

# Financial Statements

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Section cover image: Photo taken by RTA staff member Greg Jackson of the Seacliff Bridge.



GPO BOX 12  
Sydney NSW 2001

## INDEPENDENT AUDITOR'S REPORT Roads and Traffic Authority of New South Wales

To Members of the New South Wales Parliament

I have audited the accompanying financial report of the Roads and Traffic Authority of New South Wales (the Authority), which comprises the balance sheets as at 30 June 2009, the operating statements, statements of recognised income and expense, cash flow statements, service group statements and a summary of compliance with financial directives for the year then ended, a summary of significant accounting policies and other explanatory notes for both the Authority and the consolidated entity. The consolidated entity comprises the Authority and the entities it controlled at the year's end or from time to time during the financial year.

### Auditor's Opinion

In my opinion, the financial report:

- presents fairly, in all material respects, the financial position of the Authority and the consolidated entity as at 30 June 2009, and of their financial performance for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- is in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005

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

### Chief Executive's Responsibility for the Financial Report

The Chief Executive is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the PF&A Act. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Chief Executive, as well as evaluating the overall presentation of the financial report.

## Independent audit report (page 2)

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

My opinion does *not* provide assurance:

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

### Independence

In conducting this audit, the Audit Office of New South Wales has complied with the independence requirements of the Australian Auditing Standards and other relevant ethical requirements. The PF&A Act further promotes independence by:

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



Peter Achterstraat  
Auditor-General

20 October 2009  
SYDNEY



# Statement by the Chief Executive and the Director, Finance and Performance

## ROADS AND TRAFFIC AUTHORITY

YEAR ENDED 30 JUNE 2009

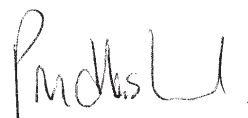
Pursuant to Section 41C (1B) and (1C) of the Public Finance and Audit Act 1983, we declare that in our opinion:

1. The accompanying financial statements exhibit a true and fair view of the Authority's financial position as at 30 June 2009 and financial performance for the year then ended
2. The statements have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2005, the Treasurer's Directions and the directives of the Financial Reporting Code.

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



Michael Bushby  
Chief Executive  
9 October 2009



Paul Hesford  
Director, Finance and Performance  
9 October 2009

## Operating statement for the year ended 30 June 2009

	Notes	Consolidated			Parent	
		Budget 2009 \$'000	Actual 2009 \$'000	Actual 2008 \$'000	Actual 2009 \$'000	Actual 2008 \$'000
<b>Expenses excluding losses</b>						
Operating Expenses						
– Employee related	2(a)	478,871	533,543	503,811	886,395	639,033
– Other operating expenses	2(b)	437,670	403,477	287,085	403,477	287,085
Maintenance	2(b)	756,754	694,771	671,304	694,771	671,304
Depreciation and amortisation	2(c)	838,639	853,456	836,429	853,456	836,429
Grants and subsidies	2(d)	99,906	345,160	281,022	345,160	281,022
Finance costs	2(e)	55,932	102,535	111,813	102,535	111,813
<b>Total Expenses excluding losses</b>		<b>2,667,772</b>	<b>2,932,942</b>	<b>2,691,464</b>	<b>3,285,794</b>	<b>2,826,686</b>
Revenue						
Sales of goods and services	3(a)	361,632	386,317	389,606	386,317	389,606
Investment revenue	3(b)	13,385	10,027	15,352	10,027	15,352
Grants and contributions	3(c)	21,696	47,707	190,334	47,707	190,334
Other revenue	3(d)	157,829	112,687	104,275	112,687	104,275
<b>Total Revenue</b>		<b>554,542</b>	<b>556,738</b>	<b>699,567</b>	<b>556,738</b>	<b>699,567</b>
Gain on disposal	4(a)	229	1,213	15,692	1,213	15,692
Other losses	4(b)	(1,000)	(34,024)	(157,859)	(34,024)	(157,859)
<b>Net Cost of Services</b>	<b>26</b>	<b>2,114,001</b>	<b>2,409,015</b>	<b>2,134,064</b>	<b>2,761,867</b>	<b>2,269,286</b>
Government Contributions						
Recurrent appropriation	5	1,591,128	1,578,527	1,421,222	1,578,527	1,421,222
Capital appropriation	5	2,144,554	2,144,518	1,780,807	2,144,518	1,780,807
<b>Total Government Contributions</b>		<b>3,735,682</b>	<b>3,723,045</b>	<b>3,202,029</b>	<b>3,723,045</b>	<b>3,202,029</b>
<b>SURPLUS FOR THE YEAR</b>	<b>18</b>	<b>1,621,681</b>	<b>1,314,030</b>	<b>1,067,965</b>	<b>961,178</b>	<b>932,743</b>

The accompanying notes form part of these financial statements.

## Statement of recognised income and expense for the year ended 30 June 2009\*\*\*

	Notes	Consolidated			Parent	
		Budget 2009 \$'000	Actual 2009 \$'000	Actual 2008 \$'000	Actual 2009 \$'000	Actual 2008 \$'000
Net increase in asset revaluation reserve	18	-	6,931,949	4,766,164	6,931,949	4,766,164
Superannuation actuarial losses	18	-	(352,852)	(135,222)	-	-
<b>Total income and expense recognised directly in equity</b>		<b>-</b>	<b>6,579,097</b>	<b>4,630,942</b>	<b>6,931,949</b>	<b>4,766,164</b>
Surplus for the Year	18	1,621,681	1,314,030	1,067,965	961,178	932,743
<b>Total income and expense recognised for the year</b>		<b>1,621,681</b>	<b>7,893,127</b>	<b>5,698,907</b>	<b>7,893,127</b>	<b>5,698,907</b>
<b>Effect of change in accounting policies and correction of errors</b>						
Accumulated Funds	28	-	-	(417,408)	-	(417,408)
Reserves	28	-	-	(2,696,430)	-	(2,696,430)
		-	-	(3,113,838)	-	(3,113,838)

The accompanying notes form part of these financial statements.

## Balance sheet as at 30 June 2009

	Notes	Consolidated			Parent	
		Budget 2009 \$'000	Actual 2009 \$'000	Actual 2008 \$'000	Actual 2009 \$'000	Actual 2008 \$'000
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	8	206,219	186,179	179,958	186,179	179,958
Receivables	9(a)	129,655	147,560	129,655	147,560	129,655
Inventories		10,245	10,715	10,245	10,715	10,245
		346,119	344,454	319,858	344,454	319,858
Non-current assets held for sale	12	71,122	40,893	71,122	40,893	71,122
<b>Total Current Assets</b>		<b>417,241</b>	<b>385,347</b>	<b>390,980</b>	<b>385,347</b>	<b>390,980</b>
<b>Non-Current Assets</b>						
Other financial assets	9(b)	106,527	108,529	98,402	108,529	98,402
<b>Property, Plant and Equipment</b>						
– Land and Buildings	10(a)	2,939,852	2,996,887	2,890,778	2,996,887	2,890,778
– Plant and Equipment	10(b)	147,779	161,478	140,279	161,478	140,279
– Infrastructure Systems	10(c)	79,000,347	85,723,210	77,726,966	85,723,210	77,726,966
Total property, plant and equipment		82,087,978	88,881,575	80,758,023	88,881,575	80,758,023
Intangible assets	11(b)	16,160	30,788	19,599	30,788	19,599
Private Sector Provided Infrastructure	11(a)	580,266	539,105	448,419	539,105	448,419
<b>Total Non-Current Assets</b>		<b>82,790,931</b>	<b>89,559,997</b>	<b>81,324,443</b>	<b>89,559,997</b>	<b>81,324,443</b>
<b>Total Assets</b>		<b>83,208,172</b>	<b>89,945,344</b>	<b>81,715,423</b>	<b>89,945,344</b>	<b>81,715,423</b>
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Payables	13	551,601	609,710	551,601	1,386,704	955,840
Borrowings	14	141,401	140,548	141,306	140,548	141,306
Provisions	16	219,213	237,469	213,493	-	-
Other	17	139,139	144,273	138,008	139,224	134,968
<b>Total Current Liabilities</b>		<b>1,051,354</b>	<b>1,132,000</b>	<b>1,044,408</b>	<b>1,666,476</b>	<b>1,232,114</b>
<b>Non-Current Liabilities</b>						
Borrowings	14	1,229,488	1,246,492	1,311,218	1,246,492	1,311,218
Provisions	16	187,693	534,476	187,706	-	-
Other	17	333,924	357,793	366,730	357,793	366,730
<b>Total Non-Current Liabilities</b>		<b>1,751,105</b>	<b>2,138,761</b>	<b>1,865,654</b>	<b>1,604,285</b>	<b>1,677,948</b>
<b>Total Liabilities</b>		<b>2,802,459</b>	<b>3,270,761</b>	<b>2,910,062</b>	<b>3,270,761</b>	<b>2,910,062</b>
<b>Net Assets</b>		<b>80,405,713</b>	<b>86,674,583</b>	<b>78,805,361</b>	<b>86,674,583</b>	<b>78,805,361</b>
<b>EQUITY</b>						
Reserves	18	35,025,304	41,837,842	35,053,304	41,837,842	35,053,304
Accumulated Funds	18	45,380,409	44,836,741	43,752,057	44,836,741	43,752,057
<b>Total Equity</b>		<b>80,405,713</b>	<b>86,674,583</b>	<b>78,805,361</b>	<b>86,674,583</b>	<b>78,805,361</b>

The accompanying notes form part of these financial statements.



## Cash flow statement for the year ended 30 June 2009

	Notes	Consolidated			Parent	
		Budget 2009 \$'000	Actual 2009 \$'000	Actual 2008 \$'000	Actual 2009 \$'000	Actual 2008 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
<b>Payments</b>						
Employee related		(473,164)	(530,391)	(491,540)	(530,391)	(491,540)
Grants and subsidies		(100,716)	(232,511)	(214,937)	(232,511)	(214,937)
Finance costs		(53,769)	(101,882)	(115,549)	(101,882)	(115,549)
Other		(1,445,031)	(1,348,001)	(1,223,336)	(1,348,001)	(1,223,336)
<b>Total Payments</b>		<b>(2,072,680)</b>	<b>(2,212,785)</b>	<b>(2,045,362)</b>	<b>(2,212,785)</b>	<b>(2,045,362)</b>
<b>Receipts</b>						
Sale of goods and services		365,036	427,637	425,124	427,637	425,124
Interest received		13,385	10,305	15,416	10,305	15,416
Other		254,891	348,396	277,748	348,396	277,748
<b>Total Receipts</b>		<b>633,312</b>	<b>786,338</b>	<b>718,288</b>	<b>786,338</b>	<b>718,288</b>
<b>Cash Flows from Government</b>						
Recurrent appropriation		1,591,128	1,578,527	1,421,222	1,578,527	1,421,222
Capital appropriation		2,144,554	2,144,518	1,780,807	2,144,518	1,780,807
<b>Net Cash Flows from Government</b>		<b>3,735,682</b>	<b>3,723,045</b>	<b>3,202,029</b>	<b>3,723,045</b>	<b>3,202,029</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>26</b>	<b>2,296,314</b>	<b>2,296,598</b>	<b>1,874,955</b>	<b>2,296,598</b>	<b>1,874,955</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Proceeds from sale of Land and Buildings, Plant and Equipment and Infrastructure Systems		43,445	48,647	52,476	48,647	52,476
Purchases of Land and Buildings, Plant and Equipment and Infrastructure Systems		(2,228,700)	(2,263,412)	(1,847,442)	(2,263,412)	(1,847,442)
Other		(1,000)	-	-	-	-
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>(2,186,255)</b>	<b>(2,214,765)</b>	<b>(1,794,966)</b>	<b>(2,214,765)</b>	<b>(1,794,966)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Payment of finance lease liabilities		-	(20,684)	(16,489)	(20,684)	(16,489)
Repayment of borrowings and advances		(83,798)	(54,928)	(76,684)	(54,928)	(76,684)
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>(83,798)</b>	<b>(75,612)</b>	<b>(93,173)</b>	<b>(75,612)</b>	<b>(93,173)</b>
<b>NET INCREASE/(DECREASE) IN CASH</b>		<b>26,261</b>	<b>6,221</b>	<b>(13,184)</b>	<b>6,221</b>	<b>(13,184)</b>
Opening cash and cash Equivalents		179,958	179,958	193,142	179,958	193,142
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>8</b>	<b>206,219</b>	<b>186,179</b>	<b>179,958</b>	<b>186,179</b>	<b>179,958</b>

The accompanying notes form part of these financial statements.

## Service group statements expenses and income for the year ended 30 June 2009\*\*\*

	Road Development*		Road Management*		Road Use*		M4/M5 Cashback Scheme*		Not Attributable		Total	
	Actual 2009	Actual 2008	Actual 2009	Actual 2008	Actual 2009	Actual 2008	Actual 2009	Actual 2008	Actual 2009	Actual 2008	Actual 2009	Actual 2008
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Expenses excluding losses</b>												
Operating expenses												
– Employee related	12,865	11,043	236,612	200,301	281,158	288,012	2,908	4,455	-	-	533,543	503,811
– Other Operating expenses	-	-	106,060	90,165	192,815	100,802	104,602	96,118	-	-	403,477	287,085
Maintenance	-	-	694,771	671,304	-	-	-	-	-	-	694,771	671,304
Depreciation and amortisation	-	-	842,427	826,155	11,029	10,274	-	-	-	-	853,456	836,429
Grants and subsidies	-	-	333,594	270,953	11,566	10,069	-	-	-	-	345,160	281,022
Finance costs	-	-	102,535	111,813	-	-	-	-	-	-	102,535	111,813
<b>Total Expenses excluding losses</b>	<b>12,865</b>	<b>11,043</b>	<b>2,315,999</b>	<b>2,170,691</b>	<b>496,568</b>	<b>409,157</b>	<b>107,510</b>	<b>100,573</b>	<b>-</b>	<b>-</b>	<b>2,932,942</b>	<b>2,691,464</b>
<b>Revenue</b>												
Sale of goods and services	-	-	123,005	137,253	263,312	252,353	-	-	-	-	386,317	389,606
Investment revenue	-	-	2,507	3,839	7,520	11,513	-	-	-	-	10,027	15,352
Grants and contributions	14,794	13,775	31,096	168,307	1,817	8,252	-	-	-	-	47,707	190,334
Other revenue	-	-	112,687	104,275	-	-	-	-	-	-	112,687	104,275
<b>Total Revenue</b>	<b>14,794</b>	<b>13,775</b>	<b>269,295</b>	<b>413,674</b>	<b>272,649</b>	<b>272,118</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>556,738</b>	<b>699,567</b>
Gain/(Loss) on disposal	-	-	1,269	15,692	(56)	-	-	-	-	-	1,213	15,692
Other gains/(losses)	-	-	(31,754)	(157,836)	(2,270)	(23)	-	-	-	-	(34,024)	(157,859)
<b>Net Cost of Services</b>	<b>(1,929)</b>	<b>(2,732)</b>	<b>2,077,189</b>	<b>1,899,161</b>	<b>226,245</b>	<b>137,062</b>	<b>107,510</b>	<b>100,573</b>	<b>-</b>	<b>-</b>	<b>2,409,015</b>	<b>2,134,064</b>
Government contributions**	-	-	-	-	-	-	-	-	3,723,045	3,202,029	3,723,045	3,202,029
<b>NET EXPENDITURE/ (INCOME) FOR THE YEAR</b>	<b>(1,929)</b>	<b>(2,732)</b>	<b>2,077,189</b>	<b>1,899,161</b>	<b>226,245</b>	<b>137,062</b>	<b>107,510</b>	<b>100,573</b>	<b>(3,723,045)</b>	<b>(3,202,029)</b>	<b>(1,314,030)</b>	<b>(1,067,965)</b>

ADMINISTERED INCOME	Road Development*		Road Management*		Road Use*		M4/M5 Cashback Scheme*		Not Attributable		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Administered Income</b>												
Transfer receipts	-	-	-	-	-	-	-	-	-	-	-	-
Consolidated Fund												
– Taxes, fees and fines	-	-	-	-	-	-	-	-	435,593	403,547	435,593	403,547
– Other	-	-	-	-	-	-	-	-	573,041	631,167	573,041	631,167
<b>Total Administered Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,008,634</b>	<b>1,034,714</b>	<b>1,008,634</b>	<b>1,034,714</b>

\* The description and objectives of each activity are summarised in Note 7.

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

\*\*\* NSW Budget Paper No. 3 has replaced program statements with service group statements. Service group statements focus on the key measures of service delivery performance. The RTA's former program structure correlates exactly to the new service group structure.

## Service group statements assets and liabilities for the year ended 30 June 2009

	Road Development*		Road Management*		Road Use*		M4/M5 Cashback Scheme*		Not Attributable		Total	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<b>Current Assets</b>												
Cash and cash equivalents	-	-	46,545	44,990	139,634	134,968	-	-	-	-	186,179	179,958
Receivables	9,948	13,211	112,237	92,621	24,912	23,209	463	614	-	-	147,560	129,655
Inventories	-	-	10,179	9,733	536	512	-	-	-	-	10,715	10,245
Non-current assets held for sale	-	-	40,878	71,097	15	25	-	-	-	-	40,893	71,122
<b>Total Current Assets</b>	<b>9,948</b>	<b>13,211</b>	<b>209,839</b>	<b>218,441</b>	<b>165,097</b>	<b>158,714</b>	<b>463</b>	<b>614</b>	<b>-</b>	<b>-</b>	<b>385,347</b>	<b>390,980</b>
<b>Non-Current Assets</b>												
Other financial assets	-	-	108,529	98,402	-	-	-	-	-	-	108,529	98,402
<b>Property, Plant and Equipment</b>												
– Land and Buildings	-	-	2,642,612	2,558,525	354,275	332,253	-	-	-	-	2,996,887	2,890,778
– Plant and Equipment	-	-	40,888	32,079	120,590	108,200	-	-	-	-	161,478	140,279
– Infrastructure Systems	2,836,719	1,880,882	82,852,721	75,823,693	33,770	22,391	-	-	-	-	85,723,210	77,726,966
Total Property, Plant and Equipment	2,836,719	1,880,882	85,536,221	78,414,297	508,635	462,844	-	-	-	-	88,881,575	80,758,023
Intangible assets	-	-	7,697	4,900	23,091	14,699	-	-	-	-	30,788	19,599
Other	-	-	539,105	448,419	-	-	-	-	-	-	539,105	448,419
<b>Total Non-Current Assets</b>	<b>2,836,719</b>	<b>1,880,882</b>	<b>86,191,552</b>	<b>78,966,018</b>	<b>531,726</b>	<b>477,543</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>89,559,997</b>	<b>81,324,443</b>
<b>TOTAL ASSETS</b>	<b>2,846,667</b>	<b>1,894,093</b>	<b>86,401,391</b>	<b>79,184,459</b>	<b>696,823</b>	<b>636,257</b>	<b>463</b>	<b>614</b>	<b>-</b>	<b>-</b>	<b>89,945,344</b>	<b>81,715,423</b>
<b>Current Liabilities</b>												
Payables	243,099	254,000	174,215	148,170	192,346	149,371	50	60	-	-	609,710	551,601
Borrowings	-	-	139,515	140,331	1,033	975	-	-	-	-	140,548	141,306
Provisions	-	-	125,071	112,720	111,356	98,621	1,042	2,152	-	-	237,469	213,493
Other	-	-	25,720	27,833	118,477	110,129	76	46	-	-	144,273	138,008
<b>Total Current Liabilities</b>	<b>243,099</b>	<b>254,000</b>	<b>464,521</b>	<b>429,054</b>	<b>423,212</b>	<b>359,096</b>	<b>1,168</b>	<b>2,258</b>	<b>-</b>	<b>-</b>	<b>1,132,000</b>	<b>1,044,408</b>
<b>Non-Current Liabilities</b>												
Borrowings	-	-	1,246,492	1,311,218	-	-	-	-	-	-	1,246,492	1,311,218
Provisions	-	-	282,022	99,484	250,780	87,779	1,674	443	-	-	534,476	187,706
Other	-	-	354,727	366,730	3,066	-	-	-	-	-	357,793	366,730
<b>Total Non-Current Liabilities</b>	<b>-</b>	<b>-</b>	<b>1,883,241</b>	<b>1,777,432</b>	<b>253,846</b>	<b>87,779</b>	<b>1,674</b>	<b>443</b>	<b>-</b>	<b>-</b>	<b>2,138,761</b>	<b>1,865,654</b>
<b>TOTAL LIABILITIES</b>	<b>243,099</b>	<b>254,000</b>	<b>2,347,762</b>	<b>2,206,486</b>	<b>677,058</b>	<b>446,875</b>	<b>2,842</b>	<b>2,701</b>	<b>-</b>	<b>-</b>	<b>3,270,761</b>	<b>2,910,062</b>
<b>NET ASSETS</b>	<b>2,603,568</b>	<b>1,640,093</b>	<b>84,053,629</b>	<b>76,977,973</b>	<b>19,765</b>	<b>189,382</b>	<b>(2,379)</b>	<b>(2,087)</b>	<b>-</b>	<b>-</b>	<b>86,674,583</b>	<b>78,805,361</b>

\* The description and objectives of each activity are summarised in Note 7.

