents.

Consumer focused information

With the growth in the use of the NTF, TCA continues to produce accessible end-user focused information, both published on the website, as well as in print and electronic format, as part of improving the customer's experience.

The information includes flyers, guides, fact sheets and frequently asked questions to support stakeholder adoption of new and existing policies relating to transport access arrangements, for example.



Branding refresh

TCA undertook research and engagement with stakeholders on options to clearly differentiate new and existing application of the NTF, and different levels of assurance.

The current use of the type-approval and certification branding has, since its introduction in 2011, been strongly associated with a high level of assurance (Level 3 Assurance).

Consultation with ASPs, suppliers, road managers and regulators reaffirmed the value of the TCA branding and validated the need to distinguish between the standing of service providers and suppliers, and different levels of assurance.

TCA is now in the process of releasing the new logos, rebranding certificates and revising guidelines, before communicating them, with a toolkit, to the relevant stakeholders in the first half of the 2020-21 financial year.

 **tca** | Type-Approved 

 **tca** | Certified 

 **tca** | Type-Approved
Smart OBM System (Category B)



Austrroads Key Freight Routes Project

TCA worked in close collaboration with jurisdictional road managers, the NVHR and Austrroads to undertake a project to use telematics data to identify and provide usage analytics on key freight routes across Australia. Available on the Austrroads website, and presented at a webinar to a wide range of stakeholders, this report sets a baseline for analytics about road network usage, with de-identified and aggregated telematics data.

There has been strong interest in generating further analytics as a result of this work; TCA is working with many road managers and the National Freight Data Hub team in Canberra to provide further data and analytics insights to the public.

Managing HML flexibility in NSW

Following a review of the benefits and costs of IAP to industry, TfNSW adopted a more flexible approach to telematics requirements for HML in NSW. TCA worked closely with TfNSW over several months to develop a new arrangement that would allow vehicles operating at HML to have the option of enrolling in the TMA or to elect to remain enrolled in the IAP.

While still requiring the use of TCA type-approved telematics devices, the new options for network conditions now mean that HML access may become more viable as an option for a wider selection of transport operators. TCA helped transport operators to understand the differences between different application options by providing detailed frequently asked questions, information sheets and website updates, as well as mailouts through TfNSW.





Road Infrastructure Management (RIM) application

There has been a significant expansion of this new application, which was only introduced in the past financial year. New and existing operating arrangements for RIM continue to provide valuable insights for road managers (based on aggregated and de-identified data), as well as significant productivity improvements for industry.

For example, OSOM vehicles operating in NSW may now access 12-month permits if they participate in RIM, which is a significant increase over the three-month permits normally available. This increases certainty when planning for future work, as well as reducing

the administrative overhead of permit applications.

The Dangerous Goods Movement Study was undertaken in close collaboration with industry, and operators participating on a voluntary basis provided data to TCA—securely stored. This allowed TCA to generate de-identified and aggregated data visualisations and tables for analysis by Transport for NSW and the Australian Road Research Board (ARRB). This appears to be the first study of its kind in Australia, and has challenged some long-held assumptions about the movement of dangerous goods on the road network in NSW.

Dangerous Goods Movement Study

This scheme associated with RIM is administered by TfNSW.

A TfNSW, TCA and ARRB collaboration in this study aims to address concerns identified in the industry, including ensuring:

- The right and adequate 'first and last mile' access through local government roads
- Continued safe access through an increasingly congested road network adversely affected by:
 - basin-wide redevelopment and urban consolidation
 - local government efforts to make suburban previous light industrial/commercial sites and precincts.

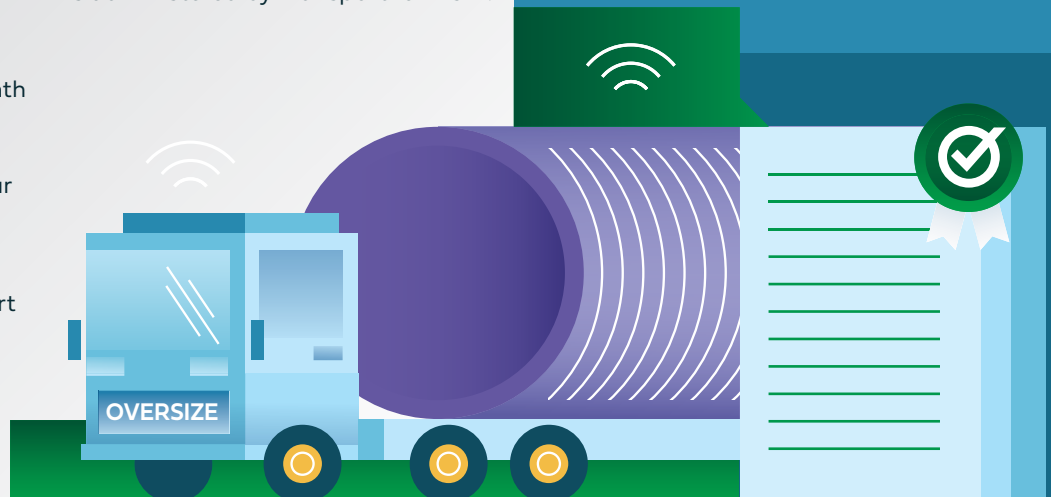
Class 1 Oversize Overmass (OSOM) Permits

This scheme associated with RIM is administered by Transport for NSW.

For:

- Laden permits, a 12-month permit can be obtained (instead of 3 months)
- Unladen permits, a 3-year permit can be obtained (instead of 12 months).

From 1 June 2020, transport operators were required to submit their applications for access to both state and local council roads via the NHVR Portal.



Telematics Monitoring Application (TMA)

Tasmania has continued to be a leader in the use of technology to improve the productivity of the road network and industry. The SPV monitoring scheme and PBS monitoring scheme in Tasmania both allow increased access for monitored vehicles, subject to participating in TMA. This will allow for de-identified and aggregated data to be used by local and state road managers for investment, management, planning and policy purposes, while also allowing the Department of State Growth to use identifiable data (where appropriate) to identify potential non-compliant behaviour, and address the situation directly with the operator on the basis of robust data and analytics.



Performance-Based Standards (PBS) Vehicle Monitoring Scheme

This scheme associated with TMA is administered by the Department of State Growth, Tasmania, to:

- permit access of PBS Level 2 vehicle combinations exceeding 26 m in length (e.g. 30-metre A-Doubles, 30-metre B-Doubles) or 68.5-tonne gross mass to the Tasmanian road network
- monitor the operation of certain PBS Level 2 vehicle combinations on an approved road network, including speed at no greater than 90 km/h
- monitor whether the vehicles which exceed 68.5 tonne gross mass cross certain bridges at nominated weights.

Special Purpose Vehicle (SPV) Monitoring Scheme

This scheme associated with TMA is administered by the Department of State Growth, Tasmania, to:

- permit access of Class I Special Purpose Vehicles (SPV) to the Tasmanian road network
- monitor the operation of Class I SPVs on the Tasmanian road network, including the ability to identify when Class I SPVs:
 - cross certain bridges no faster than 10 km/h
 - cross 'do-not-cross' structures
 - travel on no-access roads.

NSW Telematics Policy

Transport for NSW has introduced a telematics policy that will apply to Restricted Access Vehicles in NSW.

The policy incorporates the use of telematics as a contemporary approach to managed controlled access arrangements on the road network, and references the RIM, TMA and IAP applications commensurate with the level of risk for different categories of Restricted Access Vehicles.

New mechanisms to share data

Telematics Data Exchange (TDE)

The Telematics Data Exchange (TDE) within the National Telematics Framework is the standardised business-to-business exchange of information related between service providers and TCA for applications of the NTF.

TDE uses a contemporary Application Protocol Interface (API) that supports all current and future applications of the Framework. A TDE test harness allows current and prospective ASPs to test their deployments of the TDE Functional and Technical Specification (and relevant Specifications for individual applications) prior to moving to production environments.

TDE also includes the availability of a variety of data adaptors, allowing data in a range of formats to be quickly and securely ingested and processed, without additional cost of data transformation to other parties.

During 2019-20 a TDE test environment was made available by TCA for current and prospective ASPs to test their deployments of the TDE Functional and Technical Specification (and relevant Specifications for individual applications) prior to moving to production environments.

National Telematics Framework Working Group

The National Telematics Framework Working Group (NTFWG) was established in 2020 to provide oversight and advice over projects relating to the National Telematics Framework.

The purpose of the NTF Working Group is to:

- Facilitate discussions between the NHVR, road managers and other government stakeholders to achieve more nationally harmonious, efficient and higher value use of telematics for regulatory purposes
- Better align and inform planning for delivery of policy utilising telematics, including new and existing monitoring schemes, and the development of new applications and functionalities under the NTF
- Inform TCA's forward view of potential telematics uses, analytical tools, data types and technologies required to support the NTF
- Provide updates on the use and participation within the NTF, including insights garnered from data and market analysis.

New consent mechanisms to share data

During 2019-20 TCA introduced new mechanisms for users to share telematics data collected from their data through the National Telematics Framework.

Based on best practice principles, newly designed consent mechanisms were developed to cater for the collection, storage and use of telematics data for different purposes.

For example, two new consent mechanisms have been introduced to support the RIM and TMA applications, complementing the established consent mechanisms already in place for the IAP application.



Over **2.3 million** individual journeys by vehicles in the NTF in 2019-20

Providing insights through data

The power of the NTF in delivering macro-level, aggregated reports and analysis for road use analysis and planning comes from the number of providers and transport operators who share data through the NTF.

TCA collects about 120 million records each month. This provides stakeholders with an unparalleled access to a wide diversity of vehicles and providers for road use planning and analysis.

No other digital platform is structured with a focus on delivering public-purpose transport outcomes through data.

Dangerous Goods Analysis

During 2019-20, TCA, in collaboration with Transport for New South Wales (TfNSW) and the Australian Road Research Board (ARRB), undertook a research study based on the voluntary provision of telematics data by a small group of dangerous goods transport operators in NSW.

This study collected approximately 12 months of data from 152 vehicles, across nine transport operators, and covering vehicles carrying liquid petroleum, natural gas, and chemicals.

TCA collected the data directly from the telematics service providers of the transport operators, aggregated, de-identified. We processed the data for ARRB and TfNSW to review and analyse in detail.

The study has already proved useful in identifying the key routes across the Greater Sydney Metropolitan region, and New South Wales more broadly, as well as assisting land-use planning decisions and development application approvals.

TfNSW – Analysis of heavy vehicle movement on Great Western Highway (Blue Mountains) and the Mitchell Highway

TfNSW approached TCA during February 2020 to perform an analysis of heavy vehicle movements on the Great Western Highway across the Blue Mountains, to help inform an analysis of infrastructure upgrade options on the Highway.

Subsequently, TCA was also asked to provide detailed analysis of road usage by various classes of vehicles on the Mitchell Highway in the north and west of NSW, to inform a business case for the enhancement of the road corridor for higher productivity vehicles.

Queensland Department of Environment and Science

TCA supported the Queensland Department of Environment and Science regarding analysis of the patterns of movement of waste management vehicles.

Using de-identified telematics data from the monitored heavy vehicle fleet, TCA gave the Department valuable analytics on the source local government areas (LGAs) of waste vehicles using specific waste management sites in South East Queensland. This was particularly beneficial, as analysis showed a clear impact on vehicle movement from distant regions after the introduction of a waste management levy at these sites.

This research also provided an update on previous data provided to the department – allowing the comparison of movements over time, and identifying shifts in patterns of origin and destination.



NSW Freight Data Hub

TCA worked with TfNSW to publish aggregated, de-identified telematics data from the National Telematics Framework on the New South Wales Freight Data Hub.

The Freight Data Hub includes freight forecast data, performance data and other statistics to support evidence-based policy, improve transparency and accountability, and to provide a platform for innovation.

TCA and TfNSW have worked closely to develop interactive maps that provide unparalleled insights into vehicle movements across the New South Wales road network.

The interactive map presents heavy vehicle data for individual road segments, including journey counts and bi-directional movements, with data collected through applications of the National Telematics Framework.

TCA performs a critical, independent role between industry and government in collecting, de-identifying and aggregating telematics data for broader use. This provides certainty to stakeholders that:

- transport operator and vehicle-specific data is protected
- commercially sensitive information is securely managed
- privacy-by-design principles are upheld.



Organisational certifications

ISO 9001

Our Integrated Management System has been certified by the SAI Global certification authority to ISO 9001:2015 – Quality Management Systems standard.

ISO 9001 is the international standard for a quality management system, designed to help companies to consistently provide products and services that meet customer and regulatory requirements, and to demonstrate continuous improvement.

ISO 27001

The SAI Global certification authority has also certified our Integrated Management System to ISO/IEC 27001:2013 – Information Security Management System standard.

Meeting a standard in the ISO 27000 series of standards is one way for an organisation to prove that it is managing the security

of its assets, including financial information, intellectual property, employee details or information entrusted by third parties.

NATA Accreditation

TCA is accredited by the National Association of Testing Authorities (NATA) for:

- Calibration of GPS Based In-Vehicle Units (IVU) for Speed Accuracy
- Calibration of a Vehicle with Digital Speed Display.

TCA's NATA accreditation allows GPS based systems to be tested for speed accuracy.