## Summary of compliance with financial directives for the year ended 30 June 2009

	2009				2008			
	Recurrent Appropriation	Expenditure/ net claim on consolidated fund	Capital Appropriation	Expenditure/ net claim on consolidated fund	Recurrent Appropriation	Expenditure/ net claim on consolidated fund	Capital Appropriation	Expenditure/ net claim on consolidated fund
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Original Budget Appropriation/ Expenditure</b>								
Appropriation Act	1,536,128	1,523,361	2,115,154	2,115,118	1,429,711	1,406,402	1,828,911	1,775,307
s26 PF&AA – Commonwealth specific purpose payments	55,000	55,000	29,400	29,400	-	-	(51,399)	-
<b>Other Appropriations/Expenditure</b>								
Treasurer's advance	166	166	-	-	9,820	9,820	5,500	5,500
Section 22A(2) – Motor Vehicle Taxation Act (hypothecation of motor vehicle tax)	-	-	-	-	5,000	5,000	-	-
Transfers to/from another agency (s31 of the Appropriation Act)	(3,522)	-	-	-	(129)	-	-	-
Other adjustments	(1,325)	-	-	-	-	-	-	-
<b>Total Appropriations/ Expenditure/Net Claim on Consolidated Fund (includes transfer payments)</b>	<b>1,586,447</b>	<b>1,578,527</b>	<b>2,144,554</b>	<b>2,144,518</b>	<b>1,444,402</b>	<b>1,421,222</b>	<b>1,783,012</b>	<b>1,780,807</b>
<b>Amount drawn down against Appropriation</b>		1,578,527		2,144,518		1,421,222		1,780,807
<b>Liability to Consolidated Fund</b>		-		-		-		-

The summary of Compliance is based on the assumption that Consolidated Fund monies are spent first.

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

Liability to Consolidated Fund represents the difference between the 'Amount drawn down against Appropriation' and the 'Total Appropriations/Expenditure/Net Claim on Consolidated Fund'.

# Notes to and forming part of the Financial Statements of the Roads and Traffic Authority for the Year Ended 30 June 2009

## 1. Summary of significant accounting policies

### (a) Reporting Entity

The Roads and Traffic Authority (the RTA) was established in 1989 under the *Transport Administration Act 1988*. The Authority comprises all the entities under its control and it reports on the following transactions:

#### Roads and Traffic Authority

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

#### Roads and Traffic Authority Division (The Division)

The Division was established on 17 March 2006 pursuant to Part 2 of Schedule I of the *Public Sector Employment and Management Act 2002*. The Division's objective is to provide the personnel services to the RTA.

The accounts of the RTA are consolidated as part of the NSW Total State Sector Accounts.

The RTA is a not-for-profit reporting entity for accounting purposes and it has no cash generating units.

This consolidated financial report for the year ended 30 June 2009 has been authorised for issue by the Audit and Risk Committee on 9 October 2009.

### (b) Basis of Preparation

The RTA's consolidated financial report is a general purpose financial report which has been prepared in accordance with:

- Applicable Australian Accounting Standards (which include Australian Accounting Interpretations),
- The requirements of the *Public Finance and Audit Act 1983* and Regulation; and
- The Financial Reporting Directions published in the Financial Reporting Code (FRC) for Budget Dependent General Government Sector Agencies or issued by the Treasurer under Section 9(2) (n) of the *Public Finance and Audit Act 1983*.

In the event of any inconsistency between accounting standards and legislative requirements, the latter prevails.

Property, plant and equipment, assets (or disposal groups) held for sale and financial assets at 'fair value through profit or loss' and available for sale are measured at fair value. Other financial report items are prepared in accordance with the historical cost convention.

Cost is based on the fair value of the consideration given in exchange for assets.

Judgements, estimates and associated assumptions made by management about carrying values of assets and liabilities are disclosed in the relevant notes to the financial statements.

Unless otherwise stated, all amounts are rounded to the nearest one thousand dollars (\$'000) and are expressed in Australian currency.

The Accounting policies set out below have, except where stated, been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by the consolidated and parent entities.

Certain comparatives amounts have been reclassified to conform with the restatement of the accounting policies for the Sydney Harbour Tunnel (refer to note 28 for further details) and superannuation actuarial gains and losses (refer to note 1(x) for further details).

## (c) Principles of consolidation

This financial report has been consolidated in accordance with Australian Accounting Standard AASB 127 *Consolidated and Separate Financial Statements* and includes the assets, liabilities, equities, revenues and expenses of the RTA including those entities controlled by the RTA.

The Division is a controlled entity of the RTA. Control is achieved when one entity has the power to govern the financial and operating policies of another entity.

AASB & Interpretations	AASB Standards & Interpretations
AASB 101	AASB101 <i>Presentation of Financial Statements</i> and 2007-8 Amendments to Australian Accounting Standards arising from AASB 101 (1 January 2009)
AASB 123	AASB 123 <i>Borrowing Costs</i> and 2007-6 Amendments to Australian Accounting Standards arising from AASB123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12] (1 January 2009)
AASB 3	AASB 3 <i>Business Combinations</i> and 2008-3 Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 and 2008-11 Amendments to Australian Accounting Standard – Business Combinations among Not-for-Profit Entities [AASB 3] (1 July 2009)
AASB 127	AASB 127 <i>Consolidated and Separate Financial Statements</i> (1 July 2009)
AASB 2007-10	AASB 2007-10 Further Amendments to Australian Accounting Standards arising from AASB 101 (1 January 2009)
AASB 2008-5	AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 7, 101, 102, 107, 108, 110, 116, 118, 119, 120, 123, 127, 128, 129, 131, 132, 134, 136, 138, 139, 140, 141, 1023 & 1038] (1 January 2009)
AASB 2008-6	AASB 2008-6 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1 and AASB 5] (1 July 2009)
AASB 2008-8	AASB 2008-8 Amendments to Australian Accounting Standards – Eligible Hedged Items [AASB 139] (1 July 2009)
AASB 2008-13	AASB 2008-13 Amendments to Australian Accounting Standards arising from AASB Interpretation 17 – Distributions of Non-cash Assets to Owners [AASB 5 and AASB 10] (1 July 2009)

It is considered that the adoption of these Standards and Interpretations in future periods will have no material financial impact on the financial statements of the RTA.

In the process of preparing the consolidated financial report for the economic entity consisting of the controlling and controlled entities, all inter-entity transactions and balances have been eliminated.

## (d) New Australian accounting standards and interpretations

The RTA did not early adopt any new accounting standards that are not yet effective.

The following new Accounting Standards and Interpretations have not yet been adopted and are not effective as at 30 June 2009:

AASB & Interpretations	AASB Standards & Interpretations
AASB 2009-1	AASB 2009-1 Amendments to Australian Accounting Standards – Borrowing Costs of Not-for-Profit Public Sector Entities [AASB 1, AASB 111 & AASB 123] (Operative for periods beginning on or after 1 January 2009 that end on or after 30 April 2009)
AASB 2009-2	AASB 2009-2 Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments [AASB 4, AASB 7, AASB 1023 & AASB 1038] (Operative for periods beginning on or after 1 January 2009 that end on or after 30 April 2009)
AASB 2009-3	AASB 2009-3 Amendments to Australian Accounting Standards – Embedded Derivatives [AASB 139 & Interpretation 9] (Ending 30 June 2009)
AASB 2009-4	AASB 2009-4 Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16] (1 July 2009)
AASB 2009-5	AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139] (1 January 2010)
AASB 2009-6	AASB 2009-6 Amendments to Australian Accounting Standards (Operative for periods beginning on or after 1 Jan 2009 that end on or after 30 June 2009)
AASB 2009-7	AASB 2009-7 Amendments to Australian Accounting Standards [AASB 5, 7, 107, 112, 136 & 139 and Interpretation 17] (1 July 2009)
Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities (1 January 2009)
Interpretation 12	Service Concession Arrangements (1 January 2009)
Interpretation 18	Interpretation 18 Transfers of Assets from Customers (ending 1 July 2009)



## (e) Service groups

AASB 1052 Disaggregated Disclosures requires agencies to disclose financial information about service costs and achievements on an activity basis. RTA discloses expenses and income in the operating statement that can be attributable to each of the major service activities. It also discloses the assets deployed and liabilities incurred that are reliably attributable to their activities. Attributions were primarily based on specific service groups general ledger program codes. Government contributions are disclosed in the "Not Attributable" column.

## (f) Administered activities

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

Transactions and balances relating to the administered activities are not recognised as the Authority's income, expenses, assets and liabilities, but are disclosed in the accompanying schedules as "Administered Income" and "Administered Assets and Liabilities" in accordance with AASB 1050 Administered Items.

Expenses incurred in collecting monies on behalf of the Crown Entity are recognised as the RTA's expenses and are reported within the Road Use.

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

## (g) Income recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Income is recognised in accordance with AASB 118 Revenue when the Authority has control of the good or right to receive, it is probable that the economic benefits will flow to the Authority and the amount of the income can be measured reliably. The accounting policies for the recognition of income are discussed below:

### (i) Parliamentary appropriations and contributions

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

Unspent appropriations at year end are recognised as liabilities as the authority to spend the money lapses and the unspent amount must be repaid to the Consolidated Fund.

### (ii) Sale of goods and rendering of services

Revenue from the sale of goods is recognised when the agency transfers the significant risks and rewards of ownership of the assets. User charges are recognised as revenue when the RTA obtains control of the assets that result from them.

Revenue from the rendering of services is recognised when the service is provided or by reference to the stage of completion.

### (iii) Rental income

Rental income is recognised as revenue on an accrual basis, in accordance with AASB117 *Leases* on a straight-line basis over the lease term.

### (iv) Investment revenue

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

### (v) Gains and losses (in the operating statement)

Gains and losses generally arise from adjustments to the measurement of assets and liabilities. They include gains and losses on asset disposals and fair value adjustments to physical and financial assets.

### (vi) Emerging interests in Private Sector Provided Infrastructure (PSPI) projects

The value of the emerging right to receive the PSPI asset is treated as the compound value of an annuity that accumulates as a series of equal annual receipts together with a calculated notional compound interest. The discount rate used is the NSW TCorp 10-year government bond at the commencement of the concession period.

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

### (vii) Amortisation of deferred revenue on PSPI projects

Reimbursement of development costs in the form of up front cash payments are treated as deferred revenue with an annual amortisation amount recognised over the life of the concession period.

## (h) Employee benefits and other provisions

### (i) Salaries and wages, annual leave, sick leave and on-costs

Liabilities for salaries and wages (including non-monetary benefits), annual leave and paid sick leave that fall due wholly within 12 months of the reporting date are recognised and measured in respect of employees' services up to the reporting date where it is probable that settlement will be required and where they are capable of being measured reliably on an undiscounted basis.

Long-term annual leave that is not expected to be taken within 12 months is measured at present value in accordance with AASB 119 *Employee Benefits*. Market yields on government bonds are used to discount long-term annual leave.

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

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

### (ii) Long service leave and superannuation

The RTA is responsible for the long service leave liability for employees with five or more years of service and all superannuation liabilities. These liabilities are recognised in the Balance Sheet. The long service leave is measured at present value in accordance with AASB 119 *Employee Benefits*. This is based on the application of the valuation ratio at the 10 year Commonwealth government bond rate at the reporting date to employees with five or more years of service, using current rates of pay. This ratio is determined based on an actuarial review to approximate present value.

In accordance with AASB 101 *Presentation of Financial Statements*, all annual leave and unconditional long service leave are classified as current liabilities, even where the authority does not expect to settle the liability within 12 months. This does not necessarily align with the distinction between short-term and long-term employee benefits under AASB 119 *Employee Benefits*.

### Defined contribution plans

Contributions to defined contribution superannuation plans are expensed when incurred.

### Defined benefit plans

For defined benefit plans, the actuarial valuations are carried out at each reporting date by Pillar Administration and the actuarial superannuation gains and losses are recognised outside profit and loss in the Statement of Recognised Income and Expense in the period in which they occur as per NSW Treasury's mandate.

The defined benefit position recognised in the balance sheet represents the present value of the defined benefit obligation, adjusted for unrecognised past service costs, net of the fair value of the plan assets.

### (iii) Other provisions

Other provisions exist when, the RTA has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

Any provisions for restructuring are recognised only when an agency has a detailed formal plan and the agency has raised a valid expectation in those affected by the restructuring that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected.

If the effect of the time value of money is material, provisions are discounted at 5.50%, which is a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability.

### (i) Borrowing costs

Borrowing costs are recognised as expenses in the period in which they are incurred, in accordance with Treasury's Mandate to general government sector agencies.

### (j) Insurance

The RTA's insurance activities are conducted through the NSW Treasury Managed Fund Scheme. The expense (premium) is determined by the Fund Manager based on past claim experience. CTP Insurance is arranged with a private sector provider by NSW Treasury.

The RTA, from October 2001, introduced a Principal Arranged Insurance Scheme, which provides cover for all parties involved in its construction projects and the premium is amortised over the term of the contract.

## (k) Accounting for the Goods and Services Tax (GST)

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

- The amount of GST incurred by the RTA as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of the cost of acquisition of an asset or as part of an item of expense.
- Receivables, payables, accruals and commitments are stated with the amount of GST included.
- Cash flows are included in the cash flow statement on a gross basis. However, the GST components of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

## (l) Asset management policy

### Acquisition of assets

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the RTA. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

The cost of assets constructed for own use includes the cost of materials, direct labour and foreign exchange gains and losses arising during construction as well as an appropriate proportion of variable and fixed overhead costs that can be reliably attributed to the assets.

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

Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

### Capitalisation thresholds

Property, plant and equipment and intangible assets costing above \$10,000 individually or forming part of a network costing more than \$10,000 are capitalised. Some computer equipment and intangible assets costing above \$1,000 are capitalised.

## Valuation and depreciation

Physical non-current assets are valued in accordance with the 'Valuation of Physical Non-Current Assets at Fair Value' Policy and Guidelines Paper (TPP 07-01). This policy adopts fair value in accordance with AASB 116 *Property, Plant and Equipment*.

Property, plant and equipment is measured on an existing use basis, where there are no feasible alternative uses in the existing natural, legal, financial and socio-political environment. However, in the limited circumstances where there are feasible alternative uses, assets are valued at their highest and best use.

Fair value of property, plant and equipment is determined based on the best available market evidence, including current market selling prices for the same or similar assets. Where there is no available market evidence, the asset's fair value is measured at its market buying price, the best indicator of which is depreciated replacement cost.

The RTA revalues each class of property, plant and equipment at least every five years or with sufficient regularity to ensure the carrying amount of each asset in the class does not differ materially from its fair value at reporting date.

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

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

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

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

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

As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

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

## Impairment of property, plant and equipment

As a not-for-profit entity with no cash generating units, the Authority is effectively exempted from AASB 136 *Impairment of Assets* and impairment testing. This is because AASB 136 modifies the recoverable amount test to the higher of fair value less costs to sell and depreciated replacement cost. This means that, for an asset already measured at fair value, impairment can only arise if selling costs are material. Selling costs are regarded as immaterial.

### (i) Plant and Equipment

Asset	Valuation Policy	Depreciation Policy
Plant, Equipment and Vehicles	Depreciated historical cost	Depreciated on the straight-line method over the estimated useful life of between 5 and 20 years
Computer Hardware	Depreciated historical cost	Depreciated on the straight-line method over the estimated useful life of between 3 and 5 years
Electronic Office Equipment	Depreciated historical cost	Depreciated on the straight-line method over the estimated useful life of 10 years

The carrying amount is considered to reflect the fair value of these assets.

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

Estimates of useful life for depreciation and amortisation purposes have been determined with due regard to a number of factors including the expected retention period by the entity and the underlying physical, technical and commercial nature of the assets as defined in AASB116 *Property, Plant and Equipment*. In accordance with this standard the shortest alternative useful life is applied.

### (ii) Land and buildings

Asset	Valuation Policy	Depreciation Policy
Land and Buildings in Service Works Administration Properties Officers Residences	Land and buildings in service are generally valued at value in use (land) and written down replacement cost (buildings). Where such properties are rented externally they are valued at current market value. Land and Buildings in Service are revalued annually.	Buildings – Depreciated on the straight-line basis over the estimated useful life of 40 years.
Land and Buildings Acquired for Future Roadworks Rentable or Surplus Properties	Current Market Value  The average Rateable Value Per Hectare of Urban and Rural Areas within each Local Government Area (LGA). The distinction between urban and rural areas was determined by reference to the general land classification profile within each LGA.  Land and Buildings Acquired for Future Roadworks are revalued progressively over a 3 year cycle.	No depreciation charged as buildings are not purchased to generate revenue but ultimately to be demolished for roadworks.
Vacant land	The average Rateable Value Per Hectare of Urban and Rural Areas within each Local Government Area (LGA). The distinction between urban and rural areas was determined by reference to the general land classification profile within each LGA.	No depreciation charged on vacant land.
Leasehold Improvements (Minimum capital value \$10,000)	Written down historic cost/revalued amount.	Amortised over the period of the lease, or the useful life of the improvement to the RTA, whichever is shorter.

## (ii) Land and buildings

Included in the value of land and buildings in service is an amount of \$14.330 million (2008: \$14.911 million) for buildings on Crown land. As the RTA effectively "controls" this Crown land, it has been included in the RTA's Balance Sheet. Should such Crown land be transferred or disposed of, associated buildings are written off in the year the transfer or disposal takes place.

The RTA's land and buildings are valued by registered valuers. Land and Buildings Acquired for Future Roadworks comprise Untenanted Land for Roads which is revalued annually and Rental Properties and Surplus Properties which are revalued progressively within a three year timeframe. The selection of assets within Land and Buildings Acquired for Future Roadworks to be revalued in each reporting period within the current progressive revaluation is made by reference to the asset's acquisition date or previous revaluation date.

Commencement date of the current progressive revaluation: 1 July 2008

Completion date of the current progressive revaluation: 30 June 2011

For details refer to Note 10(a)

## (iii) Infrastructure Systems

Asset	Valuation Policy	Depreciation Policy
<b>Roads:</b>		
Earthworks	Written down replacement cost	Depreciated over estimated useful life of 100 years
Pavement	Written down replacement cost	Depreciated over estimated useful life dependant on pavement surface 15 years (unsealed) 20-50 years (flush seal/asphalt) 25-50 years (asphalt/concrete) 40-50 years (concrete)
<b>Bridges:</b>	Written down replacement cost	Depreciated over estimated useful life dependant on bridge type
Timber structure		60 years
Concrete structures		100 years
Steel structures		100 years
X Trusses (timber and steel)		60 years
High Value Bridges		200 years
Bridge Size Culverts/Tunnels		100 years
<b>Traffic Signals:</b>	Written down replacement cost	Depreciated over estimated useful life of 20 years
<b>Traffic Control Network:</b>	Written down replacement cost	Depreciated over estimated useful life of
Traffic Systems		5-20 years
Transport Management Centre		5-20 years
Variable Message Signs		30 years
<b>Land under roads and within road reserves</b>	The average Rateable Value Per Hectare of Urban and Rural Areas within each Local Government Area (LGA). The distinction between urban and rural areas was determined by reference to the general land classification profile within each LGA.	No depreciation applied as land does not have a limited useful life
<b>Sydney Harbour Tunnel:</b>	Written down replacement cost	Depreciated over estimated useful life depending on asset type:
Immersed Tube		100 years
Mechanical & Electrical		20 years
Pavement		20 years
Earthworks		100 years

The determination of unit replacement rates for road, bridge and traffic control signal infrastructure valuations is carried out at least every five years by suitably qualified engineering contractors and employees of the RTA.

These assets are recorded initially at construction cost and the annual percentage increase in the Road Cost Index (RCI) is applied each year until the following unit replacement review is undertaken. Subsequent to the review, infrastructure is valued using the unit replacement rates, adjusted by the Road Cost Index as applicable.

Land under roads and within road reserves are revalued annually by applying the most recent rateable average value per hectare provided by the Valuer-General to the land under roads and within reserves within each Local Government Area (LGA). The valuations are based on certain assumptions including property being vacant and therefore do not take into account costs that may be incurred in removing roads and other improvements. The Valuer-General's average rateable values are calculated by reference to land values only and do not include the value of any improvements.

The Australian Valuers-General are currently developing a standard methodology for valuing Land Under Roads. This method may differ from the methodology currently used by the RTA.

The distinction was made between urban and rural areas by reference to the general land classification profile within each LGA provided by the Local Government Grants Commission.

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

#### (iv) Intangible Assets

The RTA recognises intangible assets only if it is probable that future economic benefits will flow to the RTA and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an Intangible asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition.