NATA accreditation is highly regarded and provides a means of determining, recognising and promoting the competence of facilities to perform specific types of testing and calibration, focusing on both technical competence and quality systems.

It showcases the power of telematics analysis, and promotes the availability (and use) of the National Telematics Framework and Telematics Analytics Platform.

NSW was the first to publish this kind of telematics analysis, which provides valuable insights into the movement of freight vehicles across NSW.

With vehicles now enrolling in the RIM and TMA applications, future versions of the interactive maps on the NSW Freight Data Hub will benefit from an increased sample size and vehicle representation.

Review of the Heavy Vehicle National Law (HVNL)

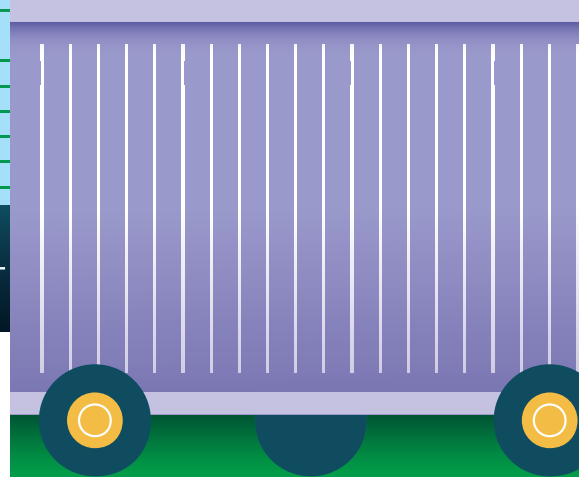
The National Transport Commission (NTC) has been consulting on a range of policy areas with stakeholders, with TCA actively engaging in the consultation through co-design workshops with the NTC.

TCA attended each of the following workshops convened by the NTC:

- 19 November 2019: Fatigue (Canberra)
- 21 November 2019: Fundamentals (Melbourne)
- 2 December 2019: Building Blocks (Brisbane)
- 3 December 2019: Vehicles and Access (Brisbane).

Gavin Hill, TCA's General Manager Strategy and Delivery, spoke on the panel at the

Building Blocks workshop. The panel session covered key areas covered in TCA's submission to the HVNL review, and how telematics and related intelligent technologies have, over the past decade, become an integral element of the heavy vehicle sector by supporting contemporary business approaches to achieve regulatory, productivity and safety outcomes.



Achievements

Submissions in 2019–20

TCA submission to the Review of the *Heavy Vehicle National Law 2012*

In July and November 2019, TCA made submissions to the National Transport Commission (NTC) on the review of the *Heavy Vehicle National Law Act 2012* (the HVNL) led by the NTC.

TCA shared its experience in managing the National Telematics Framework, including:

- Taking a platform approach to technology and data across issues and policy areas

- Clearly defining roles and responsibilities, and separation of duties between data generators, data collectors, data aggregators, and consumers of analysis and reporting
- Privacy-by-design approach to strengthen data privacy and telematics governance
- Reinforcing rights of consent, access, use of data
- Accommodating assurance models that enable fit-for-purpose data

- Improving standardisation and interoperability of technology and data requirements
- Build in resilience to change, and flexibility to deal with emerging technologies.

TCA continues to be active in participation and contribution to this important reform initiative and the opportunities it provides.

TCA submission to the Discussion Paper on the National Freight Data Hub

In December 2019 TCA wrote to the Department of Infrastructure, Transport, Cities and Regional Development in response to the department's *National Freight Data Hub Discussion Paper I*.

This submission highlighted the value of the existing National Telematics Framework elements as potentially valuable building blocks for a National Freight Data Hub, including elements such as a data dictionary, standardised data formats, standardised consent agreements for data access and sharing, and recognition of different levels of assurance (or quality) of data.

TCA has developed several platform systems to support ease of data exchange including a Telematics Data Exchange, secure data storage facilities, Telematics Information Exchange, and the Telematics Analytics Platform (TAP) for accessible analytics and data reporting.



TCA submission on Government Access to Vehicle Generated Data

In July 2020, TCA made a submission to the National Transport Commission (NTC) regarding the NTC's discussion paper on government access to vehicle generated data.

TCA supported the NTC's discussion paper and responded to some key issues and questions raised, and also provided more information for consideration, including:

- **Governance and data exchange framework:** Adopting a government and industry data exchange partnership, as an enabler to get the industry engaged in value return models.
- **National data aggregator:** Recognised the case for a centralised national data aggregator, with appropriate

oversight and separation of duties, while noting the need to leverage existing systems, standards and protocols.

- **Data in scope:** Data that can support road safety outcomes should have a priority, noting that any limits on the use of this data should avoid restricting other public purpose outcomes.
- **Commercial arrangements:** Opportunities for commercial sharing or exchange of data, with potential to fund vehicle data initiatives for improved road safety and public purpose benefits.

TCA looks forward to participating and supporting future discussions and proposed data exchange initiatives arise from this important initiative.

TCA submission to the Draft Heavy Vehicle Productivity Plan 2020-2025

In March 2020, TCA responded to the NHVR Draft Heavy Vehicle Productivity Plan that relates to data and technology that provide a better understanding of heavy vehicle networks, road usage and blockage to access to desired routes.

TCA gave input on the need to provide greater certainty for Performance-Based Standards (PBS) vehicles, using telematics data, and to understand how de-identified movement data can improve access.

TCA's engagement with the NHVR on the draft plan began during the development of the draft plan in late 2019.

The draft plan referred to the use of telematics to improve the visibility of heavy vehicle movements across the road network.

The NHVR has released a plan to enhance and expand its data acquisition agenda to include GPS tracking data, obtained via data sharing agreements with government, TCA and industry.





Presentations

during 2019-20

Australian Road Transport Industrial Organisation (ARTIO) Annual Conference 2019

In-Vehicle Technology: Opportunities and Challenges – An Industrial Relations Perspective

Gavin Hill, General Manager Strategy and Delivery
25 July 2019

Telematics Industry Group (TIG)

Melbourne, Victoria
01 August 2019

Australian ITS Summit 2019 – ITS Australia

New telematics applications and data insights

Stuart Ballingall, Executive General Manager
Melbourne, Victoria
29 August 2019

Dangerous Goods Movement Study

Using vehicle movement data through the National Telematics Framework

John Gordon, Manager Strategic Development
Sydney, New South Wales
03 September 2019

National Bulk Tanker Association (NBTA) – National Bulk Tanker Day 2019

Using the National Telematics Framework for the Dangerous Goods Movement Study

Gavin Hill, General Manager Strategy and Delivery
Brisbane, Queensland
05 September 2019

Road Freight NSW 2019 Conference

Providing assurance in the use of telematics – what it means for you

Gavin Hill, General Manager Strategy and Delivery
Sydney, New South Wales
19 September 2019

26th ITS World Congress

Several presentations, including Learnings from the New Functionalities of the National Telematics Framework

Stuart Ballingall, Executive General Manager
Singapore
21-25 October 2019

Telematics Industry Group (TIG) meeting

Melbourne, Victoria
26 November 2019

HSE Carriers Forum

Dangerous Goods Movement Study using vehicle movement data through the NTF.

John Gordon, Manager Strategic Development
Sydney, NSW
11 December 2019

Victorian Transport Association (VTA) State Conference 2020

Managing increased demand: The digitalisation of road transport networks

Gavin Hill, General Manager Strategy and Delivery
Philip Island, Victoria
03 March 2020

NTC Government Access to Vehicle-Generated Data Workshop

Governance of Telematics Data

Stuart Ballingall, Executive General Manager
Melbourne, Victoria
05 March 2020

Livestock, Bulk and Rural Carriers (LBRCA) Annual Conference 2020

New tools, new opportunities: Responding to what you've told us

Gavin Hill, General Manager Strategy and Delivery
Tamworth, New South Wales
07 March 2020

Telematics Industry Group (TIG) meeting

Melbourne, Victoria
7 May 2020

Local Government Procurement (NSW) Engineering Meeting

Telematics: What are the opportunities for local governments?

Gavin Hill, General Manager Strategy and Delivery
Online
17 June 2020





TCA Staff

as at 30 June 2020

At TCA, our people are integral to our success. Our commitment to providing a culture of performance, development, safety and fairness during the year enables our people to operate at their best and our organisation to deliver on its strategic objectives.

TCA employs staff across a range of highly specialised and technical disciplines.

Our rigorous recruitment practices include skills and psychometric testing. We encourage our staff to participate in external and internal training to make sure they continually improve their skills and knowledge.

To ensure a high performing culture, TCA strives to maintain a safe and welcoming work environment, where all staff have equal access to opportunities.

This philosophy is underpinned by HR policies which are regularly reviewed and updated to reflect best practice.

The safety and amenity of the physical work environment is monitored and managed by an Office Manager and a staff-led Occupational Health and Safety committee.

While the COVID 19 pandemic challenged TCA employees in many ways, and dramatically changed the physical location of our workplace, staff have continued to work in new and innovative ways to progress the TCA work program.

TCA Team

Stuart Ballingall
Executive General Manager

Adnan Karadza
IT Manager

Aiden Westrip
Data insights Analyst

Andriy Dyukov
Technical Systems Innovation Manager

Anthony Tedesco
Technical Project Officer

Ashleigh Gordon
JavaScript and HTML Developer

David Rowe
Senior Engineer

Dean Winkle
Program Manager

Elise Thompson
Business Process Officer

Eugen Bacon
Communications Manager

Gavin Hill
General Manager Strategy and Delivery

Hannah Gonzales
Technical Project Officer

Heather Hausler
General Manager Corporate Operations

Ivan Enierga
Senior Hardware Engineer

Janelle Shotton
Business Integration Manager

John Gordon
Strategic Development Manager

Jonah Nio
Senior Data Insights Analyst

Maria McGrath
Human Resources Manager

Mark Aitken
Finance Manager

Mark Caldecourt
Program Manager

Mohammadi Fatima
Tableau Developer

Natasha Trantino
Office Manager

Peter Clark
Specification Manager

Samaneh Heidaryansaein
Electronics Engineer

Sanoob Thekke Valappil
System Engineer

Sarah Fontana
Administration Assistant

Stephen Childs
Data Insights Manager

Stephen Mikecz
Team Leader Programs

Victor Thomson
Audit Manager



Committees

Internal Committees

- Certification and Audit Committee
- Pricing Audit and Risk Committee
- ICT Steering Committee

TCA participated in the following government and industry groups:

- Austroads Future Vehicles & Technology Steering Committee and Industry Reference Group
- Austroads Freight Taskforce
- National Transport Commission (NTC) Government access to vehicle-generated data working group
- Standards Australia CS-077 – Blood Alcohol Testing Devices
- Standards Australia IT-023 – Transport Information and Control Systems



Governance

TCA is governed by a board, comprising nominated participants from government road and transport agencies from each State and Territory, and the Australian Government.

The board meets at least three times each year and has responsibility for providing clear policy and strategic direction. It also monitors TCA's performance against strategic objectives, annual work plan and budget.

TCA Board of Directors as at 1 July 2020

Gary Swain (Chair)

Deputy Secretary Transport Services, Department of State Growth, Tasmania

Neil Scales OBE (Deputy Chair)

Director-General, Queensland Department of Transport and Main Roads

Tony Braxton-Smith

Chief Executive, Department of Planning, Transport and Infrastructure, South Australia

Louise McCormick

General Manager, Department of Infrastructure, Planning and Logistics, Northern Territory

Jessica Hall

Executive Director, Surface Transport Policy Division, Australian Government Department of Infrastructure, Regional Development and Communications

Peter Woronzow

Managing Director, Main Roads Western Australia

James Corrigan

Deputy Director-General, Transport Canberra and City Services Directorate, ACT

Robyn Seymour

Deputy Secretary Network Planning and Head of Road Safety, Department of Transport Victoria

John Hardwick

Executive Director, Asset Management, Transport for New South Wales.

For more information on the TCA Board, please refer to the detailed Directors' Report in the special purpose financial report in the next section of this document.

The Company Secretaries are Dr Geoff Allan and Stuart Ballingall.

Special purpose financial report

for the year ended 30 June 2020

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Transport Certification Australia
Limited
ABN 83 113 379 936



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 2020.

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

- **Tony Braxton-Smith**
- **James Corrigan**
(Appointed 17 July 2019)
- **Alexander Foulds**
(Resigned 6 November 2019)
- **Matthew Fuller**
(Appointed 4 September 2019;
Resigned 11 March 2020)
- **Shane Gregory**
(Resigned 31 January 2020)
- **Jessica Hall**
(Appointed 6 November 2019)
- **John Hardwick**
(Appointed 12 March 2020)
- **Louise McCormick**
- **Neil Scales OBE**
- **Robyn Seymour**
(Appointed 5 November 2019)
- **Gary Swain**
(Appointed 19 February 2020)
- **Peter Woronzow**

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

Information on Directors

Gary Swain (Chairperson)

Gary holds the positions of Deputy Secretary, Transport Services Group, Department of State Growth; Transport Commissioner for Tasmania; and Interim CEO of Infrastructure Tasmania. As Deputy Secretary Transport Services, Gary's role spans network planning, capital program delivery, asset management, passenger transport policy, procurement, regulation, road safety, and registration and licensing. As Commissioner for Transport he makes complex statutory decisions, and supports coordinated outcomes between road managers, particularly state and local government. Through his Interim CEO responsibilities, Gary plays a broad strategic infrastructure policy and planning role within Tasmania. Gary has more than 25 years experience, primarily in the infrastructure sectors of transport, electricity, natural gas and water and sewerage. He is Director of Austroads and a member of the Road Safety Advisory Council for Tasmania. Gary was previously a Member of the TCA Board from June 2015 to December 2018.