All research costs are expensed. Development costs are only capitalised when the following criteria are met:

- i. the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- ii. the intention to complete the intangible asset and use or sell it;
- iii. the ability to use or sell the intangible asset;
- iv. the intangible asset will generate probable future economic benefits;
- v. the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- vi. the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The useful lives of intangible assets are assessed to be finite and are carried at cost less any accumulated amortisation.

Asset	Valuation Policy	Amortisation Policy
Intangible Assets	Depreciated Historical cost	Amortised on the straight-line method over the estimated useful life of between 3 and 10 years

Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.

#### (v) Private Sector Provided Infrastructure (PSPI)

In respect of the infrastructure assets, M2, M4, M5 Motorways, the Eastern Distributor, the Cross City Tunnel, the Westlink M7 Motorway and the Lane Cove Tunnel, the RTA values each right to receive asset by reference to the RTA's emerging share of the written down replacement cost of each asset apportioned using an annuity approach. Under this approach, the ultimate value of the right to receive the property is treated as the compound value of an annuity that accumulates as a series of equal annual receipts together with an amount representing notional compound interest.

#### (vi) Cultural collection assets

The RTA has minor cultural collection items such as prints, drawings and artefacts that cannot be reliably valued and are considered immaterial.



### (vii) Leased assets

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

Where a non-current asset is acquired by means of a finance lease, the asset is recognised at the lower of its fair value and the present value of minimum lease payments at the commencement of the lease term. The corresponding liability is established at the same amount. Lease payments are allocated between the principal component and the interest expense. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that class of asset.

Operating lease payments are charged to the operating statement in the periods in which they are incurred.

### (m) Major inspection costs

The labour cost of performing major inspections for faults is recognised in the carrying amount of an asset as a replacement of a part, if the recognition criteria are satisfied.

### (n) Restoration costs

The estimated cost of dismantling and removing an asset and restoring the site is included in the cost of an asset, to the extent it is recognised as a liability.

### (o) Maintenance

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

### (p) Inventories

Inventories held for distribution are stated at cost. Cost is calculated using the weighted average cost or "first in first out" method. Inventories consist mainly of raw materials and supplies used for the construction and maintenance of roads, bridges and traffic signals.

The cost of inventories acquired at no cost or for nominal consideration is the current replacement cost as at the date of acquisition. Current replacement cost is the cost the agency would incur to acquire the asset on the reporting date.

Inventories (other than those held for distribution) are stated at the lower of cost and net realisable value. Cost is calculated using the weighed average cost or "first in first out" method.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### (q) Capitalisation of expenditure

Expenditure (including employee costs and depreciation) in respect of road development and construction, bridge and tunnel replacement and some road safety and traffic management are capitalised as infrastructure systems (refer to Note 2(a)).

### (r) Non-current assets held for sale

The RTA has certain non-current assets classified as held for sale, where their carrying amount will be recovered principally through a sale transaction, not through continuing use. This condition is regarded as met when the sale is highly probable, the asset is available for immediate sale in its present condition and the sale of the asset is expected to be completed within one year from the date of classification. Non-current assets held for sale are recognised at the lower of carrying amount and fair value less costs to sell. These assets are not depreciated while they are classified as held for sale.

### (s) Other assets

Other assets including prepayments are recognised on a cost basis.

### (t) Budgeted amounts

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

The budgeted amounts in the Operating Statement and Cash Flow Statement are generally based on the amounts disclosed in the NSW Budget Papers (as adjusted above). However, in the Balance Sheet, the amounts vary from the Budget Papers, as the opening balances of the budgeted amounts are based on carried forward actual amounts: i.e. per the audited financial statements (rather than carried forward estimates).

## (u) Financial instruments

The following accounting policies were applied to accounting for financial instruments. Additional disclosures regarding carrying amount and risk management disclosures are presented at Notes 15.

### (a) Financial assets

#### (i) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash on hand, cash at bank and short-term deposits and include deposits in the NSW Treasury Corporation's (TCorp) Hour-Glass cash facility, Treasury Corporation deposits (less than 30 days) and other at-call deposits that are not quoted in an active market are considered to have an insignificant risk of changes in value. Bank overdrafts are included within liabilities.

In accordance with AASB139, cash and cash equivalents are measured at fair value with interest revenue accrued as earned such that fair value is reflected at no less than the amount payable on demand.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

#### (ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial. An allowance for impairment of receivables is established when there is objective evidence that the entity will not be able to collect all amounts due. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Bad debts are written off as incurred.

#### (iii) Other financial assets

Other financial assets consist of non-derivative financial assets measured at amortised cost, using the effective interest method (refer Note 9(b)).

#### (iv) Impairment of financial assets

All financial assets, except those measured at fair value through profit and loss, are subject to an annual review for impairment. An allowance for impairment is established when there is objective evidence that the entity will not be able to collect all amounts due.

For financial assets carried at amortised cost, the amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment loss is recognised in the operating statement.

Any reversals of impairment losses are reversed through the operating statement, where there is objective evidence. Reversals of impairment losses of financial assets carried at amortised cost cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

### (v) Derecognition of financial assets

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the RTA transfers the financial asset:

- where substantially all the risks and rewards have been transferred; or
- where the RTA has not transferred substantially all the risks and rewards, if the entity has not retained control.

Where the RTA has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the agency's continuing involvement in the asset.

### (b) Financial liabilities

#### (i) Payables

These amounts represent liabilities for goods and services provided to the RTA and other amounts, including interest. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

#### (ii) Borrowings

Borrowings are recorded initially at fair value, net of transaction costs. Loans are not held for trading and are recognised at amortised cost using the effective interest method. Amortised cost is the face value of the debt less unamortised premiums. The discount or premiums are treated as finance charges and amortised over the term of the debt.

Finance lease liabilities are recognised in accordance with AASB117 Leases. Minimum lease payments made under finance leases are apportioned between the interest expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a consistent periodic rate of interest on the remaining balance of the liability.

### (iii) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires.

When a lender replaces an existing financial liability with one on significantly different or modified terms, the Authority derecognises the original liability and recognises the new liability. It then recognises the difference in their carrying amounts in the Operating Statement.

### (iv) Financial guarantees

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Under AASB 139, financial guarantee contracts are recognised as a liability at the time the guarantee is issued and initially measured at fair value, where material. After initial recognition, the liability is measured at the higher of the amount determined in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised, less accumulated amortisation.

The RTA carries out minor works contracts for entities outside of the NSW public sector. In order to tender for the contracts and remain on an equal footing the RTA is required to lodge a security deposit in the form of bank guarantee. Under the *Public Authorities and (Financial Arrangements) Act 1987*, the RTA has an approved limit of \$3 million till 30 June 2010 from TCorp.

The RTA has reviewed its financial guarantees and determined that there is no material liability to be recognised for financial guarantee contracts at 30 June 2009 and at 30 June 2008. However, refer Note 22 regarding disclosures on contingent liabilities

### (v) Equity transfers

The transfer of net assets between agencies as a result of an administrative restructure, transfers of programs / functions and parts thereof between NSW public sector agencies are designated as contributions by owners and recognised as an adjustment to "Accumulated Funds". This treatment is consistent with AASB 1004 *Contributions* and Australian Interpretation 1038 *Contributions by Owners Made to Wholly Owned Public Sector Entities*.

Transfers arising from an administrative restructure between not-for-profit entities and for-profit government departments are recognised at the amount at which the asset was recognised by the transferor immediately prior to the restructure. In most instances this will approximate fair value

All other equity transfers are recognised at fair value, except for intangibles. Where an intangible has been recognised at amortised cost by the transferor because there is no active market, the agency recognises the asset at the transferor's carrying amount. Where the transferor is prohibited from recognising internally generated intangibles, the agency does not recognise that asset.

### (w) Comparative information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements.

### (x) Change in accounting policy

According with NSW Treasury policy, the entity has changed its policy on the recognition of superannuation actuarial gains and losses. Such actuarial gains and losses are now recognised outside of profit or loss in the 'statement of recognised income and expense'. Previously, actuarial gains and losses were recognised through profit or loss. Both options are permissible under AASB 119 *Employee Benefits*.

The change in policy has been adopted on the basis that recognition outside profit or loss provides reliable and more relevant information as it better reflects the nature of actuarial gains and losses. This is because actuarial gains/losses are re-measurements, based on assumptions that do not necessarily reflect the ultimate cost of providing superannuation.

Recognition outside profit or loss also harmonises better with the Government Finance Statistics / GAAP comprehensive income presentation for the whole of government and general government sector, required under AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

A comprehensive income presentation will also be available at the entity level from 2009-10 under AASB 101 *Presentation of Financial Statements*.

The change in accounting policy increases 2009 'profit for the period' from \$961.178 million to \$1,314.030 million (2008: from \$932.743 million to \$1,067.965 million), by excluding from profit the superannuation actuarial loss (2009: \$352.852 million 2008: \$135.222 million).

## 2. Expenses excluding losses

### (a) Employee related expenses

Employee related expenses comprise the following specific items:

	Consolidated		Parent	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Salaries and Wages (including recreation leave)	379,695	365,865	-	-
Skill Hire Contractors	64,159	55,215	64,159	55,215
Long Service Leave	16,712	17,412	-	-
Superannuation - defined benefit plans*	7,858	3,994	-	-
Superannuation - defined contribution plans	19,065	18,583	-	-
Workers' Compensation Insurance	4,789	5,481	-	-
Payroll Tax and Fringe Benefits Tax	26,355	28,025	-	-
Personnel services	-	-	822,236	583,818
Redundancy	4,263	3,711	-	-
Other	10,647	5,525	-	-
	<b>533,543</b>	<b>503,811</b>	<b>886,395</b>	<b>639,033</b>
Allocations of Employee Related Expenses to Programs				
– Capitalised to infrastructure	229,982	183,128	229,982	183,128
– Operating Programs (including maintenance)	533,543	503,811	886,395	639,033
	<b>763,525</b>	<b>686,939</b>	<b>1,116,377</b>	<b>822,161</b>

Included in the above are employee related expenses of \$225.645 million (2008: \$181.402 million) related to maintenance. In addition to \$533.543 million (2008: \$503.811 million), employee related expenses of \$229.982 million (2008: \$183.128 million) was capitalised to infrastructure assets.

\*Superannuation actuarial losses of \$352.852 million (2008: \$135.222 million) are recognised in the Statement of Recognised Income and Expense. Total Superannuation expense, including actuarial gains/losses recognised in the Statement of Recognised Income and Expense is \$379.775 million (2008: \$157.799 million).

### (b) Other operating expenses

Auditor's remuneration – audit of financial reports	572	589	572	589
Consultants and other Contractors	84,462	54,364	84,462	54,364
Fleet hire and lease charges	11,195	10,425	11,195	10,425
Sydney Harbour Tunnel Operating fees	25,215	24,480	25,215	24,480
ERS Agreement Contingent Expense	3,228	2,494	3,228	2,494
M4/M5 Cashback refund	102,045	95,660	102,045	95,660
Data processing	37,183	43,292	37,183	43,292
Advertising	22,899	21,623	22,899	21,623
Payments to Councils and ext. bodies	52,950	66,481	52,950	66,481
Lease and property expenses	63,982	56,546	63,982	56,546
Travel and Legal Expenses	35,608	34,403	35,608	34,403
Office Expenses	51,057	44,124	51,057	44,124
Other	55,710	43,613	55,710	43,613
Contract Payments	124,809	144,835	124,809	144,835
Capitalisation	(267,438)	(355,844)	(267,438)	(355,844)
	<b>403,477</b>	<b>287,085</b>	<b>403,477</b>	<b>287,085</b>

## Infrastructure maintenance

Major reconstruction of road segments on State Roads are capitalised and as such not charged against maintenance expenditure. The RTA capitalised \$209.859 million of such works (2008: \$217.067 million).

The RTA expended \$47.218 million in 2009 (2008: \$40.560 million) on natural disaster restoration works from State funds, and \$180.047 million in 2009 (2008: \$170.607 million) on block grants and other maintenance grants to councils for Regional and Local Roads. The majority of this expenditure was classified as maintenance grants to councils.

	Consolidated		Parent	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Maintenance expenses in operating statement	694,771	671,304	694,771	671,304
Maintenance related employee expenses (refer to Note 2a)	225,645	181,402	225,645	181,402
<b>Total maintenance expenses including employee related</b>	<b>920,416</b>	<b>852,706</b>	<b>920,416</b>	<b>852,706</b>

## (c) Depreciation and amortisation

Depreciation raised against Operational and Property Assets	20,717	17,258	20,717	17,258
Depreciation raised against Infrastructure	828,203	814,573	828,203	814,573
Amortisation of Intangible Assets	4,536	4,598	4,536	4,598
	<b>853,456</b>	<b>836,429</b>	<b>853,456</b>	<b>836,429</b>

## (d) Grants and subsidies

Grants Under Road Safety Program	12,610	10,069	12,610	10,069
Maintenance grants to Councils	219,901	204,867	219,901	204,867
Roads and Bridges transferred to Councils	112,649	66,086	112,649	66,086
	<b>345,160</b>	<b>281,022</b>	<b>345,160</b>	<b>281,022</b>

## (e) Finance costs

Interest expense from financial liabilities not at fair value through profit or loss	41,994	52,371	41,994	52,371
Debt Guarantee	3,000	3,000	3,000	3,000
Finance lease interest charges	51,894	53,246	51,894	53,246
Other	5,647	3,196	5,647	3,196
	<b>102,535</b>	<b>111,813</b>	<b>102,535</b>	<b>111,813</b>

### 3. Revenue

#### (a) Sale of goods and services

	Consolidated		Parent	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<b>Sale of Goods</b>				
Number Plates	75,295	72,749	75,295	72,749
<b>Rendering of Services</b>				
Third Party Insurance Data Access Charges	14,617	13,838	14,617	13,838
Toll Revenue (Sydney Harbour Bridge)	84,785	89,930	84,785	89,930
Toll Revenue (Sydney Harbour Tunnel)	41,787	39,473	41,787	39,473
E-tag Revenue	9,241	8,429	9,241	8,429
Heavy Vehicle Permit Fees	1,359	1,290	1,359	1,290
Sanction Fees Payable under the Fines Act	9,006	8,745	9,006	8,745
Rental Income	25,225	23,320	25,225	23,320
Works and services	37,654	58,391	37,654	58,391
Advertising	14,740	10,403	14,740	10,403
Fees for services	44,714	41,689	44,714	41,689
Publications	8,110	6,223	8,110	6,223
Miscellaneous services	19,784	15,126	19,784	15,126
	<b>386,317</b>	<b>389,606</b>	<b>386,317</b>	<b>389,606</b>

#### (b) Investment revenue

Interest	10,027	15,352	10,027	15,352
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#### (c) Grants and contributions

NSW Government Agencies				
– Ministry of Transport	10,993	4,110	10,993	4,110
– Other	15,097	17,495	15,097	17,495
Local Government	5,077	5,645	5,077	5,645
Queensland Government – Tugun Bypass	-	143,949	-	143,949
Other Government Agencies	4,206	11,406	4,206	11,406
Private Firms and Individuals	12,334	7,729	12,334	7,729
	<b>47,707</b>	<b>190,334</b>	<b>47,707</b>	<b>190,334</b>

Contributions received during 2008-09 were recognised as revenue during the financial year and were expended in that period with no balance of those funds available at 30 June 2009 (2008: Nil).



#### (d) Other revenue

	Consolidated		Parent	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Amortisation of Deferred Revenue on PSPI projects	11,575	11,575	11,575	11,575
Value of Emerging Interest of Private Sector Provided Infrastructure				
– M2 (Refer Note 11(a))	4,620	4,291	4,620	4,291
– M4 (Refer Note 11(a))	23,410	21,425	23,410	21,425
– M5 (Refer Note 11(a))	12,935	11,917	12,935	11,917
– Eastern Distributor (Refer Note 11 (a))	3,754	3,498	3,754	3,498
– Cross City Tunnel (Refer Note 11 (a))	9,517	9,036	9,517	9,036
– Western Sydney Orbital M7 (Refer Note 11 (a))	22,970	21,778	22,970	21,778
– Lane Cove Tunnel (Refer Note 11(a))	13,480	12,722	13,480	12,722
– Loan to Sydney Harbour Tunnel Company	5,826	5,469	5,826	5,469
M2 and Eastern Distributor Promissory Notes	4,301	2,169	4,301	2,169
Fuel Tax Credits	314	137	314	137
Other	(15)	258	(15)	258
	<b>112,687</b>	<b>104,275</b>	<b>112,687</b>	<b>104,275</b>

#### 4. Gains/(losses) on disposal

##### (a) Gain/(loss) on disposal

###### Gain on Sale of Property, Plant and Equipment

– Proceeds from Sale	66,068	60,828	66,068	60,828
– Written Down Value of Assets Sold	(64,855)	(45,136)	(64,855)	(45,136)
<b>Net Gain on Sale of Non-Current Assets</b>	<b>1,213</b>	<b>15,692</b>	<b>1,213</b>	<b>15,692</b>

##### (b) Other gains/(losses)

Bad / Doubtful debt expense	(3,147)	(160)	(3,147)	(160)
Bad debts written off	120	130	120	130
Written Down Value of Infrastructure Assets Written Off	(30,997)	(157,829)	(30,997)	(157,829)
<b>Total Other Gains/(Losses)</b>	<b>(34,024)</b>	<b>(157,859)</b>	<b>(34,024)</b>	<b>(157,859)</b>

## 5. Appropriations

	Consolidated		Parent	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<b>Recurrent Appropriation</b>				
Total recurrent drawdowns from NSW Treasury (per Summary of Compliance)	1,578,527	1,421,222	1,578,527	1,421,222
	<b>1,578,527</b>	<b>1,421,222</b>	<b>1,578,527</b>	<b>1,421,222</b>
<b>Capital Appropriation</b>				
Total capital drawdowns from NSW Treasury (per Summary of Compliance)	2,144,518	1,780,807	2,144,518	1,780,807
	<b>2,144,518</b>	<b>1,780,807</b>	<b>2,144,518</b>	<b>1,780,807</b>

## 6. Individually significant items

### (a) Write-down of infrastructure assets

Infrastructure Assets Written Down	<b>30,997</b>	<b>157,829</b>	<b>30,997</b>	<b>157,829</b>
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The following infrastructure assets were written off during 2008-09.

	Replacement Costs \$'000	Accumulated Depreciation \$'000	WDRC \$'000
Bridges	37,897	(7,930)	29,967
Traffic Signals Network	270	(98)	172
Traffic Control Network	992	(134)	858
	<b>39,159</b>	<b>(8,162)</b>	<b>30,997</b>

### (b) Capital grants from other state government

	Consolidated		Parent	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Infrastructure Assets - Tugun Bypass	-	<b>143,949</b>	-	<b>143,949</b>

## 7. Service groups of the agency

### (a) Road development

Description:	This service group seeks to ensure safe and efficient movement of people and goods on the arterial road network to facilitate and support changes in land use and the economy, facilitate greater use of public transport and meet environmental targets. Services include planning, designing, scheduling and delivering the development of the road network capacity.
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### (b) Road management

Description:	This service group seeks to ensure safe, reliable movement of people and goods on the arterial road network and manage the primary arterial network to retain the value and quality of the infrastructure as a long-term renewable asset. This is achieved by maintenance and rebuilding works, traffic control systems, incident and special event management systems and route management strategies and partial funding of local roads.
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### (c) Road use

Description:	This service group seeks to implement initiatives to increase safe road use by ensuring that drivers and riders are eligible, competent and identified, and vehicles meet the relevant standards. Service objectives include reducing the trauma and cost of road deaths and injuries by reducing adverse impacts of vehicles on roads and the environment and ensuring compliance with licensing, registration and network access requirements.
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### (d) M4 / M5 Cashback Scheme

Description:	This service group covers the reimbursement of motorists for the toll component paid using Electronic Toll Tags on the M4 and M5 Motorways when driving NSW privately registered cars and motorcycles.
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## 8. Current assets – cash and cash equivalents

	Consolidated		Parent	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
RTA Operating Account	9,007	7,081	9,007	7,081
Security Deposits	49,370	38,962	49,370	38,962
Remitting Account, Cash in Transit and Cash on Hand	52,952	54,498	52,952	54,498
TCorp - Hour Glass Cash Facility	70,927	75,740	70,927	75,740
On Call Deposits	3,725	3,425	3,725	3,425
Other	198	252	198	252
	<b>186,179</b>	<b>179,958</b>	<b>186,179</b>	<b>179,958</b>

Cash and cash equivalent assets recognised in the Balance Sheet are reconciled at the end of the financial year to the Cash Flow Statement as follows:

Cash and cash equivalents (per Balance Sheet)	186,179	179,958	186,179	179,958
Closing cash and cash equivalents (per Cash Flow Statement)	<b>186,179</b>	<b>179,958</b>	<b>186,179</b>	<b>179,958</b>

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the borrowings are disclosed in Note 15.