Neil Scales OBE (Deputy Chairperson)

ONC (Eng), HNC (EEng), DMS, BSc (Eng), MSc (Control Engineering and Computer Systems), MBA, CEng (UK), FIEAust, FIET, FIMechE, FICE, FCILT, FCIT, FLJMU, FRSA, FSOE, MAICD

Neil Scales is Director-General of Queensland Department of Transport and Main Roads. He was previously CEO of TransLink, the public transport operator across Queensland. Prior to joining TransLink, Neil was the Chief Executive and Director General of Merseytravel; the transport authority for Merseyside in the north of England. Along with almost 40 years experience in the transport industry, he is a Fellow of three major UK engineering institutions. He received an OBE for services to public transport in 2005 and in 2011 he was awarded an honorary Fellowship from Liverpool John Moores University for his services to the region.

Information on Directors

(continued)

Tony Braxton-Smith

MBA

Tony Braxton-Smith became Chief Executive of the Department of Planning, Transport and Infrastructure in October 2018. He is also the South Australian Rail Commissioner and Commissioner for Highways. His role encompasses overseeing a broad range of government objectives ensuring the effective delivery of services involving planning, transport and valuable social and economic infrastructure throughout the State of South Australia. Formerly the Deputy Secretary Customer Services at Transport for New South Wales for seven years, Tony's prior career spans 20 years in senior executive roles in the private sector with Great Southern Rail and Serco; Dreamworld and the P&O Group.

James (Jim) Corrigan

Jim Corrigan has qualifications in urban and regional planning and environmental design and has over 25 years public sector experience in a range of positions within the ACT and NSW Governments. Jim is currently the Deputy Director-General City Services for the ACT Government which has responsibility for managing the public areas of Canberra and provision of core services including Waste Management, civil infrastructure such as roads and stormwater system, urban parks and associated capital works delivery.

Alexander Foulds

(to 6 November 2019)

B. Hist, MBA

Alex Foulds was Executive Director of Surface Transport Policy Division in the Department of Infrastructure, Regional Development and Cities. He was responsible for progressing the Australian Government's national reforms in surface transport policy and regulation (maritime, shipping, rail and road transport), road safety and vehicle design standards. He previously led implementation of the Australian Government's Infrastructure Investment Program, including the delivery, in partnership with states and territories, of major land transport infrastructure projects across Australia. Prior to this, he worked in a variety of Australian public service senior policy development, procurement and program delivery roles after a career as an infantry officer in the Australian Defence Force.

Matthew (Matt) Fuller

(4 September 2019 to 11 March 2020)

Matt Fuller was Transport for NSW's A/Deputy Secretary Regional NSW and Outer Metropolitan. Matt spent almost two years within the Transport Cluster at Roads and Maritime Services, transforming the delivery of the Corporate and Commercial Services provided to the organisation by the Business Services team. In this role, Matt has the opportunity to link his executive experience with two of his great passions: high quality customer experiences and enhancing outcomes for Regional Communities.

Shane Gregory

(to 31 January 2020)

Assoc Dip Eng (Civil), MAICD

Shane Gregory was the General Manager State Roads for the Department of State Growth, Tasmania. He started his career in 1985 with the former Highways Department of South Australia where he spent 11 years in various design roles. He moved to Western Australia in 1996 to work with Connell Wagner on public and private infrastructure projects, before relocating to Tasmania in 2000 to work in the civil contracting industry. Prior to his current role he was Manager of Planning and Design for the Department of Infrastructure, Energy and Resources between 2009 and 2012.

Jessica Hall

Jessica Hall is the Executive Director, for the Australian Government's Department of Infrastructure, Transport, Cities and Regional Development. In this role, she is responsible for providing advice on Road Safety, Maritime and Infrastructure Investment. Prior to this, Jessica held a number of senior positions in the infrastructure, science and education portfolios, having worked on economic and social policy issues in the Australian Public service for over 15 years. She has undertaken an Executive program in infrastructure financing at Harvard Kennedy School, and has masters degree in international law and Asian studies.

John Hardwick

John Hardwick is the Executive Director of the Asset Management Branch at Transport for NSW and is responsible for leading and enabling transport service outcomes for customers and communities through effective whole of life asset management. John was previously the Executive Director, Sydney Division for the former Roads and Maritime Services. John has a background of over 30 years in asset management within the electricity and transport industries. He is a graduate of the Australian Institute of Company Directors and serves as a board member for numerous global and Australian asset management

organisations and co-authored the book Living Asset Management. In 2018 John was awarded the MESA medal by the Asset Management Council.

Louise McCormick

B.Eng-Civil Engineering, Dip. Project Management

Louise McCormick is an Executive Engineer, Chartered Fellow and Senior Civil/Structural Engineer with 19 years' experience in the public and private sectors. In 2016, Louise was appointed as the General Manager for Transport and Civil Services Division within the Department of Infrastructure, Planning and Logistics NT. Louise has managed some of the largest transport infrastructure projects in the Territory. She has played an active role in Engineers Australia, and her work has been recognised through industry awards for projects and individual awards including Young Professional Engineer of the Year for the NT in 2007; Winner of the 2010 NT Telstra Business Women's Award for Innovation; National Finalist for the 2010 Telstra Business Women's Award for Innovation.

Robyn Seymour

Robyn Seymour is Deputy Secretary, Network Planning, and Head of Road Safety Victoria both within the Department of Transport (Victoria). Working across all transport modes, in an integrated manner, Robyn is responsible for the Department's outputs on transport strategy, system design and service planning. As inaugural head of Road Safety Victoria, Robyn is leading the consolidation and strengthening of the work of Victoria's road safety partners to reduce the road toll as part of Towards Zero strategy while also developing the next Road Safety Strategy. Robyn has worked in road safety for 20 years and is committed to reducing trauma on the roads. She held a number of senior positions most recently serving as the Chief Executive of VicRoads.

Peter Woronzow

BA (Economics), Grad Dip Public Sector Management, CPA

Peter Woronzow was appointed Managing Director of Main Roads in 2018. In managing the day to day operations of the agency, he draws on extensive experience from roles he has undertaken across the organisation. He manages strategic partnerships and develops strong relationships to deliver successful outcomes for the State. Prior to this appointment he was Executive Director of Finance and Commercial Services and Chief Finance Officer for more than 10 years. Peter is a member of CPA Australia. As Chair of the Australian Road Research Board Group Ltd and Director of Austroads Ltd, he actively contributes to the achievement of strong national transport outcomes.