## 9. Current assets / non-current assets – receivables and other financial assets

### (a) Current Receivables

	Consolidated		Parent	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Sale of Goods and Services	29,088	25,860	29,088	25,860
Goods and Services Tax - Claimable from the Commonwealth	23,134	30,723	23,134	30,723
Other	3,636	2,595	3,636	2,595
	<b>55,858</b>	<b>59,178</b>	<b>55,858</b>	<b>59,178</b>
Less: Allowance for impairment *	(3,741)	(1,342)	(3,741)	(1,342)
	<b>52,117</b>	<b>57,836</b>	<b>52,117</b>	<b>57,836</b>
Prepayments	5,765	3,345	5,765	3,345
Unissued debtors	44,175	42,055	44,175	42,055
Dishonoured credit cards	244	469	244	469
	<b>102,301</b>	<b>103,705</b>	<b>102,301</b>	<b>103,705</b>
Accrued Income				
– Interest	108	386	108	386
– Property Sales	40,795	23,374	40,795	23,374
– Other	4,356	2,190	4,356	2,190
<b>Total Current</b>	<b>147,560</b>	<b>129,655</b>	<b>147,560</b>	<b>129,655</b>

\* The allowance for impairment primarily relate to amounts owing as a result of commercial transactions (eg debts raised for performance of services or goods) and tenants who vacate premises without notice whilst in arrears.

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the borrowings are disclosed in Note 15.

Movement in the allowance for impairment

Balance as at 1 July	1,342	2,055	1,342	2,055
Amounts written off during the year	(634)	(911)	(634)	(911)
Increase in allowance recognised in profit or loss	3,033	198	3,033	198
<b>Balance as at 30 June</b>	<b>3,741</b>	<b>1,342</b>	<b>3,741</b>	<b>1,342</b>

### (b) Non-current other financial assets

Non-Current Financial Assets (at amortised cost)

Loan to Sydney Harbour Tunnel Company	91,564	85,738	91,564	85,738
Promissory Notes (refer to Note 11(a))	16,965	12,664	16,965	12,664
	<b>108,529</b>	<b>98,402</b>	<b>108,529</b>	<b>98,402</b>

## 10. Non-current assets – property, plant and equipment

	Land and Buildings \$'000	Plant and Equipment \$'000	Infrastructure Systems \$'000	Total \$'000
<b>Consolidated and Parent</b>				
As at 1 July 2008				
Gross Carrying Amount	2,907,716	234,017	93,442,642	96,584,375
Accumulated Depreciation	(16,938)	(93,738)	(15,715,676)	(15,826,352)
Previously reported Net Carrying Amount at Fair Value	2,890,778	140,279	77,726,966	80,758,023
As at 30 June 2009				
Gross Carrying Amount	3,008,522	263,986	107,291,883	110,564,391
Accumulated Depreciation	(11,635)	(102,508)	(21,568,673)	(21,682,816)
Net Carrying Amount at Fair Value	2,996,887	161,478	85,723,210	88,881,575
A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below:				
Year ended 30 June 2009				
Carrying amount at start of year	2,890,778	140,279	77,726,966	80,758,023
Additions	151,142	51,549	2,058,877	2,261,568
Disposals	(86,732)	(1,678)	(30,997)	(119,407)
Transfers to councils	-	-	(112,649)	(112,649)
Net revaluation increment less revaluation decrements	126,492	-	8,452,553	8,579,045
Depreciation expense	(7,176)	(13,541)	(828,203)	(848,920)
Transfer from assets held for sale	29,240	989	-	30,229
RCI and other Adjustments/WIP	(75)	-	(1,650,119)	(1,650,194)
Transfer out	(106,782)	(16,120)	(755,721)	(878,623)
Transfers in	-	-	862,503	862,503
Net carrying amount at end of year	2,996,887	161,478	85,723,210	88,881,575
As at 1 July 2007				
Gross Carrying Amount	2,801,068	192,474	86,159,158	89,152,700

	Land and Buildings \$'000	Plant and Equipment \$'000	Infrastructure Systems \$'000	Total \$'000
<b>Consolidated and Parent</b>				
Accumulated Depreciation	(15,376)	(95,113)	(16,439,966)	(16,550,455)
Net Carrying Amount at Fair Value	2,785,692	97,361	69,719,192	72,602,245
<b>As at 30 June 2008</b>				
Gross Carrying Amount	2,907,716	234,017	93,442,642	96,584,375
Accumulated Depreciation	(16,938)	(93,738)	(15,715,676)	(15,826,352)
Net Carrying Amount at Fair Value	2,890,778	140,279	77,726,966	80,758,023
A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below:				
<b>Year ended 30 June 2008</b>				
Previously reported carrying amount as at start of year	2,785,692	97,361	71,422,844	74,305,897
Prior period correction	-	-	(1,703,652)	(1,703,652)
Restated carrying amount at start of year	2,785,692	97,361	69,719,192	72,602,245
Additions	118,850	56,787	1,889,544	2,065,181
Disposals	(42,881)	(2,219)	(157,829)	(202,929)
Transfers to councils	-	-	(66,086)	(66,086)
Net revaluation increment less revaluation decrements	110,616	-	6,140,652	6,251,268
Depreciation expense	(7,254)	(10,004)	(814,573)	(831,831)
Transfer to assets held for sale	(8,490)	(1,674)	-	(10,164)
RCI and other Adjustments/WIP	(4)	-	950,315	950,311
Transfer out	(65,751)	-	(1,083,900)	(1,149,651)
Transfers in	-	28	1,149,651	1,149,679
Net carrying amount at end of year	2,890,778	140,279	77,726,966	80,758,023



(a) Land and buildings – consolidated and parent

	Works Administration Properties and Officers' Residences		Land and Buildings Acquired for Future Roadworks	Leasehold Improvements	Total
	Land \$'000	Buildings \$'000	\$'000	\$'000	\$'000
<b>Year ended 30 June 2009</b>					
Net carrying amount at start of year	140,139	110,687	2,620,296	19,656	2,890,778
Additions	-	5,146	123,823	22,173	151,142
Disposals	-	108	(86,840)	-	(86,732)
Net revaluation increment less revaluation decrements	35,488	30,805	60,199	-	126,492
Depreciation expense	-	(3,428)	-	(3,748)	(7,176)
Transfer to assets held for sale	-	-	29,240	-	29,240
Reclassifications	(7,058)	(18,178)	24,375	861	-
Adjustments/WIP	-	(75)	-	-	(75)
Transfer to infrastructure	-	-	(106,782)	-	(106,782)
<b>Net carrying amount at end of year</b>	<b>168,569</b>	<b>125,065</b>	<b>2,664,311</b>	<b>38,942</b>	<b>2,996,887</b>
<b>Year ended 30 June 2008</b>					
Net carrying amount at start of year	139,412	121,588	2,518,685	6,007	2,785,692
Additions	-	3,189	108,777	6,884	118,850
Disposals	-	3	(42,884)	-	(42,881)
Net revaluation increment less revaluation decrements	-	-	110,616	-	110,616
Depreciation expense	-	(4,720)	-	(2,534)	(7,254)
Transfer to assets held for sale	-	-	(8,490)	-	(8,490)
Reclassifications	769	(9,369)	(699)	9,299	-
Adjustments/WIP	(42)	(4)	42	-	(4)
Transfer to infrastructure	-	-	(65,751)	-	(65,751)
<b>Net carrying amount at end of year</b>	<b>140,139</b>	<b>110,687</b>	<b>2,620,296</b>	<b>19,656</b>	<b>2,890,778</b>

Land and buildings for future road works comprise untenanted land for road works (average rateable value: \$1,824 million), surplus properties (market value: \$ 378.465 million) and rentable properties (market value: \$501.134 million).

Category of Land and Building Acquired for Future Roadworks	Aggregate carrying amount \$'000
Carried at cost of acquisition less, where applicable, any accumulated depreciation.	-
Carried at revalued amounts determined prior to the beginning of the current progressive revaluation less, where applicable, any accumulated depreciation.	-
Revalued as part of the current progressive revaluation and carried at fair value as at 30 June 2009 less, where applicable, any subsequent accumulated depreciation.	840,250
Revalued as part of the current progressive revaluation and carried at an amount other than fair value as at 30 June 2008 less, where applicable, any subsequent accumulated depreciation.	-
Carried at recoverable amount less, where applicable, any subsequent accumulated depreciation.	-
Untenanted land for Roads – revalued annually not subject to progressive revaluation.	1,824,061
<b>Total Land and Buildings Acquired for Future Roadworks at 30 June 2009</b>	<b>2,664,311</b>

## (b) Plant and equipment – consolidated and parent

	Plant Equipment and Motor Vehicles \$'000	Computer Hardware and Software \$'000	Electronic Office Equipment \$'000	Total \$'000
<b>Year ended 30 June 2009</b>				
Net carrying amount at start of year	119,778	20,075	426	140,279
Additions	13,357	38,171	21	51,549
Disposals	(1,309)	(365)	(4)	(1,678)
Depreciation expense	(8,821)	(4,625)	(95)	(13,541)
Transfer from Assets held for sale	989	-	-	989
Reclassifications	668	(668)	-	-
Transfers out	(6,355)	(9,765)	-	(16,120)
<b>Net carrying amount at end of year</b>	<b>118,307</b>	<b>42,823</b>	<b>348</b>	<b>161,478</b>
<b>Year ended 30 June 2008</b>				
Net carrying amount at start of year	84,388	12,306	667	97,361
Additions	48,182	8,561	44	56,787
Disposals	(2,055)	(84)	(80)	(2,219)
Depreciation expense	(7,701)	(2,186)	(117)	(10,004)
Transfer to Assets held for sale	(1,674)	-	-	(1,674)
Reclassifications	(1,364)	1,452	(88)	-
Transfers in	2	26	-	28
<b>Net carrying amount at end of year</b>	<b>119,778</b>	<b>20,075</b>	<b>426</b>	<b>140,279</b>

### (c) Infrastructure systems – consolidated and parent

Infrastructure systems are valued as follows:

	Roads \$'000	Land under Roads \$'000	Bridges \$'000	Tunnel \$'000	Traffic Signals Network \$'000	Traffic Control Network \$'000	Major Works in Progress \$'000	TOTAL \$'000
<b>Year ended 30 June 2009</b>								
Carrying amount at start of year	28,320,665	37,964,475	10,874,927	-	328,618	56,211	2,239,147	79,784,043
Prior period correction	349,127	(3,109,099)	-	702,895	-	-	-	(2,057,077)
Restated carrying amount at start of year	28,669,792	34,855,376	10,874,927	702,895	328,618	56,211	2,239,147	77,726,966
Additions	125,921	-	17,570	-	11,015	10,751	1,893,620	2,058,877
Disposals	-	-	(29,967)	-	(172)	(858)	-	(30,997)
Transfers to councils	(43,864)	(46,631)	(22,154)	-	-	-	-	(112,649)
Net revaluation less revaluation decrements	6,007,121	2,421,554	-	23,878	-	-	-	8,452,553
Depreciation expense	(661,449)	-	(113,552)	(20,673)	(25,086)	(7,443)	-	(828,203)
Transfers in	483,507	106,782	272,214	-	-	-	-	862,503
Transfers out	-	-	-	-	-	-	(755,721)	(755,721)
RCI and other adjustments / WIP	-	-	(1,663,673)	-	13,262	292	-	(1,650,119)
<b>Net carrying amount at end of year</b>	<b>34,581,028</b>	<b>37,337,081</b>	<b>9,335,365</b>	<b>706,100</b>	<b>327,637</b>	<b>58,953</b>	<b>3,377,046</b>	<b>85,723,210</b>
<b>Year ended 30 June 2008</b>								
Previously reported carrying amount at start of year	26,916,861	35,192,088	7,097,723	-	211,769	39,807	1,964,596	71,422,844
Prior period correction	494,614	(2,897,366)	-	699,100	-	-	-	(1,703,652)
Restated carrying amount at start of year	27,411,475	32,294,722	7,097,723	699,100	211,769	39,807	1,964,596	69,719,192
Additions	426,450	-	65,665	-	19,932	19,046	1,358,451	1,889,544
Disposals	(143,956)	-	(11,684)	-	(202)	(1,987)	-	(157,829)
Transfers to councils	(43,504)	(22,582)	-	-	-	-	-	(66,086)
Net revaluation less revaluation decrements	-	2,511,756	3,471,871	23,769	131,827	1,429	-	6,140,652
Depreciation expense	(667,246)	-	(87,696)	(19,974)	(34,708)	(4,949)	-	(814,573)
Transfers in	744,335	65,751	339,565	-	-	-	-	1,149,651
Transfers out	-	-	-	-	-	-	(1,083,900)	(1,083,900)
RCI and other adjustments / WIP	942,238	5,729	(517)	-	-	2,865	-	950,315
<b>Net carrying amount at end of year</b>	<b>28,669,792</b>	<b>34,855,376</b>	<b>10,874,927</b>	<b>702,895</b>	<b>328,618</b>	<b>56,211</b>	<b>2,239,147</b>	<b>77,726,966</b>

Traffic signals, traffic control network and all bridges were subject to a full revaluation in 2007-08 and roads were subject to a full revaluation in 2008-09.

The RTA leases the Sydney Harbour Tunnel under agreement with the Sydney Harbour Tunnel Company ('SHTC'). The agreement transfers ownership of the tunnel to the RTA at the end of the lease term in 2022 (see note 20 for further details). At 30 June 2009 the net carrying amount of leased infrastructure assets was \$706.100 million (2008: \$702.895 million).

## 11. Non-current assets – intangible assets and other

### (a) Non-current

	Consolidated		Parent	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<b>Private Sector Provided Infrastructure</b>				
<b>M2 Motorway</b>				
Carrying amount at start of year	33,502	29,211	33,502	29,211
Annual Increment - Emerging Right to Receive	4,620	4,291	4,620	4,291
Carrying amount at end of year	<b>38,122</b>	<b>33,502</b>	<b>38,122</b>	<b>33,502</b>
<b>M4 Motorway</b>				
Carrying amount at start of year	183,636	162,211	183,636	162,211
Annual Increment - Emerging Right to Receive	23,410	21,425	23,410	21,425
Carrying amount at end of year	<b>207,046</b>	<b>183,636</b>	<b>207,046</b>	<b>183,636</b>
<b>M5 Motorway</b>				
Carrying amount at start of year	94,656	82,739	94,656	82,739
Annual Increment - Emerging Right to Receive	12,935	11,917	12,935	11,917
Carrying amount at end of year	<b>107,591</b>	<b>94,656</b>	<b>107,591</b>	<b>94,656</b>
<b>Eastern Distributor</b>				
Carrying amount at start of year	24,128	20,630	24,128	20,630
Annual Increment - Emerging Right to Receive	3,754	3,498	3,754	3,498
Carrying amount at end of year	<b>27,882</b>	<b>24,128</b>	<b>27,882</b>	<b>24,128</b>
<b>Cross City Tunnel (CCT)</b>				
Carrying amount at start of year	25,762	16,726	25,762	16,726
Annual Increment - Emerging Right to Receive	9,517	9,036	9,517	9,036
Carrying amount at end of year	<b>35,279</b>	<b>25,762</b>	<b>35,279</b>	<b>25,762</b>
<b>Western Sydney Orbital (M7)</b>				
Carrying amount at start of year	62,005	40,227	62,005	40,227
Annual Increment - Emerging Right to Receive	22,970	21,778	22,970	21,778
Carrying amount at end of year	<b>84,975</b>	<b>62,005</b>	<b>84,975</b>	<b>62,005</b>
<b>Lane Cove Tunnel</b>				
Carrying amount at start of year	24,730	12,008	24,730	12,008
Annual Increment - Emerging Right to Receive	13,480	12,722	13,480	12,722
Carrying amount at end of year	<b>38,210</b>	<b>24,730</b>	<b>38,210</b>	<b>24,730</b>
Total Carrying Amount at end of year	<b>539,105</b>	<b>448,419</b>	<b>539,105</b>	<b>448,419</b>
<b>Totals</b>				
Carrying amount at start of year	448,419	363,752	448,419	363,752
Annual increment - Emerging Rights to Receive	90,686	84,667	90,686	84,667
Carrying Amount at end of year	<b>539,105</b>	<b>448,419</b>	<b>539,105</b>	<b>448,419</b>

## M2 Motorway

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

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

Payments for the rents for the Trust Lease and the Trust Concurrent Lease for the year ended 30 June 2009 have been made by promissory notes in the value of \$7.737 million and \$1.934 million respectively. The RTA, as at 30 June 2009, has received promissory notes for rent on the above leases totalling \$106.234 million. The term of the Agreement ends on the forty-fifth anniversary of the M2 commencement date, (i.e. 26 May 2042), subject to the provisions of the M2 Motorway Project Deed. The net present value of these promissory notes, as at 30 June 2009, is \$6.185 million (2008: \$5.181 million).

The RTA has, from the date of completion of the M2 Motorway on 26 May 1997, valued the asset by reference to the RTA's emerging share of the written down replacement cost of the asset at date of handback over the concession period calculated using the effective interest rate method (refer Note 1(g)(vi)).

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

## M4 and M5 Motorways

The RTA has valued the infrastructure assets in respect of the M4 and M5 Motorways by reference to the RTA's emerging share of the written down replacement cost of each asset apportioned over the period of the respective concession agreement calculated using the effective interest rate method (refer Note 1(g)(vi)).

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

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

## Eastern Distributor

An agreement was signed with the Concession Holder in August 1997 to finance, design, construct, operate, maintain and repair the Eastern Distributor which was opened to traffic on 18 December 1999.

In consideration of the RTA granting to the Concession Holder the right to levy and retain tolls on the Eastern Distributor, the Concession Holder is required to pay concession fees in accordance with the Agreement. From the date of Financial Close, which occurred on 18 August 1997, the Concession Holder has paid \$180 million by way of promissory notes (being \$15 million on Financial Close and \$15 million on each anniversary of Financial Close). A further \$2.2 million was received in cash six months after Financial Close and \$8 million in cash on the third anniversary of Financial Close. Under the Agreement, the promissory notes show a payment date (subject to provisions in the Project Deed) of 31 December 2042 and, as at 30 June 2009, the promissory notes have a net present value of \$10.780 million (2008: \$7.483 million).

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

## Cross City Tunnel

An agreement was signed with the Concession Holder in December 2002 to design, construct, operate and maintain the Cross City Tunnel. Major construction started on 28 January 2003. The Cross City Tunnel was completed and opened to traffic on 28 August 2005.

The Concession Holder was placed into receivership in 2006-07. The Receivers subsequently sold the CCT asset to a private operator in June 2007.

The construction cost was \$642 million with the cost being met by the private sector. Under the terms of the agreement, an external party will operate the motorway for a total of 30 years and two months from the opening of the Tunnel to traffic, after which the motorway will be transferred back to the Government.

The RTA values the asset by reference to the RTA's emerging share of the written down replacement cost of the asset over the period of the concession period calculated using the effective interest rate method (refer Note 1(g)(vi)).

Reimbursement of certain development costs was received by the RTA from the operator in the form of an upfront cash payment. The amount of this payment was \$96.860 million.

## Westlink M7 Motorway

An agreement was signed with the Concession Holder in February 2003 to design, construct, operate and maintain the Westlink M7 Motorway. Major construction started on 7 July 2003 and the completed motorway was opened to traffic on 16 December 2005.

The construction cost was \$1.54 billion. The Federal Government contributed \$356 million towards the cost of the project with the remainder of the cost being met by the private sector. The RTA had responsibility under the contract for the provision of access to property required for the project. Under the terms of the agreement, the Concession Holder will operate the motorway for a total of 31 years to February 2037, after which the motorway will be transferred back to the Government.

The RTA values the asset by reference to the RTA's emerging share of the written down replacement cost of the asset over the period of the concession period calculated using the effective interest rate method (refer Note 1(g)(vi)).

Reimbursement of certain development costs were received by the RTA from the operator in the form of an upfront cash payment. The amount of this payment was \$193.754 million.

## Lane Cove Tunnel

An agreement was signed with the Concession Holder in December 2003 to finance, design, construct, operate and maintain the Lane Cove Tunnel Project. Major construction started on 24 June 2004 and was opened to traffic on 20 March 2007.

The construction cost was \$1.1 billion, with the cost being met by the private sector. The RTA was responsible under the contract for the provision of access to property required for the project, which were identified by the Project Deed. Under the terms of the agreement, the Concession Holder designed and constructed the motorway and is now operating the motorway for the remainder of the term of 29 years and nine months. The term commenced on the date the agreement with the Concession Holder became effective, and will end on 9 January 2037 after which the motorway will be transferred back to the Government.

The RTA values the asset by reference to the RTA's emerging share of the written down replacement cost of the asset over the period of the concession period calculated using the effective interest rate method (refer Note 1(g)(vi)).

Reimbursement of certain development costs were received by the RTA from the operator in the form of an upfront cash payment. The amount of this payment was \$79.301 million.