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

Directors	Directors' Meetings	
	No. of Meetings Attended	No. of Meetings Eligible to Attend
Tony Braxton-Smith	-	3
James Corrigan	-	3
Alexander Foulds	1	1
Matthew Fuller	-	1
Shane Gregory	2	2
Jessica Hall	1	2
John Hardwick	1	1
Louise McCormick	3	3
Neil Scales	2	3
Robyn Seymour	2	2
Gary Swain	1	1
Peter Woronzow	1	3

Alternate Directors	Directors' Meetings	
	No. of Meetings Attended	No. of Meetings Eligible to Attend
Emma Kokar – Alternate Director for Tony Braxton-Smith	3	3
Jeffrey McCarthy – Alternate Director for Matthew Fuller	-	1
Nicholas Papandonakis – Alternate Director for Louise McCormick	-	-
Desmond Snook – Alternate Director for Peter Woronzow	2	2
Nicole Spencer – Alternate Director for Alexander Foulds	-	-
Dennis Walsh – Alternate Director for Neil Scales	-	1

Principal Activities

The company is a national organisation that provides assurance services relating to transport technologies and data to enable improved public purpose outcomes from road transport.

Priority outcome areas enabled by the company's services include improved road safety, transport efficiency, freight productivity, asset management and sustainability.

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

- **Assurance** – provide certification of telematics applications, schemes and associated services and data, development of functional and technical specifications for applications and features of the National Telematics Framework, accreditation of service providers and technology suppliers, type approval of devices and systems, and, auditing of service providers technology suppliers, applications, schemes and associated data.
- **Administration** – administer the National Telematics Framework, including the rules, specifications, agreements and digital infrastructure that it comprises. The company supports applications, schemes and other initiatives on behalf of key stakeholders and maintains road access maps, scheme conditions. It also processes data and information.
- **Analysis and Reporting** – being a trusted national entity that collects, stores and standardises data for aggregation and analysis to support the compliance, policy, planning, investment and operational decision making of key stakeholders. The company manages the Telematics Analytics Platform to support user access to data and reporting services and provide core analysis and reporting capabilities to meet the needs of our key stakeholders.
- **Advice** – provide authoritative information and trusted advice on transport technologies and data to support policy and regulatory reform, and planning. The company has well-developed knowledge on emerging vehicle and transport technologies, including telematics, connected and automated driving systems, and innovative mobility services.

The company interacts with three distinct stakeholder groups in providing services across assurance, administration, advice and analysis and reporting, to deliver improved public outcomes:

- **Government authorities** – that administer policies, regulations and programs using telematics and related technologies

- **Transport operators** – that use telematics and related intelligent technologies in response to government or regulatory policies and programs
- **Service providers and suppliers** – that develop and deliver telematics (and data) products and services products and services to regulated industry sectors and transport operators.

The company's Strategic Plan contains six Strategic Objectives (SOs), which align with and deliver the objectives and strategies of TCA's Members, participants and other stakeholders

SO 1: Enable improved public purpose outcomes from road transport

Collaborate with key stakeholders to ensure that technology and data services are fit-for-purpose and can effectively contribute to desired outcomes. Contribute to policy and regulatory reform initiatives and other relevant projects to ensure that decision making is well informed.

SO 2: Administer an assurance framework that supports multiple assurance models and applications

Ensure availability of telematics applications at levels of assurance that are tailored to stakeholder requirements and are fit for purpose. Develop and evolve assurance services with consideration to supporting contemporary and evolving uses of technology and data.

SO 3: Increase the number and range of vehicles enrolled in telematics applications

Increase the number of vehicles that are enrolled in and contribute data to the National Telematics Framework. Expand the range of enrolled vehicles, including restricted access vehicles and general access vehicles, where appropriate.

SO 4: Develop our digital infrastructure to address emerging data demands and requirements

Evolve our digital infrastructure to support changing demands with data ingestion, storage, analysis and reporting, and to meet evolving security and privacy requirements. Improve user access to data, including de-identified and aggregated analysis and reporting.

SO 5: Provide support for evolving and emerging transport technologies

Improve TCA's readiness to provide services that support evolving and emerging technologies. Develop and maintain relevant knowledge and capabilities, including with connected and automated vehicles (CAVs) and associated Intelligent Transport Systems (ITS).

SO 6: Evolve our business practices and capabilities to meet changing requirements

Continue to develop our staff, including with their knowledge, skills and supporting systems. Partner with key government and industry stakeholders to achieve objectives. Evolve our business practices and funding model to ensure sustainability and resilience.

The above Strategic Objectives are measured on an annual basis against deliverables assigned to projects within the annual work program.

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 amounted to \$1,212,778. This result compares to the budgeted surplus for the year of \$63,701. As at 30 June 2020, the company has net assets of \$3,907,629 (2019: \$2,694,851) including cash reserves of \$3,572,746 (2019: \$2,019,049).

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 \$10 each towards meeting any outstanding liabilities of the company. At 30 June 2020 the number of Members was 1 (2019: 1 member).

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



Gary Swain
Chairperson

5th October 2020



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**Auditor's Independence Declaration
To the Directors of Transport Certification Australia Limited
ABN 83 113 379 936**

In relation to the independent audit for the year ended 30 June 2020, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) No contraventions of APES 110 Code of Ethics for Professional Accountants (including Independence Standards).

This declaration is in respect of Transport Certification Australia Limited during the year.

A handwritten signature in black ink, appearing to read "C Millington".

C MILLINGTON
Partner

PITCHER PARTNERS
Sydney

5 October 2020

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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 2020 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



Gary Swain
Chairperson

5th October 2020

Statement of comprehensive income

for the year ended 30 June 2020

	Note	2020 \$	2019 \$
Revenue	4	6,873,166	6,269,088
Advertising and promotional expenses		(81,687)	(41,320)
Employee benefits expenses		(3,672,167)	(3,853,640)
Depreciation	4	(384,437)	(158,093)
Meeting expenses		(11,052)	(17,052)
Travel and accommodation expenses		(135,026)	(251,768)
Dues and subscriptions expenses		(130,017)	(133,043)
Consulting expenses		(520,878)	(621,437)
Office expenses		(500,974)	(754,955)
Finance cost		(52,713)	-
Other expenses		(171,437)	(207,208)
Surplus for the year		1,212,778	230,572
Other comprehensive income		-	-
Total comprehensive income for the year		1,212,778	230,572
Surplus attributable to member's of the entity		1,212,778	230,572
Total comprehensive surplus attributable to member's of the entity		1,212,778	230,572