## (b) Other intangible assets – consolidated and parent

	Software	
	2009 \$'000	2008 \$'000
Balance at start of the year 1 July	88,443	88,841
Additions	15	516
Disposals	(308)	(914)
Transfer in from WIP	-	-
Transfer in from PPE	15,808	-
<b>Balance at close of the year 30 June</b>	<b>103,958</b>	<b>88,443</b>
<b>Accumulated Amortisation</b>		
Balance at start of the year 1 July	68,844	65,053
Amortisation expense	4,536	4,598
Write Back on Disposal	(210)	(807)
<b>Balance at close of the year 30 June</b>	<b>73,170</b>	<b>68,844</b>
<b>Written Down Value</b>		
As at close of the year 30 June	30,788	19,599
As at start of the year 1 July	19,599	23,788

## 12. Non-current assets held for sale

	Consolidated		Parent	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<b>Assets held for sale</b>				
Balance 1 July				
Land and buildings <sup>(i)</sup>	68,589	60,099	68,589	60,099
Plant and equipment	2,533	859	2,533	859
Transfer (to)/from Land & Buildings	(29,240)	8,490	(29,240)	8,490
Transfer (to)/from Plant and Equipment	(989)	1,674	(989)	1,674
	<b>40,893</b>	<b>71,122</b>	<b>40,893</b>	<b>71,122</b>
Balance 30 June				
Land and buildings <sup>(ii)</sup>	39,349	68,589	39,349	68,589
Plant and equipment	1,544	2,533	1,544	2,533
	<b>40,893</b>	<b>71,122</b>	<b>40,893</b>	<b>71,122</b>

(i) The RTA has an annual sales program for the sale of surplus properties that are placed on the market throughout the year. No impairment loss was recognised on reclassification of the land as held for sale as at the reporting date.

(ii) At the end of June 2009, decreases to Assets Held for Sale were due to less surplus properties that were not required for road work and less land/properties had cleared by region reviewed for future proposals; as well as less plant and equipments considered uneconomical to repair.

## 13. Current liabilities – payables

	Consolidated		Parent	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Trade creditors <sup>(i)</sup>	162,707	101,091	162,707	101,091
Creditors arising from compulsory acquisitions	14,849	8,856	14,849	8,856
Personnel Services	-	-	782,000	410,254
Accrued expenses				
– Salaries, wages and on-costs	5,006	6,015	-	-
– Works contract expenditure	219,333	235,722	219,333	235,722
– Work carried out by councils	55,222	57,803	55,222	57,803
– Interest	8,581	7,927	8,581	7,927
– Other (including non works contracts)	143,380	134,006	143,380	134,006
Other	632	181	632	181
	<b>609,710</b>	<b>551,601</b>	<b>1,386,704</b>	<b>955,840</b>

(i) The average credit period on purchases of goods is 30 days. The RTA has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables, are disclosed in Note 15.

## 14. Current/non-current liabilities – borrowings

### At Amortised Cost

#### Current

TCorp Borrowings	113,805	119,024	113,805	119,024
Treasury advances repayable	1,693	1,598	1,693	1,598
Finance Leases (Note 20)	25,050	20,684	25,050	20,684
	<b>140,548</b>	<b>141,306</b>	<b>140,548</b>	<b>141,306</b>

#### Non-Current

TCorp Borrowings	579,521	617,543	579,521	617,543
Treasury advances repayable	12,039	13,732	12,039	13,732
Finance Leases (Note 20)	653,390	678,440	653,390	678,440
Other	1,542	1,503	1,542	1,503
	<b>1,246,492</b>	<b>1,311,218</b>	<b>1,246,492</b>	<b>1,311,218</b>

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above borrowings, are disclosed in Note 15.



## 15. Financial instruments

The RTA's principal financial instruments are outlined below. These financial instruments arise directly from the RTA's operations or are required to finance the RTA's operations. The RTA does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The RTA's main risks arising from financial instruments are outlined below, together with the RTA's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout this financial report.

The Chief Executive has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the RTA, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the Audit and Risk Committee on a continuous basis.

### (a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The RTA's exposures to market risk are primarily through interest rate risk on borrowings and other price risks associated with the movement in the unit price of the Hour Glass Investment facilities. The RTA has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the table below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the RTA operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the balance sheet date. The analysis is performed on the same basis for 2008 and assumes that all other variables remain constant.

#### (i) Interest rate risk

Exposure to interest rate risk arises primarily through the RTA's interest bearing liabilities. This risk is minimised by under taking mainly fixed rate borrowings, primarily with NSW Treasury Corporation (NSW TCorp).

NSW TCorp manages interest rate risk exposures applicable to specific borrowings of the RTA in accordance with the debt management policies determined by the NSW Debt Management Committee (DMC), to a benchmark and other criteria similar to those applying to the Crown debt portfolio and receives a fee for this service.

TCorp uses derivatives, primarily interest rate futures, to establish short-term (tactical) and longer term (strategic) positions within agreed tolerance limits to manage portfolio duration and maturity profiles. At reporting date the carrying value of borrowings and derivatives (net of funds held at call) managed by TCorp stood at \$693.326 million (2008: \$736.567 million).

The RTA does not account for any fixed rate financial instruments at fair value through profit or loss or as available-for-sale.

Therefore, for these financial instruments, a change in interest rates would not affect profit or loss or equity. The RTA's exposure to interest rate risk is set out in the table on the following page.

	Carrying amount	\$'000 -1%		\$'000 1%	
		Profit	Equity	Profit	Equity
<b>2009</b>					
<b>Financial assets</b>					
Cash and cash equivalents	186,179	(1,862)	(1,862)	1,862	1,862
<b>Financial liabilities</b>					
Borrowings	1,387,040	(153)	(153)	153	153
<b>2008</b>					
<b>Financial assets</b>					
Cash and cash equivalents	179,958	(1,799)	(1,799)	1,799	1,799
<b>Financial liabilities</b>					
Borrowings	1,452,524	(168)	(168)	168	168

## (ii) Other price risk – TCorp Hour Glass facilities

Exposure to 'other price risk' primarily arises through the investment in the TCorp Hour Glass Investment facilities, which are held for strategic rather than trading purposes. The RTA has no direct equity investments and holds units in the following Hour Glass investment trusts:

Facility	Investment Sectors	Investment Horizon	2009 \$'000	2008 \$'000
Cash facility	Cash, money market instruments	Daily	70,927	75,740

The unit price of each facility is equal to the total fair value of the net assets held by the facility divided by the total number of units on issue for that facility. Unit prices are calculated and published daily.

NSW TCorp is trustee for each of the above facilities and is required to act in the best interest of the unit holders and to administer the trusts in accordance with the trust deeds. As trustee, TCorp has appointed external managers to manage the performance and risks of each facility in accordance with a mandate agreed by the parties. However, TCorp, acts as manager for part of the Cash Facility. A significant portion of the administration of the facilities is outsourced to an external custodian.

Investment in the Hour Glass facilities limits the RTA's exposure to risk, as it allows diversification across a pool of funds with different investment horizons and a mix of investments.

NSW TCorp provides sensitivity analysis information for each of the Investment facilities, using historically based volatility information. The TCorp Hour Glass Investment facilities are designated at fair value through profit or loss and therefore any change in unit price impacts directly on profit (rather than equity).

	Change in unit price	Impact on profit/loss	
		2009 \$'000	2008 \$'000
Hour Glass Investment – Cash facility	+/- 1%	1,137	1,087

Approximate increase (decrease) in fair value of financial liabilities assuming one percentage point decrease (increase) in interest rates

## (b) Credit risk

Credit risk arises when there is the possibility of the RTA's debtors defaulting on their contractual obligations, resulting in a financial loss to the RTA. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from the financial assets of the RTA, including cash, receivables and authority deposits. The RTA does not hold any collateral and has not granted any financial guarantees.

Credit risk associated with the RTA's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards. Authority deposits held with NSW TCorp are guaranteed by the State.

	Banks		Governments		Other		Total	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000	2009 \$000	2008 \$000	2009 \$000	2008 \$000
<b>Financial Assets</b>								
Cash	115,251	104,218	70,928	75,740	-	-	186,179	179,958
Receivables	-	-	-	-	118,661	95,587	118,661	95,587
Other	-	-	-	-	108,529	98,402	108,529	98,402
<b>Total Financial Assets</b>	<b>115,251</b>	<b>104,218</b>	<b>70,928</b>	<b>75,740</b>	<b>227,190</b>	<b>193,989</b>	<b>413,369</b>	<b>373,947</b>

### (i) Cash

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System. Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation (TCorp) 11am unofficial cash rate, adjusted for a management fee to NSW Treasury.

### (ii) Receivables – Trade Debtors

All trade debtors are recognised as amounts receivable at balance date. Collectibility of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. Debts which are known to be uncollectible are written off. No interest is earned on trade debtors. Sales are made on 35 day terms.

The RTA is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. Based on past experience, debtors that are not past due (2009: \$19.159 million; 2008: \$9.672 million) and not less than 6 months past due (2009: \$2.259 million; 2008: \$2.773 million) are not considered impaired and together these represent 70% of the total trade debtors. There are no debtors which are currently not past due or impaired whose terms have been renegotiated.

The only financial assets that are past due or impaired are 'sales of goods and services' in the 'receivables' category of the balance sheet.

	\$'000		
	Total <sup>1,2</sup>	Past due but not impaired <sup>1,2</sup>	Considered impaired <sup>1,2</sup>
<b>2009</b>			
< 3 months overdue	9,384	6,430	2,954
3 months – 6 months overdue	1,395	1,282	114
> 6 months overdue	2,983	2,309	674
<b>2008</b>			
< 3 months overdue	6,675	5,141	107
3 months – 6 months overdue	10,751	10,101	288
> 6 months overdue	3,758	2,773	947

1. Each column in the table reports "gross receivables".

2. The ageing analysis excludes statutory receivables, as these are not within the scope of AASB 7 *Financial Instruments: Disclosures* and excludes receivables that are not past due and not impaired. Therefore, the "total" will not reconcile to the receivables total recognised in the balance sheet.

### (iii) Other financial assets

The repayment of the Sydney Harbour Tunnel Loan ranks behind all creditors to be paid. Redemption of the M2 and Eastern Distributor promissory notes is dependent upon counterparties generating sufficient cash flows to enable the face value to be repaid.

### (iv) Authority deposits

The RTA has placed funds on deposit with TCorp, (which has been rated "AAA" by Standard and Poor's). These deposits are similar to money market or bank deposits and can be placed "at call" or for a fixed term. For fixed term deposits, the interest rate payable by TCorp is negotiated initially and is fixed for the term of the deposit, while the interest rate payable on at call deposits can vary. The deposits at balance date were earning an average interest rate of 4.674% (2008: 6.818%), while over the year the weighted average interest rate was 4.239% (2008: 6.807%) on a weighted average balance during the year of \$9.633 million (2008: \$11.451 million). None of these assets are past due or impaired.

### (c) Fair value

Financial instruments are generally recognised at cost, with the exception of the TCorp Hour Glass facilities, which are measured at fair value. As discussed, the value of the Hour Glass Investments is based on the Authority's share of the value of the underlying assets of the facility, based on the market value. All of the Hour Glass facilities are valued using 'redemption' pricing.

The amortised cost of financial instruments recognised in the balance sheet approximates the fair value, because of the short-term nature of many of the financial instruments. The future cash flows of the M2 and Eastern Distributor promissory notes are discounted using standard valuation techniques at the applicable yield having regard to the timing of the cash flows.

The fair value of the Sydney Harbour Tunnel finance lease liability is calculated based on the present value of the minimum lease liability, discounted at the interest rate implicit in the lease agreement.

### (d) Liquidity risk

The RTA manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows.

Liquidity risk is the risk that the RTA will be unable to meet its payment obligations when they fall due. The RTA continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of overdrafts, loans and other advances.

The RTA has a Come and Go Facility with TCorp valued at \$100 million that has current approval to 30 June 2009 for cash management purposes. This year the facility was used occasionally to fund shortfalls incurring a total interest charge of \$0.031 million (2008: \$Nil)

	Consolidated		Parent	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<b>Financing arrangements</b>				
Unrestricted access was available at the balance sheet date to the Come and Go facility				
Total facility	100,000	100,000	100,000	100,000
Used at balance sheet date	-	-	-	-
<b>Unused at balance sheet date</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>

During the current and prior years, there were no defaults or breaches on any loans payable. No assets have been pledged as collateral. The RTA's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in Treasurer's Direction 219.01. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received.

The table summarises the maturity profile of the RTA's financial liabilities, together with the interest rate exposure.

Maturity Analysis and interest rate exposure of financial liabilities

	\$'000 Interest Rate Exposure					\$'000 Maturity Dates		
	Weighted Average Effective Int. Rate	Nominal Amount <sup>(1)</sup>	Fixed Interest Rate	Variable Interest Rate	Non- interest bearing	< 1 yr	1-5 yrs	> 5 yrs
<b>2009</b>								
<b>Payables:</b>								
Accrued salaries, wages and on-costs	-	5,006	-	-	5,006	5,006	-	-
Trade payables	-	162,707	-	-	162,707	162,707	-	-
Other current payables	-	14,849	-	-	14,849	14,849	-	-
Accrued expenses	-	427,148	-	-	427,148	427,148	-	-
Other payables	-	22,227	-	-	22,227	22,227	-	-
Statutory creditors		16,512	-	-	16,512	16,512		
Sydney Harbour Tunnel tax liability	-	25,329	-	-	25,329	1,793	4,371	19,165
Holding Accounts	-	100,606	-	-	100,606	100,606	-	-
<b>Borrowings:</b>								
Bank overdraft	-	-	-	-	-	-	-	-
Advances repayable	-	13,732	-	13,732	-	1,693	7,833	4,206
TCorp borrowings	5.67%	693,326	693,326	-	-	113,805	448,186	131,335
Sydney Harbour Tunnel finance lease liability	7.7%	1,082,994	1,082,994	-	-	75,271	419,083	588,640
Other loans and deposits	5.93%	1,542	-	1,542	-	-	1,333	209
<b>2008</b>								
<b>Payables:</b>								
Accrued salaries, wages and on-costs	-	6,015	-	-	6,015	6,015	-	-
Trade payables	-	101,091	-	-	101,091	101,091	-	-
Other current payables	-	8,856	-	-	8,856	8,856	-	-
Accrued expenses	-	397,886	-	-	397,886	397,886	-	-
Other payables	-	30,512	-	-	30,512	30,512	-	-
Statutory creditors		14,891	-	-	14,891	14,891	-	-
Sydney Harbour Tunnel tax liability	-	25,451	-	-	25,451	1,754	9,046	14,651
Holding Accounts	-	87,084	-	-	87,084	87,084	-	-
<b>Borrowings:</b>								
Bank overdraft	-	-	-	-	-	-	-	-
Advances repayable	-	15,330	-	15,330	-	1,598	7,395	6,337
TCorp borrowings	6.41%	736,567	736,567	-	-	119,024	486,626	130,917
Sydney Harbour Tunnel finance lease liability	7.7%	1,155,572	1,155,572	-	-	72,578	404,701	678,293
Other loans and deposits	5.92%	1,503	-	1,503	-	-	1,174	329

(1) The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities and therefore will not reconcile to the balance sheet.

## 16. Current/non-current liabilities – provisions

	Consolidated		Parent	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<b>Employee Benefits and related on-costs</b>				
<b>Current</b>				
Annual Leave <sup>(i)</sup>	40,992	38,686	-	-
Long Service Leave <sup>(ii)</sup>	188,580	167,168	-	-
Employee related on-costs <sup>(i),(ii)</sup>	7,897	7,639	-	-
	<b>237,469</b>	<b>213,493</b>	-	-
<b>Non-Current</b>				
Superannuation	499,564	155,495	-	-
Long Service Leave <sup>(ii)</sup>	7,858	7,962	-	-
Other <sup>(i),(ii)</sup>	27,054	24,249	-	-
	<b>534,476</b>	<b>187,706</b>	-	-
<b>Total Provisions</b>	<b>771,945</b>	<b>401,199</b>	-	-
<b>Aggregate Employee Benefits and related on-costs</b>				
Provisions – current	237,469	213,493	-	-
Provisions – non-current	534,476	187,706	-	-
Accrued salaries, wages and on-costs (Note 13)	5,006	6,015	-	-
	<b>776,951</b>	<b>407,214</b>	-	-

(i) The value of annual leave, including on-costs, expected to be taken within twelve months is \$35.300 million (2008: \$32.832 million) and \$18.743 million (2008: \$17.936 million) after twelve months.

(ii) The value of long service leave expected to be taken within twelve months is \$25.108 million (2008: \$24.059 million) and \$193.547 million (2008: \$171.339 million) after twelve months.

### Provision for Superannuation – Consolidated

Superannuation statements include both employer and employee superannuation assets and liabilities as prescribed by AASB 119 Employee Benefits.

#### General description of the plan

The Pooled Fund holds in trust the investments of the closed NSW public sector superannuation schemes:

- State Authorities Superannuation Scheme (SASS)
- State Superannuation Scheme (SSS)
- State Authorities Non-contributory Superannuation Scheme (SANCS).

These schemes are all defined benefit schemes – at least a component of the final benefit is derived from a multiple of member salary and years of membership. All the Schemes are closed to new members.

Actuarial gains and losses are recognised outside of profit or loss in the year they occur.

The following information has been prepared by the scheme actuary.

### Superannuation position for AASB 119 purposes

	SASS Financial year to 30 June 2009 \$'000	SANCS Financial year to 30 June 2009 \$'000	SSS Financial year to 30 June 2009 \$'000	Total \$'000
Accrued liability	491,663	76,059	908,205	1,475,927
Estimated reserve account balance	(407,203)	(60,656)	(508,504)	(976,363)
	84,460	15,403	399,701	499,564
Future Service Liability	(57,447)	(28,749)	(35,917)	(122,113)
<b>Net (asset)/liability to be recognised in balance sheet</b>	<b>84,460</b>	<b>15,403</b>	<b>399,701</b>	<b>499,564</b>

	SASS Financial year to 30 June 2008 \$'000	SANCS Financial year to 30 June 2008 \$'000	SSS Financial year to 30 June 2008 \$'000	Total \$'000
Accrued liability	472,399	70,460	740,966	1,283,825
Estimated reserve account balance	(457,610)	(69,275)	(601,445)	(1,128,330)
	14,789	1,185	139,521	155,495
Future Service Liability	(53,716)	(24,883)	(26,379)	(104,978)
<b>Net (asset)/liability to be recognised in balance sheet</b>	<b>14,789</b>	<b>1,185</b>	<b>139,521</b>	<b>155,495</b>

All Fund assets are invested by Superannuation Trustee Corporation at arm's length through independent fund managers.

### Reconciliation of the present value of the defined benefit obligation

	SASS Financial year to 30 June 2009 \$'000	SANCS Financial year to 30 June 2009 \$'000	SSS Financial year to 30 June 2009 \$'000	Total \$'000
Present value of partly funded defined benefit obligation at the beginning of the year	472,399	70,460	740,966	1,283,825
Current service cost	10,691	3,588	4,457	18,736
Interest cost	29,694	4,365	47,470	81,529
Contributions by Fund participants	6,890	-	6,196	13,086
Actuarial (gains)/losses	5,917	3,540	156,888	166,345
Benefits paid	(33,928)	(5,894)	(47,772)	(87,594)
<b>Present value of partly funded defined benefit obligation at the end of the year</b>	<b>491,663</b>	<b>76,059</b>	<b>908,205</b>	<b>1,475,927</b>

	SASS Financial year to 30 June 2008 \$'000	SANCS Financial year to 30 June 2008 \$'000	SSS Financial year to 30 June 2008 \$'000	Total \$'000
Present value of partly funded defined benefit obligation at the beginning of the year	489,099	69,623	734,718	1,293,440
Current service cost	11,152	3,746	5,056	19,954
Interest cost	30,055	4,226	45,987	80,268
Contributions by Fund participants	6,903	-	6,632	13,535
Actuarial (gains)/losses	(23,538)	138	(11,564)	(34,964)
Benefits paid	(41,272)	(7,273)	(39,863)	(88,408)
<b>Present value of partly funded defined benefit obligation at the end of the year</b>	<b>472,399</b>	<b>70,460</b>	<b>740,966</b>	<b>1,283,825</b>

#### Reconciliation of the present value of fund assets

	SASS Financial year to 30 June 2009 \$'000	SANCS Financial year to 30 June 2009 \$'000	SSS Financial year to 30 June 2009 \$'000	Total \$'000
Present value of Fund assets at the beginning of the year	457,610	69,275	601,445	1,128,330
Expected return on Fund assets	35,938	5,456	47,600	88,994
Actuarial gains/(losses)	(74,458)	(12,121)	(99,929)	(186,508)
Employer contributions	15,151	3,940	964	20,055
Contributions by Fund participants	6,890	-	6,196	13,086
Benefits paid	(33,928)	(5,894)	(47,772)	(87,594)
<b>Present value of fund assets at the end of the year</b>	<b>407,203</b>	<b>60,656</b>	<b>508,504</b>	<b>976,363</b>

	SASS Financial year to 30 June 2008 \$'000	SANCS Financial year to 30 June 2008 \$'000	SSS Financial year to 30 June 2008 \$'000	Total \$'000
Present value of Fund assets at the beginning of the year	411,205	37,754	784,113	1,233,072
Expected return on Fund assets	30,654	2,913	61,199	94,766
Actuarial gains/(losses)	(57,145)	(6,081)	(106,961)	(170,187)
Employer contributions	107,266	41,962	(103,675)	45,553
Contributions by Fund participants	6,902	-	6,632	13,534
Benefits paid	(41,272)	(7,273)	(39,863)	(88,408)
Present value of fund assets at the end of the year	457,610	69,275	601,445	1,128,330



## Reconciliation of the assets and liability recognised in the balance sheet

	SASS Financial year to 30 June 2009 \$'000	SANCS Financial year to 30 June 2009 \$'000	SSS Financial year to 30 June 2009 \$'000	Total \$'000
Present value of partly funded defined benefits at end of the year	491,663	76,059	908,205	1,475,927
Fair value of Fund assets at end of year	(407,203)	(60,656)	(508,504)	(976,363)
<b>Net Liability/(Asset) recognised in balance sheet at the end of the year</b>	<b>84,460</b>	<b>15,403</b>	<b>399,701</b>	<b>499,564</b>

	SASS Financial year to 30 June 2008 \$'000	SANCS Financial year to 30 June 2008 \$'000	SSS Financial year to 30 June 2008 \$'000	Total \$'000
Present value of partly funded defined benefits at end of the year	472,399	70,460	740,966	1,283,825
Fair value of Fund assets at end of year	(457,610)	(69,275)	(601,445)	(1,128,330)
<b>Net Liability/(Asset) recognised in balance sheet at the end of the year</b>	<b>14,789</b>	<b>1,185</b>	<b>139,521</b>	<b>155,495</b>

## Expense recognised in operating statement

	SASS Financial year to 30 June 2009 \$'000	SANCS Financial year to 30 June 2009 \$'000	SSS Financial year to 30 June 2009 \$'000	Total \$'000
Current service cost	10,691	3,588	4,457	18,736
Interest on obligation	29,694	4,365	47,470	81,529
Expected return on Fund assets (net of expenses)	(35,938)	(5,456)	(47,600)	(88,994)
<b>Expense/(income) recognised</b>	<b>4,447</b>	<b>2,497</b>	<b>4,327</b>	<b>11,271</b>

	SASS Financial year to 30 June 2008 \$'000	SANCS Financial year to 30 June 2008 \$'000	SSS Financial year to 30 June 2008 \$'000	Total \$'000
Current service cost	11,152	3,746	5,056	19,954
Interest on obligation	30,055	4,226	45,987	80,268
Expected return on Fund assets (net of expenses)	(30,654)	(2,913)	(61,199)	(94,766)
<b>Expense/(income) recognised</b>	<b>10,553</b>	<b>5,059</b>	<b>(10,156)</b>	<b>5,456</b>

## Amount recognised in the statement of recognised income and expense

	SASS Financial year to 30 June 2009 \$'000	SANCS Financial year to 30 June 2009 \$'000	SSS Financial year to 30 June 2009 \$'000	Total \$'000
Actuarial (gains)/losses	80,375	15,660	256,817	352,852

	SASS Financial year to 30 June 2008 \$'000	SANCS Financial year to 30 June 2008 \$'000	SSS Financial year to 30 June 2008 \$'000	Total \$'000
Actuarial (gains)/losses	33,607	6,219	95,396	135,222

## Cumulative amount recognised in the statement of recognised income and expense

	SASS Financial year to 30/6/05-30/6/09 \$'000	SANCS Financial year to 30/6/05-30/6/09 \$'000	SSS Financial year to 30/6/05-30/6/09 \$'000	Total \$'000
Actuarial (gains)/losses	87,395	11,445	176,364	275,204

## Actual Return on Fund Assets

	SASS Financial year to 30 June 2009 \$'000	SANCS Financial year to 30 June 2009 \$'000	SSS Financial year to 30 June 2009 \$'000	Total \$'000
Actual return on plan assets	(44,750)	(6,666)	(58,607)	(110,023)

	SASS Financial year to 30 June 2008 \$'000	SANCS Financial year to 30 June 2008 \$'000	SSS Financial year to 30 June 2008 \$'000	Total \$'000
Actual return on plan assets	(28,132)	(3,168)	(48,131)	(79,431)

## Fund assets

The percentage invested in each asset class at the balance sheet date:

	30 June 2009	30 June 2008
Australian equities	32.1%	31.6%
Overseas equities	26.0%	25.4%
Australian fixed interest securities	6.2%	7.4%
Overseas fixed interest securities	4.7%	7.5%
Property	10.0%	11.0%
Cash	8.0%	6.1%
Other	13.0%	11.0%

## Expected rate of return on assets

The expected return on assets assumption is determined by weighting the expected long-term return for each asset class by the target allocation of assets to each class. The returns used for each class are net of investment tax and investment fees.

Valuation method and principal actuarial assumptions at the reporting date

### a) Valuation method

The Projected Unit Credit (PUC) valuation method was used to determine the present value of the defined benefit obligations and the related current service costs. This method sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

### b) Economic assumptions

	30 June 2009	30 June 2008
Salary increase rate (excluding promotional increases)	3.5% pa	3.5% pa
Rate of CPI Increase	2.5% pa	2.5% pa
Expected rate of return on assets	8.13%	8.30%
Discount rate	5.59% pa	6.55% pa

## Historical information

	SASS Financial year to 30 June 2009 \$'000	SANCS Financial year to 30 June 2009 \$'000	SSS Financial year to 30 June 2009 \$'000	Total \$'000
Present value of defined benefit obligation	491,663	76,059	908,205	1,475,927
Fair value of Fund assets	(407,203)	(60,656)	(508,504)	(976,363)
(Surplus)/Deficit in Fund	84,460	15,403	399,701	499,564
Experience adjustments – Fund liabilities	5,917	3,540	156,888	166,345
Experience adjustments – Fund assets	74,458	12,121	99,929	186,508

	SASS Financial year to 30 June 2008 \$'000	SANCS Financial year to 30 June 2008 \$'000	SSS Financial year to 30 June 2008 \$'000	Total \$'000
Present value of defined benefit obligation	472,399	70,460	740,966	1,283,825
Fair value of Fund assets	(457,610)	(69,275)	(601,445)	(1,128,330)
(Surplus)/Deficit in Fund	14,789	1,185	139,521	155,495
Experience adjustments – Fund liabilities	(23,538)	138	(11,564)	(34,964)
Experience adjustments – Fund assets	57,145	6,081	106,961	170,187

	SASS Financial year to 30 June 2007 \$'000	SANCS Financial year to 30 June 2007 \$'000	SSS Financial year to 30 June 2007 \$'000	Total \$'000
Present value of defined benefit obligation	489,099	69,623	734,718	1,293,440
Fair value of Fund assets	(411,205)	(37,753)	(784,113)	(1,233,071)
(Surplus)/Deficit in Fund	77,894	31,870	(49,395)	60,369
Experience adjustments – Fund liabilities	7,547	(1,540)	(54,318)	(48,311)
Experience adjustments – Fund assets	(21,801)	(2,159)	(46,741)	(70,701)

	SASS Financial year to 30 June 2006 \$'000	SANCS Financial year to 30 June 2006 \$'000	SSS Financial year to 30 June 2006 \$'000	Total \$'000
Present value of defined benefit obligation	471,698	70,059	750,583	1,292,340
Fair value of Fund assets	(370,708)	(34,720)	(669,479)	(1,074,907)
(Surplus)/Deficit in Fund	100,990	35,339	81,104	217,433
Experience adjustments – Fund liabilities	979	(4,450)	(77,765)	(81,236)
Experience adjustments – Fund assets	(31,372)	(3,807)	(54,383)	(89,562)

	SASS Financial year to 30 June 2005 \$'000	SANCS Financial year to 30 June 2005 \$'000	SSS Financial year to 30 June 2005 \$'000	Total \$'000
Present value of defined benefit obligation	301,738	71,750	678,578	1,052,066
Fair value of Fund assets	(138,094)	(53,818)	(454,466)	(646,378)
(Surplus)/Deficit in Fund	163,644	17,932	224,112	405,688
Experience adjustments – Fund liabilities	23,937	4,202	78,885	107,024
Experience adjustments – Fund assets	(5,877)	(2,681)	(21,528)	(30,086)

## Expected contributions

	SASS Financial year to 30 June 2009 \$'000	SANCS Financial year to 30 June 2009 \$'000	SSS Financial year to 30 June 2009 \$'000	Total \$'000
Expected employer contributions	7,303	3,387	929	11,619

	SASS Financial year to 30 June 2008 \$'000	SANCS Financial year to 30 June 2008 \$'000	SSS Financial year to 30 June 2008 \$'000	Total \$'000
Expected employer contributions	19,312	5,077	25,775	50,164

## Funding arrangements for employer contributions

The following is a summary of the 30 June 2009 financial position of the Fund calculated in accordance with AASB 25 – Financial Reporting by Superannuation Plans.

	SASS Financial year to 30 June 2009 \$'000	SANCS Financial year to 30 June 2009 \$'000	SSS Financial year to 30 June 2009 \$'000	Total \$'000
Accrued benefits	448,930	69,924	671,912	1,190,766
Net market value of Fund assets	(407,203)	(60,656)	(508,504)	(976,363)
<b>Net (surplus)/deficit</b>	<b>41,727</b>	<b>9,268</b>	<b>163,408</b>	<b>214,403</b>

	SASS Financial year to 30 June 2008 \$'000	SANCS Financial year to 30 June 2008 \$'000	SSS Financial year to 30 June 2008 \$'000	Total \$'000
Accrued benefits	468,896	70,757	682,075	1,221,728
Net market value of Fund assets	(457,610)	(69,275)	(601,445)	(1,128,330)
<b>Net (surplus)/deficit</b>	<b>11,286</b>	<b>1,482</b>	<b>80,630</b>	<b>93,398</b>

Recommended contribution rates for the entity are:

SASS	SANCS	SSS
multiple of member contributions	% member salary	multiple of member contributions
1.06	2.07% pa	0.15

## Funded method

The method used to determine the employer contribution recommendations at the last actuarial review was the Aggregate Funding method. The method adopted affects the timing of the cost to the employer.

Under the Aggregate Funding method, the employer contribution rate is determined so that sufficient assets will be available to meet benefit payments to existing members, taking into account the current value of assets and future contributions.

## Economic assumptions

The economic assumptions adopted for the current actuarial review of the Fund were:

Weighted-Average Assumptions	2009	2008
Expected rate of return on Fund assets backing current pension liabilities	8.3% pa	7.7% pa
Expected rate of return on Fund assets backing other liabilities	7.3% pa	7.0% pa
Expected salary increase rate	4.0% pa	4.0% pa
Expected rate of CPI increase	2.5%	2.5%

## Nature of asset/liability

If a surplus exists in the employer's interest in the Fund, the employer may be able to take advantage of it in the form of a reduction in the required contribution rate, depending on the advice of the Fund's actuary.

Where a deficiency exists, the employer is responsible for any difference between the employer's share of fund assets and the defined benefit obligation.

## Provision for Long Service Leave (LSL)

Long service leave is measured at present value in accordance with AASB 119 Employee Benefits. This is based on the application of the valuation ratio at the Commonwealth Government bond rate at the reporting date to employees with five or more years of service, using current rates of pay. This ratio is determined based on an actuarial review to approximate present value.

The actuarial assessment is based on the accrued long service leave liabilities and employee data of the RTA as at 31 December 2007. Long Service leave accrued at the rate of 4.4 days per annum for the first 10 years of service and then at the rate of 11 days per annum.

Employees who exit with less than five years service get no benefits. Those who leave with between five and seven years service have been assumed to only receive benefits if exiting due to death, disability or age retirement. Benefits are paid in service or on exit after seven years service on a pro rata basis.

## Assumptions:

An allowance has been determined for each relevant on-cost separately to the LSL liability, as their accounting treatment and the adoption of liability is different to the LSL liability. The on-costs to LSL present value liabilities are:

Payroll Tax	5.75%
Superannuation	9.0 %
Superannuation accruing while on LSL	3.6 %
LSL accruing while on LSL	1.6 %
Annual Leave accruing while on LSL	3.0 %

As workers' compensation is determined without direct reference to salary, and does not accrue while an employee is on long service leave there is no future workers' compensation expense that will be incurred when currently accrued LSL is taken during future service, and hence there is no attaching on-cost.

Assumptions about rates of taking leave in service are based on historical details of payments of LSL for calendar years 2005-07 and projected future payments are broadly consistent with this data. It has been assumed that 6 days of LSL will be taken per year by employees who are eligible.

General salary increases of 4% per annum have been assumed for all future years, consistent with NSW Treasury expectations for the NSW public sector in the medium term.

Promotional salary increases have been assumed at rates based on NSW public sector superannuation scheme rates expected to reasonably reflect employees' promotional salary experience.

The rates of resignation, death, age retirement and ill-health retirement assumed have been adopted from superannuation valuations of NSW public servants. Withdrawal rates for those with less than 10 years of service are based on experience from NSW and other superannuation schemes.

The discount rate is based on the 10 year bond rate at 30 June, but adjusted from a semi-annual rate to an annual rate.

## 17. Current/non-current liabilities – other

	Consolidated		Parent	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<b>Current</b>				
Statutory Creditors	16,512	14,891	16,512	14,891
Unearned Rent on M4 and M5 Motorways	2,227	3,106	2,227	3,106
Sydney Harbour Tunnel Tax Liabilities	1,793	1,754	1,793	1,754
Income Received in Advance	11,063	16,240	11,063	16,240
Holding Accounts	100,606	87,084	95,557	84,044
Make Good Provisions	-	3,358	-	3,358
Lease Incentive	497	-	497	-
Deferred Revenue – Reimbursement on Private Sector Provided Infrastructure	11,575	11,575	11,575	11,575
	<b>144,273</b>	<b>138,008</b>	<b>139,224</b>	<b>134,968</b>
<b>Non-current</b>				
Unearned Rent on M4 and M5 Motorways	8,938	11,165	8,938	11,165
Sydney Harbour Tunnel Tax Liabilities	23,536	23,697	23,536	23,697
Make Good Provisions	2,000	-	2,000	-
Lease Incentive	3,026	-	3,026	-
Deferred Revenue – Reimbursement on Private Sector Provided Infrastructure	320,293	331,868	320,293	331,868
	<b>357,793</b>	<b>366,730</b>	<b>357,793</b>	<b>366,730</b>
<b>Current</b>				
Sydney Harbour Tunnel Past Tax Liability	1,455	1,416	1,455	1,416
Sydney Harbour Tunnel Future Tax Liability	338	338	338	338
	<b>1,793</b>	<b>1,754</b>	<b>1,793</b>	<b>1,754</b>
<b>Non-current</b>				
Sydney Harbour Tunnel Past Tax Liability	14,294	14,884	14,294	14,884
Sydney Harbour Tunnel Future Tax Liability	9,242	8,813	9,242	8,813
	<b>23,536</b>	<b>23,697</b>	<b>23,536</b>	<b>23,697</b>

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

	Consolidated		Parent	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Rent earned in prior years	42,745	40,370	42,745	40,370
Rent earned in current year	2,375	2,375	2,375	2,375
Unearned rent as at 30 June 2009	1,495	3,870	1,495	3,870
	<b>46,615</b>	<b>46,615</b>	<b>46,615</b>	<b>46,615</b>

The land acquisition loan of \$22.000 million, based on the cost of land under the M5 originally purchased by the RTA, was repaid in June 1997 by the Concession Holder. The repayment of the loan is considered to be a prepayment of the remaining rental over the period of the concession agreement. In accordance with AASB 117, this revenue is brought to account over the period of the lease.

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

The treatment is summarised as follows:

Rent earned in prior years	11,601	10,870	11,601	10,870
Rent earned in current year	731	731	731	731
Unearned rent as at 30 June 2009	9,668	10,399	9,668	10,399
	<b>22,000</b>	<b>22,000</b>	<b>22,000</b>	<b>22,000</b>

Under the various Private Sector Provided Infrastructure \$369.915 million was received following the letting of the Lane Cove Tunnel, Cross City Tunnel and Western M7 Motorway contracts as reimbursement of development costs. NSW Treasury have mandated the adoption of TPP 06-08 "Accounting for Privately Funded Projects", which requires revenue to be brought to account over the period of the concessions. The treatment is summarised as follows.

Amortisation of deferred revenue in prior years	26,472	14,897	26,472	14,897
Amortisation of deferred revenue in current year	11,575	11,575	11,575	11,575
Unearned reimbursement as at 30 June 2009	331,868	343,443	331,868	343,443
	<b>369,915</b>	<b>369,915</b>	<b>369,915</b>	<b>369,915</b>

## 18. Changes in equity

	Consolidated		Parent	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<b>Reserves</b>				
Accumulated Funds	44,836,741	43,752,057	44,836,741	43,752,057
Asset Revaluation Reserve	41,837,842	35,053,304	41,837,842	35,053,304
	<b>86,674,583</b>	<b>78,805,361</b>	<b>86,674,583</b>	<b>78,805,361</b>

	Accumulated funds				Asset revaluation				Total equity			
	Consolidated		Parent		Consolidated		Parent		Consolidated		Parent	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000	2009 \$000	2008 \$000	2009 \$000	2008 \$000	2009 \$000	2008 \$000	2009 \$000	2008 \$000
Balance at the beginning of the financial year	43,752,057	42,939,732	43,752,057	42,939,732	35,053,304	30,478,874	35,053,304	30,478,874	78,805,361	73,418,606	78,805,361	73,418,606
Changes in accounting policy	-	-	-	-	-	-	-	-	-	-	-	-
Correction of errors	-	(312,640)	-	(312,640)	-	(2,435,936)	-	(2,435,936)	-	(2,748,576)	-	(2,748,576)
<b>Restated opening balance</b>	<b>43,752,057</b>	<b>42,627,092</b>	<b>43,752,057</b>	<b>42,627,092</b>	<b>35,053,304</b>	<b>28,042,938</b>	<b>35,053,304</b>	<b>28,042,938</b>	<b>78,805,361</b>	<b>70,670,030</b>	<b>78,805,361</b>	<b>70,670,030</b>
<b>Changes in equity – other than transactions with owners as owners</b>												
Surplus/(deficit) for the year	1,314,030	1,067,965	961,178	932,743	-	-	-	-	1,314,030	1,067,965	961,178	932,743
Increment/(decrement) on revaluation of												
– Land and Buildings	-	-	-	-	126,671	110,616	126,671	110,616	126,671	110,616	126,671	110,616
– Authority Infrastructure	-	-	-	-	6,805,278	7,067,715	6,805,278	7,067,715	6,805,278	7,067,715	6,805,278	7,067,715
Sydney Harbour Tunnel Infrastructure Asset	-	-	-	-	-	23,769	-	23,769	-	23,769	-	23,769
Superannuation actuarial gains/(losses)	(352,852)	(135,222)	-	-	-	-	-	-	(352,852)	(135,222)	-	-
<b>Total</b>	<b>961,178</b>	<b>932,743</b>	<b>961,178</b>	<b>932,743</b>	<b>6,931,949</b>	<b>7,202,100</b>	<b>6,931,949</b>	<b>7,202,100</b>	<b>7,893,127</b>	<b>8,134,843</b>	<b>7,893,127</b>	<b>8,134,843</b>
<b>Transfers within equity</b>												
Asset Revaluation Reserve balance transferred to accumulated funds on disposal of asset	147,411	191,734	147,411	191,734	(147,411)	(191,734)	(147,411)	(191,734)	-	-	-	-
<b>Total</b>	<b>147,411</b>	<b>191,734</b>	<b>147,411</b>	<b>191,734</b>	<b>(147,411)</b>	<b>(191,734)</b>	<b>(147,411)</b>	<b>(191,734)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Changes in equity – transaction with owners as owners</b>												
Increase/(decrease) in net assets from equity transfers	(23,905)	488	(23,905)	488	-	-	-	-	(23,905)	488	(23,905)	488
<b>Total</b>	<b>(23,905)</b>	<b>488</b>	<b>(23,905)</b>	<b>488</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(23,905)</b>	<b>488</b>	<b>(23,905)</b>	<b>488</b>
<b>Balance at the end of the financial year</b>	<b>44,836,741</b>	<b>43,752,057</b>	<b>44,836,741</b>	<b>43,752,057</b>	<b>41,837,842</b>	<b>35,053,304</b>	<b>41,837,842</b>	<b>35,053,304</b>	<b>86,674,583</b>	<b>78,805,361</b>	<b>86,674,583</b>	<b>78,805,361</b>

## 19. Increase/decrease in net assets from equity transfer

Premiers Memorandum No. 2008-06 instructed that all General Government Sector and Public Trading Enterprise (excluding State Owned Corporations) agency-owned office buildings will vest in the State Property Authority from 1 July 2008.