Statement of financial position

as at 30 June 2020

	Note	2020 \$	2019 \$
ASSETS			
Current assets			
Cash and cash equivalents	13(a)	3,572,746	2,019,049
Trade and other receivables	5	320,630	544,647
Other current assets	6	424,258	378,233
Total current assets		4,317,634	2,941,929
Non-current assets			
Plant and equipment	7	691,060	807,154
Right-of-use assets	8	700,519	-
Total non-current assets		1,391,579	807,154
Total assets		5,709,213	3,749,083
LIABILITIES			
Current liabilities			
Trade and other payables	9	231,468	349,923
Lease liabilities	8	306,447	-
Other current liabilities	11	91,899	112,682
Provisions	10	287,829	182,572
Total current liabilities		917,643	645,177
Non-current liabilities			
Trade and other payables	9	-	205,963
Lease liabilities	8	639,047	-
Provisions	10	244,894	203,092
Total non-current liabilities		883,941	409,055
Total liabilities		1,801,584	1,054,232
Net assets		3,907,629	2,694,851
EQUITY			
Accumulated surplus		3,907,629	2,694,851
Total equity		3,907,629	2,694,851

Statement of changes in equity

for the year ended 30 June 2020

	Accumulated Surplus	Total
	\$	\$
Balance at 1 July 2018	2,464,279	2,464,279
Surplus for the year	230,572	230,572
Total comprehensive income for the year	-	-
Balance at 30 June 2019	2,694,851	2,694,851
Balance at 1 July 2019	2,694,851	2,694,851
Surplus for the year	1,212,778	1,212,778
Total comprehensive income for the year	-	-
Balance at 30 June 2020	3,907,629	3,907,629

Statement of cash flows

for the year ended 30 June 2020

	Note	2020 \$	2019 \$
Cash flows from operating activities			
Receipts from members, participants, service providers and stakeholders		7,826,326	6,280,350
Payments to suppliers and employees		(5,940,396)	(6,672,555)
Interest received		20,371	32,439
Interest paid - lease		(52,713)	-
Net cash provided by (used in) operating activities	13(b)	1,853,588	(359,766)
Cash flows from investing activities			
Proceeds from sale of plant and equipment		-	31,400
Payments for plant and equipment		(56,521)	(31,535)
Net cash used in investing activities		(56,521)	(135)
Cash flows from financing activities			
Payment of lease liabilities		(243,370)	-
Net cash used in financing activities		(243,370)	-
Net increase (decrease) in cash and cash equivalents		1,553,697	(359,901)
Cash and cash equivalents at the beginning of the financial year		2,019,049	2,378,950
Cash and cash equivalents at the end of the financial year	13(a)	3,572,746	2,019,049

Notes to 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 5th October 2020 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 6 333 Queen Street Melbourne VIC 3000	Level 6 333 Queen Street Melbourne VIC 3000

2. Adoption of new and revised Accounting Standards

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the company:

AASB 16 Leases

The company has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are

separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

In accordance with the transition requirements of AASB 16, the company has elected to apply AASB 16 retrospectively to those contracts that were previously identified as leases under the predecessor standard.

The company has elected to apply the following practical expedients to the measurement of right-of-use assets and lease liabilities in relation to those leases previously classified as operating leases under the predecessor standard:

- to not recognise a right-of-use asset and a lease liability for leases for which the underlying asset is of low value; and
- to not recognise a right-of-use asset and a lease liability for leases for which the lease term ends within 12 months of the date of initial application.

AASB 15 Revenue from Contracts with Customers

The company has adopted AASB 15 from 1 July 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

AASB 1058 Income of Not-for-Profit Entities

The company has adopted AASB 1058 from 1 July 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of

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

income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives. For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the entity satisfies its performance obligation. If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately.

Impact of adoption

AASB 15, AASB 16 and AASB 1058 were adopted using the modified retrospective approach and as such comparatives have not been restated. There was no impact on opening retained surplus as at 1 July 2019. The incremental borrowing rate applied is 5%.

	1 July 2019 \$
Operating lease commitment at 30 June 2019 as disclosed under AASB 117 in the company's financial statements	1,305,094
Adjustment for lease incentives received previously	(269,998)
Discounted using the incremental borrowing rate at 1 July 2019	(116,234)
Right-of-use assets	918,862
Lease liabilities – current	296,084
Lease liabilities – non-current	892,776
Total lease liabilities	1,188,860

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 recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the mandatory disclosure requirements applicable to entities reporting under the Corporations Act 2001. The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

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.

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 2020 6 employees have been employed for 7 years of continuous service (2019: 6).

(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.

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.

For financial assets carried at amortised cost (including loans and receivables), the company recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost or fair value through other comprehensive income. Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The company used the simplified approach to impairment, as applicable under AASB 9.

Simplified Approach

The simplified approach does not require tracking of changes in credit risk in every reporting period, but instead requires the recognition of lifetime expected credit loss at all times. This approach is applicable to trade receivables.

(d) 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.

(e) 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

3. Summary of significant accounting policies (continued)

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.

(f) Income tax

The company is exempt from income tax under Section 50-1 of the Income Tax Assessment Act 1997.

(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.

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) Right-of-use asset

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(i) 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.

(j) Revenue

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company identifies the contract with a customer, identifies the performance obligations in the contract, determines the transaction price which takes into account estimates of variable consideration and the time value of money, allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered, and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined

using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Fees and charges

Fees and charges are recognised over the period to which the provision of services relate.

Contribution revenue

Contribution revenue is recognised at a point in time when received or when the right to receive payment is established.

Grant revenue

Grant funding that contain specific conditions on the use of those funds are recognised as and when the Company satisfies its performance obligations. A contract liability is recognised for unspent grant funds for which a refund obligation exists in relation to the funding period. General grants that do not impose specific performance obligations on the Company are recognised as income when the Company obtains control of those funds, which is usually on receipt.

Interest Income

Interest income is recognised on an accruals basis using the effective interest.

Other Revenue

Other revenue is recognised as income upon receipt of those income.

(k) Accounts Receivable and Other Debtors

Accounts receivable and other debtors will include any outstanding contributions from participants, and outstanding operational fees from IAP Service Providers at the end of the reporting period.

(l) 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.

(m) 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.

(n) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(o) 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, other than stated below, there were no significant or material critical accounting estimates or judgements made by the directors.