From 1 December 2007, the assets, rights and liabilities of the Tow Truck Authority have been merged with RTA.

	Consolidated		Parent	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Total assets	(23,905)	823	(23,905)	823
Total liabilities	-	(335)	-	(335)
<b>Net increase/(decrease)</b>	<b>(23,905)</b>	<b>488</b>	<b>(23,905)</b>	<b>488</b>



## 20. Commitments for expenditure

### (a) Capital commitments

Aggregate capital expenditure for the road works contracted for at balance date and not provided for:

	Consolidated		Parent	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Payable no later than 1 year	587,545	254,957	587,545	254,957
Payable later than 1 year and not later than 5 years	591,957	1,455,616	591,957	1,455,616
Payable later than 5 years	34,870	111,513	34,870	111,513
<b>Total (including GST)</b>	<b>1,214,372</b>	<b>1,822,086</b>	<b>1,214,372</b>	<b>1,822,086</b>

### (b) Other expenditure commitments

Aggregate other expenditure for the acquisition of goods and services contracted for at balance date and not provided for:

Payable no later than 1 year	265,355	287,695	265,355	287,695
Payable later than 1 year and not later than 5 years	145,859	204,234	145,859	204,234
Payable later than 5 years	389,819	43,192	389,819	43,192
<b>Total (including GST)</b>	<b>801,033</b>	<b>535,121</b>	<b>801,033</b>	<b>535,121</b>

### (c) Operating lease commitments

Operating lease commitments relate to property, IT equipment and light and heavy motor vehicles. Operating lease commitments are not recognised in the financial statements as liabilities. Total operating lease commitments are as follows:

Not later than 1 year	59,635	52,026	59,635	52,026
Later than 1 year and not later than 5 years	113,928	44,071	113,928	44,071
Later than 5 years	71,506	25,218	71,506	25,218
<b>Total (including GST)</b>	<b>245,069</b>	<b>121,315</b>	<b>245,069</b>	<b>121,315</b>

In respect of property leases, the RTA has various lessors with leases that have specific lease periods ranging from one year to 20 years.

The property operating lease commitments are as follows:

Not later than 1 year	33,420	19,385	33,420	19,385
Later than 1 year and not later than 5 years	88,458	20,125	88,458	20,125
Later than 5 years	71,506	25,218	71,506	25,218
<b>Total (including GST)</b>	<b>193,384</b>	<b>64,728</b>	<b>193,384</b>	<b>64,728</b>

IT equipment operating leases are existing leases negotiated with Dell Computer Pty Ltd., Fujitsu Australia Ltd. and Macquarie IT Pty Ltd. The RTA changed its policy effective 2007-08, to purchasing rather than leasing IT assets.

The IT operating lease commitments are as follows:

Not later than 1 year	119	645	119	645
Later than 1 year and not later than 5 years	-	140	-	140
<b>Total (including GST)</b>	<b>119</b>	<b>785</b>	<b>119</b>	<b>785</b>

The Light Motor Vehicle Lease is with State Fleet Services and is financed through Department of Commerce by the NSW Treasury.

The light motor vehicle operating lease commitments are as follows:

	Consolidated		Parent	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Not later than 1 year	20,679	26,781	20,679	26,781
Later than 1 year and not later than 5 years	20,035	16,383	20,035	16,383
<b>Total (including GST)</b>	<b>40,714</b>	<b>43,164</b>	<b>40,714</b>	<b>43,164</b>

The heavy motor vehicle lease is held and financed with Orix and Essenda.

The heavy motor vehicle operating lease commitments are as follows:

Not later than 1 year	5,417	5,215	5,417	5,215
Later than 1 year and not later than 5 years	5,435	7,423	5,435	7,423
<b>Total (including GST)</b>	<b>10,852</b>	<b>12,638</b>	<b>10,852</b>	<b>12,638</b>

The total commitments detailed above include GST input tax credits of \$187.916 million (2007-08: \$225.320 million) that are expected to be recoverable from the ATO.

#### (d) Sydney Harbour Tunnel finance lease liability

Minimum lease payment commitments in relation to Tunnel finance lease payable as follows:

Not later than 1 year	75,271	72,578	75,271	72,578
Later than 1 year and not later than 5 years	419,083	404,701	419,083	404,701
Later than 5 years	588,640	678,293	588,640	678,293
<b>Minimum lease payments</b>	<b>1,082,994</b>	<b>1,155,572</b>	<b>1,082,994</b>	<b>1,155,572</b>
Less: Future finance charges	404,554	456,448	404,554	456,448
<b>Present value of minimum lease payments</b>	<b>678,440</b>	<b>699,124</b>	<b>678,440</b>	<b>699,124</b>

The present value of finance lease commitments is as follows:

Not later than 1 year	25,050	20,684	25,050	20,684
Later than 1 year and not later than 5 years	206,075	177,586	206,075	177,586
Later than 5 years	447,315	500,854	447,315	500,854
	<b>678,440</b>	<b>699,124</b>	<b>678,440</b>	<b>699,124</b>

Classified as:

Current (Note 14)	25,050	20,684	25,050	20,684
Non-Current (Note 14)	653,390	678,440	653,390	678,440
	<b>678,440</b>	<b>699,124</b>	<b>678,440</b>	<b>699,124</b>

## Sydney Harbour Tunnel

In June 1987 the RTA and SHTC entered into an Ensured Revenue Stream ('ERS') Agreement, whereby RTA agreed to make payments to SHTC to enable it to meet its financial obligations arising from the operation and maintenance of the Tunnel and repayment of principal and interest on the funds it borrowed for the design and construction of the Tunnel.

Following the guidelines set out in NSW Treasury Policy Paper 06-08 Accounting for Privately Financed Projects, RTA has accounted for the Sydney Harbour Tunnel and related ERS Agreement as a finance lease arrangement in accordance with the requirements of AASB 117 Leases.

The carrying amount of the Sydney Harbour Tunnel finance lease liability has been calculated based on the present value of the minimum lease liability, discounted at the interest rate implicit in the ERS Agreement.

Contingent lease payments represent liabilities that were considered contingent at the inception of the lease but have since been confirmed. Specifically, contingent lease payments include increases in the ERS liability resulting from fluctuations in the weighted index component of the ERS Agreement (e.g. CPI fluctuations) and adjustments to the amount payable resulting from ERS clause 4.1(a) renegotiations such as GST on the Tunnel tolls. Contingent lease payments are charged as expenses in the period they are incurred and amounted to \$3.228 million for the period ending 30 June 2009 (2008: \$2.494 million).

## 21. After balance sheet date event

### (a) Road Reclassification Review – Transfer of Roads to/from Councils

The implementation in May 2009 of the NSW Road Re-classification Review will result in the transfer of several roads between the State and Regional road networks.

The written down value of roads and land under roads to be transferred to councils by the RTA as a result of the review is \$722.255 million as at 30 June 2009. The RTA also expects to receive approximately \$517.401 million of roads and land under roads from councils. These transfers will commence in the 2009-10 Financial Year.

### (b) M4 Motorway handover

On 15 December 1989 the RTA and the Minister for Transport entered into an agreement with the Statewide Roads (F4/M4) Pty Ltd (SWR) and Statewide Roads Ltd (the Guarantor) to finance, design, construct, operate, maintain and repair the M4 Tollroad. Ownership of the M4 Motorway will revert to the RTA on 15 February 2010.

As at 30 June 2009, no valuation of the assets to be received has been performed at this time. An independent valuation for the M4 Motorway will be performed by December 2009.

## 22. Contingent assets and contingent liabilities

AASB 137 Provisions, Contingent Liabilities and Contingent Assets adopts a "prudent" approach and requires disclosure of each class of contingent liabilities and contingent assets.

There are two significant contractual disputes (2008: 1 dispute) with an estimated total contingent liability of \$33.000 million (2008:\$25.000 million). Compulsory property acquisition matters under litigation have an estimated contingent liability of \$54.653 million.

The RTA has certain obligations under contracts with private sector parties with the performance of these obligations guaranteed by the State. The current guarantees outstanding are for the Sydney Harbour Tunnel, the M2 Motorway, The Eastern Distributor, the Cross City Tunnel, the Western Sydney Orbital and the Lane Cove Tunnel. There is no reason to believe that these guarantees are ever to be exercised.

## 23. Native title

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

In this regard the RTA has undertaken an assessment of the impact on its financial position. This assessment indicates as at 30 June 2009, there were no Native Title claims which had been initiated against the RTA.

## 24. Administered liabilities

	Consolidated		Parent	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Administered Liabilities				
Other	199,945	199,220	199,945	199,220
<b>Total Administered Liabilities</b>	<b>199,945</b>	<b>199,220</b>	<b>199,945</b>	<b>199,220</b>

The amount of multiple licence fees issued in the current year is approximately \$116 million (2008: \$90 million). The maximum period of licence is five years. First year licences are not deemed to be a liability. The outstanding liability above represents the remaining four years.

## 25. Budget review

### (a) Net cost of services

The actual net cost of services of \$2,409 million was \$295 million higher than budget. The variance was primarily due to \$113 million in vesting (non cash) of roads and bridges to local councils, accounting adjustments of \$20 million resulting from a change in accounting policy for the Sydney Harbour Tunnel, write-offs of bridges and other infrastructure assets of \$31 million, lower revenue recognition in relation to the valuation of emerging interest in private sector motorways of \$39 million and other non cash accounting adjustments in relation to employee provisions, property expenses and other miscellaneous items of \$24 million. Other cash variances totalling \$70 million are the result of increased natural disasters rectification work of \$27 million, and increased operational maintenance due to heavier than expected wet weather of \$43 million.

### (b) Assets and liabilities

Non-current assets have increased by \$6,798 million when compared to budget. This is principally due to a \$6,007 million, increase in the value of the RTA's road network due to the roads revaluation carried out this financial year. The value of non-current assets held for sale decreased by \$30.229 million when compared to budget.

Current liabilities were \$80.646 million over the budgeted amount primarily due to higher end of year payables reflecting increased overall road program spending. Non-current liabilities increased by \$387.656 million primarily due to a \$352.852 million increase in superannuation actuarial losses.

### (c) Cash flows

Actual results show a \$20 million lower closing cash position of \$186 million when compared to the budget of \$206 million. This was driven by higher capital expenditure of \$29 million and payment of the finance lease relating to the Sydney Harbour Tunnel of \$20 million being offset by lower repayments of borrowings of approximately \$29 million.

## 26. Reconciliation of cash flows from operating activities to net cost of services

Reconciliation of cash flows from operating activities to the net cost of services as reported in the operating statement.

	Consolidated		Parent	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Net Cash used on Operating Activities	<b>2,296,598</b>	<b>1,874,955</b>	<b>2,296,598</b>	<b>1,874,955</b>
Cash Flows from Government/Appropriations	(3,723,045)	(3,202,029)	(3,723,045)	(3,202,029)
Adjustments for revenues & expenses not involving cash				
Non-cash/Revenue/expenses				
Tugun Bypass	-	143,949	-	143,949
Net (loss)/gain on sale of plant and equipment	1,213	15,692	1,213	15,692
Right to receive on PSPI	90,686	84,668	90,686	84,668
Roads and bridges transferred to Councils	(112,649)	(66,086)	(112,649)	(66,086)
Infrastructure assets written down (Note 6 (a))	(30,997)	(157,829)	(30,997)	(157,829)
Depreciation/amortisation	(853,456)	(836,429)	(853,456)	(836,429)
Non cash personnel services	-	-	(352,852)	(135,222)
Other	(1,542)	(6,022)	(1,542)	(6,022)
	<b>(906,745)</b>	<b>(822,057)</b>	<b>(1,259,597)</b>	<b>(957,279)</b>
Adjustments for cash movement in operating assets and liabilities				
Increase/(Decrease) in receivables	15,485	20,617	15,485	20,617
Increase/(Decrease) in inventories	470	2,211	470	2,211
(Increase)/Decrease in creditors	(68,060)	(12,594)	(68,060)	(12,594)
(Increase)/Decrease in provisions*	(23,718)	4,833	(23,718)	4,833
	<b>(75,823)</b>	<b>15,067</b>	<b>(75,823)</b>	<b>15,067</b>
Net Cost of Services (as per operating statement)	<b>(2,409,015)</b>	<b>(2,134,064)</b>	<b>(2,761,867)</b>	<b>(2,269,286)</b>

\* Excludes non-cash adjustments of \$352.852 million (2008: \$135.222 million) relating to superannuation actuarial losses against employee provisions.

## 27. Non cash financing and investing activities

Non-cash/Revenue/expenses				
Tugun Bypass	-	143,949	-	143,949
Right to receive on PSPI	90,686	84,668	90,686	84,668
	<b>90,686</b>	<b>228,617</b>	<b>90,686</b>	<b>228,617</b>

Investing and financing transactions which did not result in cash flows are the grant given by the Queensland Department of Motor Transport (Tugun Bypass) and the emerging interest of the private sector provided infrastructure (PSPI).

## 28. Prior period errors

### (a) Sydney Harbour Tunnel

In June 1987 the RTA and SHTC entered into an ERS Agreement in relation to the Sydney Harbour Tunnel, whereby RTA agreed to make payments to SHTC to enable it to meet its financial obligations arising from the operation and maintenance of the Tunnel and repayment of principal and interest on the funds borrowed for the design and construction of the Tunnel.

In prior years the RTA has accounted for the Tunnel as an intangible asset valued at the RTA's right to the time-share of its ownership, total service potential and remaining useful life at the date of its transfer to the RTA in 2022 (\$670.786 million as at 30 June 2008). In prior years the RTA has also recognised a liability in relation to the ERS Agreement at an amount equal to the principal outstanding on the bonds issued by SHTC to the private sector to fund the design and construction of the Tunnel (\$313.149 million as at 30 June 2008).

Following the guidelines set out in TPP 06-08, the RTA has revised its accounting treatment and now accounts for the Tunnel and related ERS Agreement as a finance lease arrangement in accordance with the requirements of AASB117 Leases. The RTA also now accounts for the Tunnel toll revenue and the Tunnel operating expenses. The value of the finance lease asset and liability as at 30 June 2008 was \$702.895 million, and \$699.124 million respectively.

Under AASB 108 requirements, an entity shall correct material prior period errors retrospectively by restating the comparative amounts for the prior period in which the event occurred as per the table below.

### (b) Roads and land under roads

During the 2006-07 and 2007-08 financial years, a series of road segments were double counted in the RTA's financial statements. This has resulted in an overstatement of both the RTA's Roads (\$131.603 million) and Land under Roads (\$2,248.122 million) asset values. These overstatements were identified this financial year and have been treated as prior period errors in the 2008-09 financial statements.

Several road segments in prior years were also incorrectly deemed to be part of the RTA's Private Sector Provided Infrastructure and were therefore not included in the prior year roads asset value. These segments have been included in the roads asset value this financial year. Total impact understatement of \$480.730 million.

In prior years the RTA has been including the land under tunnel segments as part of its land under roads (LUR) calculations. Identifiable land under tunnel segments (\$860.977 million) have now been derecognised this financial year.

The impact of the above prior period errors are shown below:

\* Includes prior period errors relating to Sydney Harbour Tunnel, Roads, Land under Roads, Superannuation actuarial loss (refer to Note 1 (x) change in accounting policy<sup>o</sup>) and reclassification of expenses<sup>o</sup> (refer to page 177).

	Consolidated*				Parent*			
	Comparative Restated 2008	Correction of balance as at 30 June 2008	Correction of balance as at 1 July 2007	Previously reported figure as at 30 June 2008	Comparative Restated 2008	Correction of balance as at 30 June 2008	Correction of balance as at 1 July 2007	Previously reported figure as at 30 June 2008
<b>Expenses excluding losses</b>								
– Employee related	503,811	(103,475) <sup>o</sup>	-	607,286	639,033	31,747 <sup>o</sup>	-	607,286
– Other Operating expenses	287,085	(166,198) <sup>o</sup>	-	453,283	287,085	(166,198) <sup>o</sup>	-	453,283
Maintenance	671,304	(84,061) <sup>o</sup>	-	755,365	671,304	(84,061) <sup>o</sup>	-	755,365
Depreciation and amortisation	836,429	24,863	-	811,566	836,429	24,863	-	811,566
Grants and Subsidies	281,022	227,449 <sup>o</sup>	-	53,573	281,022	227,449 <sup>o</sup>	-	53,573
Finance costs	111,813	53,246	-	58,567	111,813	53,246	-	58,567
<b>Total expenses excluding losses</b>	<b>2,691,464</b>	<b>(48,176)<sup>o</sup></b>	<b>-</b>	<b>2,739,640</b>	<b>2,826,686</b>	<b>87,046<sup>o</sup></b>	<b>-</b>	<b>2,739,640</b>
<b>Revenue</b>								
Sale of Goods and Services	389,606	39,473	-	350,133	389,606	39,473	-	350,133
<b>Total revenue</b>	<b>699,567</b>	<b>39,473</b>	<b>-</b>	<b>660,094</b>	<b>699,567</b>	<b>39,473</b>	<b>-</b>	<b>660,094</b>

	Consolidated*				Parent*			
	Comparative Restated 2008	Correction of balance as at 30 June 2008	Correction of balance as at 1 July 2007	Previously reported figure as at 30 June 2008	Comparative Restated 2008	Correction of balance as at 30 June 2008	Correction of balance as at 1 July 2007	Previously reported figure as at 30 June 2008
<b>Other Losses</b>								
Disposal of Infrastructure Assets	(157,859)	(116,210)°	-	(41,649)	(157,859)	(116,210)°	-	(41,649)
<b>Net cost of services</b>	<b>2,134,064</b>	<b>28,561°</b>	<b>-</b>	<b>2,105,503</b>	<b>2,269,286</b>	<b>163,783</b>	<b>-</b>	<b>2,105,503</b>
<b>Surplus for the year</b>								
Surplus for the year stated in the Operating Statement for the year ending 30 June 2008	<b>1,067,965</b>	<b>(28,561)°</b>	<b>-</b>	<b>1,096,526</b>	<b>932,743</b>	<b>(163,783)</b>	<b>-</b>	<b>1,096,526</b>
<b>Recognised income and expense</b>								
Net increase/(decrease) in asset revaluation reserve	4,766,164	(201,478)	(2,435,936)	7,403,578	4,766,164	(201,478)	(2,435,936)	7,403,578
Superannuation actuarial gains/(losses)	(135,222)	(135,222)°	-	-	-	-	-	-
<b>Total income and expense recognised directly in equity</b>	<b>4,630,942</b>	<b>(336,700)°</b>	<b>(2,435,936)</b>	<b>7,403,578</b>	<b>4,766,164</b>	<b>(201,478)</b>	<b>(2,435,936)</b>	<b>7,403,578</b>
Surplus for the year	1,067,965	(28,561)°	-	1,096,526	932,743	(163,783)	-	1,096,526
<b>Total income and expense recognised for the year</b>	<b>5,698,907</b>	<b>(365,261)</b>	<b>(2,435,936)</b>	<b>8,500,104</b>	<b>5,698,907</b>	<b>(365,261)</b>	<b>(2,435,936)</b>	<b>8,500,104</b>
<b>Effect of changes in accounting policies and correction of errors</b>								
Accumulated Funds	(417,408)	(104,767)	(312,641)	-	(417,408)	(104,767)	(312,641)	-
Reserves	(2,696,430)	(260,494)	(2,435,936)	-	(2,696,430)	(260,494)	(2,435,936)	-
<b>Total Effect of changes in accounting policies and correction of errors</b>	<b>(3,113,838)</b>	<b>(365,261)</b>	<b>(2,748,577)</b>	<b>-</b>	<b>(3,113,838)</b>	<b>(365,261)</b>	<b>(2,748,577)</b>	<b>-</b>
<b>Non-current assets</b>								
<i>Property Plant and Equipment</i>								
Infrastructure Systems	77,726,966	(353,425)	(1,703,652)	79,784,043	77,726,966	(353,425)	(1,703,652)	79,784,043
Total property, plant and equipment	80,758,023	(353,425)	(1,703,652)	82,815,100	80,758,023	(353,425)	(1,703,652)	82,815,100
Other	448,419	(11,736)	(659,050)	1,119,205	448,419	(11,736)	(659,050)	1,119,205
Total non-current assets	81,324,443	(365,161)	(2,362,702)	84,052,306	81,324,443	(365,161)	(2,362,702)	84,052,306
<b>Total Assets</b>								
Total assets stated in the Balance sheet as at 30 June 2008	81,715,423	(365,161)	(2,362,702)	84,443,286	81,715,423	(365,161)	(2,362,702)	84,443,286
<b>Current Liabilities</b>								
Borrowings	141,306	4,196	16,488	120,622	141,306	4,196	16,488	120,622
Other current liabilities	138,008	(4,196)	(8,380)	150,584	134,968	(4,196)	(8,380)	147,544
Total current liabilities	1,044,408	-	8,108	1,036,300	1,232,114	-	8,108	1,224,006
<b>Non-current Liabilities</b>								
Borrowings	1,311,218	(20,684)	699,124	632,778	1,311,218	(20,684)	699,124	632,778
Other non-current liabilities	366,730	20,785	(321,358)	667,303	366,730	20,785	(321,358)	667,303
Total non-current liabilities	1,865,654	101	377,766	1,487,787	1,677,948	101	377,766	1,300,081