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

3. Summary of significant accounting policies (continued)

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the company's operations; comparison of terms and conditions to prevailing market rates; incurrence of

significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

(p) 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. Surplus for the year

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

	2020 \$	2019 \$
Revenue from contracts with customers		
Application fees received from applicants	31,000	86,905
Operational fees	2,993,656	2,463,336
Other revenue		
Contributions received from members and participants	2,350,973	2,195,330
Contributions received from regulators	950,000	950,000
Interest revenue	22,364	32,642
Major projects	475,276	539,354
Other revenue	49,897	1,521
	6,873,166	6,269,088
Depreciation	384,437	158,093

5. Trade and other receivables

	2020 \$	2019 \$
CURRENT		
Trade receivables	320,630	544,647
	320,630	544,647

6. Other current assets

	2020	2019
	\$	\$
Security deposits	71,928	71,928
Prepayments	55,093	51,542
Other	297,237	254,763
	424,258	378,233

7. Plant and equipment

	Work In Progress	Computers	Motor Vehicles	Furniture and fixtures	Plant and equipment	Total
	\$	\$	\$	\$	\$	\$
2020						
At cost	-	837,523	52,769	554,775	599,573	2,044,640
Accumulated depreciation	-	(596,360)	(52,769)	(133,074)	(571,377)	(1,353,580)
Carrying amount at the end of the year	-	241,163	-	421,701	28,196	691,060
2019						
At cost	127,116	819,343	52,769	542,384	633,351	2,174,963
Accumulated depreciation	-	(623,852)	(52,769)	(104,908)	(586,280)	(1,367,809)
Carrying amount at the end of the year	127,116	195,491	-	437,476	47,071	807,154

8. Leases

In the previous year, the company only recognised lease assets and lease liabilities in relation to leases that were classified as 'finance leases' under AASB 117 Leases. The lease for the company's Melbourne office expires 17 September 2023.

(a) Amounts recognised in the Statement of financial position:

	2020	2019
	\$	\$
Right of use assets		
Opening balance as at 1 July 2019	918,862	-
Depreciation charge for the year	(218,343)	-
Carrying amount at end of year	700,519	-
	2020	2019
	\$	\$
Lease liabilities		
Lease liabilities – current	306,447	-
Lease liabilities – non-current	639,047	-
	945,494	-

8. Leases (continued)

(b) Amounts recognised in the Statement of comprehensive income:

	2020 \$	2019 \$
Lease under AASB 16 – interest on lease liabilities	52,713	-
Depreciation expenses on right-of-use assets	218,343	-
Leases under AASB 117 – minimum lease payments	-	286,531

(c) Amounts recognised of cash flows

The total cash outflow for capitalised leases was \$296,083.

(d) Extension options

The lease does have an option to extend for further 4 years. The company does not have an option to purchase the leased premises at the expiry of the rental period.

9. Trade and other payables

	2020 \$	2019 \$
CURRENT		
Trade payables	57,988	86,862
Goods and services payable	70,631	74,930
Other payables	102,849	188,131
	231,468	349,923
NON-CURRENT		
Other Payables	-	205,963
	-	205,963

10. Provisions

	2020 \$	2019 \$
CURRENT		
Employee benefits	287,829	182,572
	287,829	182,572
NON-CURRENT		
Employee benefits	244,894	203,092
	244,894	203,092

11. Other current liabilities

	2020 \$	2019 \$
Accrued expenses	66,899	112,682
Participant payment for services in advance	25,000	-
	91,899	112,682

12. Lease commitments

	2020 \$	2019 \$
Non-cancellable operating lease commitments not capitalised in the financial statements		
Payable – minimum lease payments:		
• not later than one year	-	296,560
• later than one year but not later than five years	-	1,008,534
• later than five years	-	-
	-	1,305,094

The company's operating lease relates to the rental of its office premises at Level 6, 333 Queen Street, Melbourne Victoria. The lease commenced on 18 September 2017 for a lease period of 6 years.

13. 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:

	2020 \$	2019 \$
Cash deposits with Bank	3,572,696	2,018,649
Petty cash	50	400
	3,572,746	2,019,049

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

Surplus for the year	1,212,778	230,572
Non-Cash items:		
Depreciation	384,437	158,093
Net (gain) loss on disposal of property and equipment	6,521	7,019
(Increase)/decrease in assets:		
Trade and other receivables	224,017	(264,261)
Other assets	(46,025)	(44,018)
Increase/(decrease) in liabilities:		
Trade and other payables	(54,416)	(52,883)
Provisions	147,059	(105,919)
Other liabilities	(20,783)	(288,369)
Net cash provided by (used in) operating activities	1,853,588	(359,766)

14. Remuneration of auditors

	2020	2019
	\$	\$
Audit of the financial report	23,500	26,000
Audit services provided for parent company auditor	-	3,000
Other services (taxation) provided by a related division of the auditor	-	7,350
	23,500	36,350

15. Events after the Reporting Date

As at the date of signing these accounts, the global COVID-19 pandemic has resulted in restrictions being placed on the movement, working and social habits of all Australians. The Company will not be immune to the financial impact of the pandemic.

Except for the COVID-19 and subsequent government actions, there has been no matter or circumstance, which has arisen since 30 June 2020 which has significantly affected or which may significantly affect:

1. The operations, in financial years subsequent to 30 June 2020,
2. The results of those operations, or
3. State of affairs, in financial years subsequent to 30 June 2020.

16. Economic dependence

The company is dependant on its participants, being the Commonwealth, state and territory transport government agencies for the majority of its revenue used to operate the business. In the event of any shortfall in the yearly operational budget, the Member and participants may be required to provide additional funding on an ad hoc basis to support the company.

17. 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 participants and maintaining sufficient levels of working capital.

18. Operational surplus/(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.

19. Member 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 \$10 each towards meeting any outstanding liabilities of the company. At 30 June 2020 the number of Members was 1 (2019: 1 member).



Transport Certification Australia Limited
ABN 83 113 379 936

Independent Auditor's Report
To the Members of Transport Certification Australia Limited

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Sydney NSW 2000

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Report on the Audit of the Financial Report

Opinion

We have audited the special purpose financial report of Transport Certification Australia Limited "the Company", which comprises the statement of financial position as at 30 June 2020, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial report of Transport Certification Australia Limited 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 2020 and of its performance for the year then ended; and
- (b) complying with Australian Accounting Standards to the extent described in Note 3, 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 (including Independence Standards)* "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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' 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.

Adelaide Brisbane Melbourne Newcastle Perth Sydney

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Transport Certification Australia Limited
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Independent Auditor's Report
To the Members of Transport Certification Australia Limited

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report and the directors report for the year ended 30 June 2020, but does not include the financial report and the 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 Management and Those Charged with Governance for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to 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 directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a 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 Company's ability to continue as a going concern, disclosing, as applicable, matters relating 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 the 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 Australian Auditing Standards, we exercise 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.
- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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Independent Auditor's Report
To the Members of Transport Certification Australia Limited

- 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.
- 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 those charged with governance 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.

A handwritten signature in black ink that reads "C Millington".

C MILLINGTON
Partner

A handwritten signature in black ink that reads "Pitcher Partners".

PITCHER PARTNERS
Sydney

5 October 2020

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