	Consolidated*				Parent*			
	Comparative Restated 2008	Correction of balance as at 30 June 2008	Correction of balance as at 1 July 2007	Previously reported figure as at 30 June 2008	Comparative Restated 2008	Correction of balance as at 30 June 2008	Correction of balance as at 1 July 2007	Previously reported figure as at 30 June 2008
<b>Total Liabilities</b>								
Total Liabilities stated in the Balance sheet as at 30 June 2008	2,910,062	101	385,874	2,524,087	2,910,062	101	385,874	2,524,087
<b>Net Assets</b>								
Net assets stated in the Balance sheet as at 30 June 2008	78,805,361	(365,262)	(2,748,576)	81,919,199	78,805,361	(365,262)	(2,748,576)	81,919,199
<b>Reserves</b>								
Reserves stated in the Balance sheet as at 30 June 2008	35,053,304	(260,494)	(2,435,936)	37,749,734	35,053,304	(260,494)	(2,435,936)	37,749,734
<b>Accumulated Funds</b>								
Accumulated Funds stated in the Balance sheet as at 30 June 2008	43,752,057	(104,768)	(312,640)	44,169,465	43,752,057	(104,768)	(312,640)	44,169,465
<b>Total Equity</b>								
Total equity stated in the Balance sheet as at 30 June 2008	78,805,361	(365,262)	(2,748,576)	81,919,199	78,805,361	(365,262)	(2,748,576)	81,919,199
<b>Cash Flows from operating activity</b>								
<i>Payments</i>								
Employee related	(491,540)	6,406 <sup>o</sup>	-	(497,946)	(491,540)	6,406 <sup>o</sup>	-	(497,946)
Grants and subsidies	(214,937)	(102,673) <sup>o</sup>	-	(112,264)	(214,937)	(102,673) <sup>o</sup>	-	(112,264)
Finance costs	(115,549)	(53,245)	-	(62,304)	(115,549)	(53,245)	-	(62,304)
Other	(1,223,336)	56,346 <sup>o</sup>	-	(1,279,682)	(1,223,336)	56,346 <sup>o</sup>	-	(1,279,682)
	(2,045,362)	(93,166) <sup>o</sup>	-	(1,952,196)	(2,045,362)	(93,166) <sup>o</sup>	-	(1,952,196)
<i>Receipts</i>								
Sale of goods and services	425,124	136,571 <sup>o</sup>	-	288,553	425,124	136,571 <sup>o</sup>	-	288,553
Total receipts	718,288	136,571 <sup>o</sup>	-	581,717	718,288	136,571 <sup>o</sup>	-	581,717
Net cash flows from operating activity	1,874,955	43,405 <sup>o</sup>	-	1,831,550	1,874,955	43,405 <sup>o</sup>	-	1,831,550
<b>Cash Flows from Investing activity</b>								
Purchase of Land & Buildings, Plant & Equipment and Infrastructure Systems	(1,847,442)	(43,405) <sup>o</sup>	-	(1,804,037)	(1,847,442)	(43,405) <sup>o</sup>	-	(1,804,037)
Net cash flows from investing activity	(1,794,966)	(43,405) <sup>o</sup>	-	(1,751,561)	(1,794,966)	(43,405) <sup>o</sup>	-	(1,751,561)
<b>Cash Flows from financing activity</b>								
Payment of finance lease liability	(7,639)	(7,639)	-	-	(7,639)	(7,639)	-	-
Repayment of borrowings and advances	(85,534)	7,639	-	(93,173)	(85,534)	7,639	-	(93,173)
Net cash flows from financing activity	(93,173)	-	-	(93,173)	(93,173)	-	-	(93,173)



	Consolidated <sup>o</sup>			Parent <sup>o</sup>		
	Reclassification of expenses \$'000	Changes in Accounting policy \$'000	Total \$'000	Reclassification of expenses \$'000	Changes in Accounting policy \$'000	Total \$'000
<b>Expenses excluding losses</b>						
– Employee related	31,747	(135,222)	(103,475)	31,747	-	31,747
– Other Operating expenses	(152,524)	-	(152,524)	(152,524)	-	(152,524)
Maintenance	(84,061)	-	(84,061)	(84,061)	-	(84,061)
Depreciation and amortisation	-	-	-	-	-	-
Grants and Subsidies	204,867	-	204,867	204,867	-	204,867
Finance costs	-	-	-	-	-	-
Total expenses excluding losses	29	(135,222)	(135,193)	29	-	29
<b>Other Losses</b>						
Disposal of Infrastructure Assets	29	-	29	29	-	29
Net cost of services	-	(135,222)	(135,222)	-	-	-
<b>Surplus for the year</b>						
Surplus for the year stated in the Operating Statement for the year ending 30 June 2008	-	135,222	(135,222)	-	-	-
<b>Recognised income and expense</b>						
Superannuation actuarial gains/(losses)	-	(135,222)	(135,222)	-	-	-
<b>Total income and expense recognised directly in equity</b>						
Surplus for the year	-	135,222	135,222	-	-	-
<b>Total income and expense recognised for the year</b>						
	-	-	-	-	-	-
<b>Cash Flows from operating activity</b>						
<i>Payments</i>						
Employee related	6,406	-	6,406	6,406	-	6,406
Grants and subsidies	(80,091)	-	(80,091)	(80,091)	-	(80,091)
Finance costs	-	-	-	-	-	-
Other	42,672	-	42,672	42,672	-	42,672
	(31,013)	-	(31,013)	(31,013)	-	(31,013)
<i>Receipts</i>						
Sale of goods and services	97,098	-	97,098	97,098	-	97,098
Total receipts	97,098	-	97,098	97,098	-	97,098
Net cash flows from operating activity	66,085	-	66,085	66,085	-	66,085
<b>Cash Flows from Investing activity</b>						
Purchase of Land & Buildings, Plant & Equipment and Infrastructure Systems	(66,085)	-	(66,085)	(66,085)	-	(66,085)
Net cash flows from investing activity	(66,085)	-	(66,085)	(66,085)	-	(66,085)

	Road Development			Road Management			Road Use			M4/M5 Cashback Scheme			Total
	Comparative Restated 2008 \$'000	Correction of balance as at 30 June 2008 \$'000	Previously reported figure as at 30 June 2008 \$'000	Comparative Restated 2008 \$'000	Correction of balance as at 30 June 2008 \$'000	Previously reported figure as at 30 June 2008 \$'000	Comparative Restated 2008 \$'000	Correction of balance as at 30 June 2008 \$'000	Previously reported figure as at 30 June 2008 \$'000	Comparative Restated 2008 \$'000	Correction of balance as at 30 June 2008 \$'000	Previously reported figure as at 30 June 2008 \$'000	
Service Group Statements Expenses and Income*													
<b>Expenses excluding losses</b>													
Operating Expenses													
Employee related	11,043	9,188	1,855	200,301	(168,360)	368,661	288,012	51,242	236,770	4,455	4,455	-	607,286
Other Operating Expenses	-	(162,592)	162,592	90,165	45	90,120	100,802	(4,109)	104,911	96,118	458	95,660	453,283
Maintenance	-	-	-	671,304	(84,061)	755,365	-	-	-	-	-	-	755,365
Depreciation & Amortisation	-	(794,309)	794,309	826,155	818,562	7,593	10,274	610	9,664	-	-	-	811,566
Grants & Subsidies	-	-	-	270,953	270,953	-	10,069	(43,504)	53,573	-	-	-	53,573
Finance Costs	-	(58,567)	58,567	111,813	111,813	-	-	-	-	-	-	-	58,567
<b>Total Expenses excluding losses</b>	<b>11,043</b>	<b>(1,006,280)</b>	<b>1,017,323</b>	<b>2,170,691</b>	<b>948,952</b>	<b>1,221,739</b>	<b>409,157</b>	<b>4,239</b>	<b>404,918</b>	<b>100,573</b>	<b>4,913</b>	<b>95,660</b>	<b>2,739,640</b>
<b>Revenue</b>													
Sale of goods & services	-	(52,557)	52,557	137,253	(45,577)	182,830	252,353	137,607	114,746	-	-	-	350,133
Investment revenue	-	(3,068)	3,068	3,839	(768)	4,607	11,513	3,836	7,677	-	-	-	15,352
Grants & subsidies	13,775	(162,062)	175,837	168,307	158,518	9,789	8,252	3,544	4,708	-	-	-	190,334
Other Revenue	-	(104,275)	104,275	104,275	104,275	-	-	-	-	-	-	-	104,275
<b>Total Revenue</b>	<b>13,775</b>	<b>(321,962)</b>	<b>335,737</b>	<b>413,674</b>	<b>216,448</b>	<b>197,226</b>	<b>272,118</b>	<b>144,987</b>	<b>127,131</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>660,094</b>
Gain/(Loss) on disposal	-	(15,692)	15,692	15,692	15,692	-	-	-	-	-	-	-	15,692
Other gains/(losses)	-	41,708	(41,708)	(157,836)	(157,836)	-	(23)	(82)	59	-	-	-	(41,649)
<b>Net Cost of Services</b>	<b>(2,732)</b>	<b>(710,334)</b>	<b>707,602</b>	<b>1,899,161</b>	<b>874,648</b>	<b>1,024,513</b>	<b>137,062</b>	<b>(140,666)</b>	<b>277,728</b>	<b>100,573</b>	<b>4,913</b>	<b>95,660</b>	<b>2,105,503</b>
Govt Contributions	-	-	-	-	-	-	-	-	-	-	-	-	3,202,029
<b>Net Expenditure (Income) for the year</b>	<b>(2,732)</b>	<b>(710,334)</b>	<b>707,602</b>	<b>1,899,161</b>	<b>874,648</b>	<b>1,024,513</b>	<b>137,062</b>	<b>(140,666)</b>	<b>277,728</b>	<b>100,573</b>	<b>4,913</b>	<b>95,660</b>	<b>28,561 (1,096,526)</b>

End of audited financial statements



GPO BOX 12  
Sydney NSW 2001

## INDEPENDENT AUDITOR'S REPORT Roads and Traffic Authority Division

To Members of the New South Wales Parliament

I have audited the accompanying financial report of the Roads and Traffic Authority Division (the Division), which comprises the balance sheet as at 30 June 2009, the income statement, statement of recognised income and expense and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes.

### Auditor's Opinion

In my opinion, the financial report:

- presents fairly, in all material respects, the financial position of the Division as at 30 June 2009, and its financial performance for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- is in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005.

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

### The Chief Executive's Responsibility for the Financial Report

The Chief Executive is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the PF&A Act. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Division's preparation and fair presentation of the financial report 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 Division's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Chief Executive, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## Independent audit report (page 2)

My opinion does *not* provide assurance:

- about the future viability of the Division,
- that it has carried out its activities effectively, efficiently and economically, or
- about the effectiveness of its internal controls.

### Independence

In conducting this audit, the Audit Office of New South Wales has complied with the independence requirements of the Australian Auditing Standards and other relevant ethical requirements. The PF&A Act further promotes independence by:

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



Peter Achterstraat  
Auditor-General

20 October 2009  
SYDNEY

# Statement by the Chief Executive and the Director, Finance and Performance

## ROADS AND TRAFFIC AUTHORITY DIVISION

YEAR ENDED 30 JUNE 2009

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

1. The accompanying financial statements exhibit a true and fair view of the Division's financial position as at 30 June 2009 and financial performance for the year then ended
2. The statements have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2005 and the Treasurer's Directions.

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



**Michael Bushby**  
Chief Executive  
9 October 2009



**Paul Hesford**  
Director, Finance and Performance  
9 October 2009

## Income statement for the year ended 30 June 2009

	2009 \$000	2008 \$000
<b>Income</b>		
Personnel Services	1,024,338	746,726
<b>Total Income</b>	<b>1,024,338</b>	<b>746,726</b>
<b>Expenses</b>		
Salaries and Wages (including recreation leave)	544,680	499,839
Long Service Leave	23,973	23,788
Superannuation - defined benefit plan	11,271	5,455
Superannuation - defined contribution plan	27,348	25,388
Workers Compensation Insurance	6,870	7,488
Payroll Tax and Fringe Benefits Tax	37,806	38,287
Redundancy	4,263	3,711
Other	15,275	7,548
<b>Total expenses</b>	<b>671,486</b>	<b>611,504</b>
<b>Operating Result</b>	<b>352,852</b>	<b>135,222</b>

The accompanying notes form part of these financial statements.

## Statement of recognised income and expense for the year ended 30 June 2009

	June 2009 \$000	June 2008 \$000
Superannuation actuarial gains/(losses)	(352,852)	(135,222)
Total Income and Expenses recognised directly in equity	(352,852)	(135,222)
Operating Result	352,852	135,222

The accompanying notes form part of these financial statements.

## Balance sheet as at 30 June 2009

	Notes	30 June 2009 \$000	30 June 2008 \$000
<b>Assets</b>			
Receivables	2(a)	860,201	451,279
<b>Total Assets</b>		<b>860,201</b>	<b>451,279</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables	3(a)	88,256	50,080
Provisions	3(b)	237,469	213,493
<b>Total Current Liabilities</b>		<b>325,725</b>	<b>263,573</b>
<b>Non-current Liabilities</b>			
Provisions	3(c)	534,476	187,706
<b>Total Non-current Liabilities</b>		<b>534,476</b>	<b>187,706</b>
<b>Total Liabilities</b>		<b>860,201</b>	<b>451,279</b>
<b>Net Assets</b>		<b>-</b>	<b>-</b>
<b>Equity</b>			
Accumulated Funds		-	-
<b>Total Equity</b>		<b>-</b>	<b>-</b>

The accompanying notes form part of these financial statements.

## Cash flow statement for the year ended 30 June 2009

	Notes	2009 \$000	2008 \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee Related		-	-
<b>Total Payments</b>		<b>-</b>	<b>-</b>
<b>Receipts</b>			
Sale of Services		-	-
<b>Total Receipts</b>		<b>-</b>	<b>-</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>-</b>	<b>-</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>-</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>
<b>NET INCREASE / (DECREASE) IN CASH</b>		<b>-</b>	<b>-</b>
Opening Cash and Cash Equivalents		-	-
<b>CLOSING CASH AND CASH EQUIVALENTS</b>		<b>-</b>	<b>-</b>

The accompanying notes form part of these financial statements.

# Notes to and forming part of the financial statements of the Roads and Traffic Authority Division for the year ended 30 June 2009

## 1. Summary of significant accounting policies

### (a) Reporting entity

The Roads and Traffic Authority Division (The Division) is a division of the Government Service of NSW, established pursuant to Part 2 of Schedule 1 of the *Public Sector Employment and Management Act 2002* as amended. It is a not-for-profit entity as profit is not its principal objective. It is consolidated as part of the NSW Total State Sector Accounts. It is domiciled in Australia and its principal office is at 101 Miller Street, North Sydney, NSW.

The Division's objective is to provide personnel services to the Roads and Traffic Authority of NSW (RTA).

These financial statements have been authorised for issue by the Audit Committee on 9 October 2009.

### (b) Basis of preparation

The Division's financial statements represent a general purpose financial report which has been prepared in accordance with:

- applicable Australian Accounting Standards and interpretations (which include Australian equivalents to International Financial Reporting Standards (AIFRS)); and
- the requirements of the *Public Finance and Audit Act 1983* and Regulations.

In the event of any inconsistency between accounting standards and legislative requirements, the latter are given precedence.

Generally, the historical cost basis of accounting has been adopted and the financial report does not take into account changing money values or current valuations. However, certain provisions are measured at fair value. See note 1(g).

Judgements, estimates and associated assumptions about carrying values of assets and liabilities that are not readily apparent from other sources are based on historical experience and various other factors that are believed to be reasonable under the circumstance. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised. Judgements, estimates and assumptions made by management are disclosed in the relevant notes to the financial statements.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability.

Unless otherwise stated all amounts are rounded to the nearest one thousand dollars (\$'000) and are expressed in Australian currency.

### (c) New accounting standards and interpretation

The Division did not early adopt any new accounting standards that are not yet effective.

The following new Accounting Standards and Interpretations have not yet been adopted and are not effective as at 30 June 2009:



AASB & Interpretations	AASB Standards & Interpretations
AASB 123	AASB 123 <i>Borrowing Costs</i> and 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12] (1 January 2009)
AASB 101	AASB 101 <i>Presentation of Financial Statements</i> , 2007-8 Amendments to Australian Accounting Standards arising from AASB 101 and AASB 2007-10 Further Amendments to Australian Accounting Standards arising from AASB 101 (1 January 2009)
AASB 3	AASB 3 <i>Business Combinations</i> and 2008-3 Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 and 2008-11 Amendments to Australian Accounting Standard – Business Combinations among Not-for-Profit Entities [AASB 3] (1 July 2009)
AASB 127	AASB 127 <i>Consolidated and Separate Financial Statements</i> (1 July 2009)
AASB 2008-5	AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 7, 101, 102, 107, 108, 110, 116, 118, 119, 120, 123, 127, 128, 129, 131, 132, 134, 136, 138, 139, 140, 141, 1023 & 1038] (1 January 2009)
AASB 2008-6	AASB 2008-6 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1 and AASB 5] (1 July 2009)
AASB 2008-8	AASB 2008-8 Amendments to Australian Accounting Standards – Eligible Hedged Items [AASB 139] (1 July 2009)
AASB 2008-13	AASB 2008-13 Amendments to Australian Accounting Standards arising from AASB Interpretation 17 – Distributions of Non-cash Assets to Owners [AASB 5 and AASB 10] (1 July 2009)
Interpretation 18	Interpretation 18 Transfers of Assets from Customers (ending 1 July 2009)

It is considered that the adoption of these Standards and Interpretations in future periods will have no material financial impact on the financial statements of the Division.

## (d) Income recognition

Income is measured at the fair value of the consideration received or receivable. Revenue from the rendering of personnel services is recognised when the service is provided and only to the extent that the associated recoverable expenses are recognised.

## (e) Receivables

A receivable is recognised when it is probable that the future cash inflows associated with it will be realised and it has a value that can be measured reliably. It is derecognised when the contractual or other rights to future cash flows from it expire or are transferred.

Receivables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial. An allowance for impairment of receivables is established when there is objective evidence that the entity will not be able to collect all amounts due. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Bad debts are written off as incurred.

## (f) Payables

Payables include accrued wages, salaries, and related on costs (such as payroll tax, fringe benefits tax and workers' compensation insurance) where there is certainty as to the amount and timing of settlement.

A payable is recognised when a present obligation arises under a contract or otherwise. It is derecognised when the obligation expires or is discharged, cancelled or substituted.

Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

## (g) Employee benefit provisions and expenses

Provisions are made for liabilities of uncertain amount or uncertain timing of settlement.

Employee benefit provisions represent expected amounts payable in the future in respect of unused entitlements accumulated as at the reporting date. Liabilities associated with, but that are not, employee benefits (such as payroll tax) are recognised separately.

Superannuation and leave liabilities are recognised as expenses and provisions when the obligations arise, which is usually through the rendering of service by employees.

Long-term annual leave (i.e. that is not expected to be taken within 12 months) is measured at present value using a discount rate equal to the market yield on government bonds.

Superannuation and long service leave provisions are actuarially assessed at each reporting date and are measured at the present value of the estimated future payments.

All other employee benefit liabilities (i.e. for benefits falling due wholly within 12 months after reporting date) are assessed by management and are measured at the undiscounted amount of the estimated future payments.

The amount recognised for superannuation provision is the net total of the present value of the defined benefit obligation at the reporting date, minus the fair value at that date of any plan assets out of which the obligation are to be settled directly.

The amount recognised in the income statement for superannuation is the net total of current service cost, interest cost, and the expected return on any plan assets. Actuarial gains or losses are recognised outside profit and loss in the Statement of Recognised Income and Expense in the year they occur.

The actuarial assessment of superannuation provisions uses the Projected Unit Credit Method and reflects estimated future salary increases and the benefits set out in the terms of the plan. The liabilities are discounted using the market yield rate on government bonds of similar maturity to those obligations. Actuarial assumptions are unbiased and mutually compatible and financial assumptions are based on market expectations for the period over which the obligations are to be settled.

In accordance with AASB 101, all annual leave and unconditional long service leave are classified as current liabilities, even where the Division does not expect to settle the liability within 12 months. As this does not necessarily align with the distinction between short-term and long-term employee benefits under AASB 119, the Division has disclosed the amount expected to be settled after more than 12 months for each liability line item that combines amounts expected to be settled no more than 12 months after the reporting date and more than 12 months after the reporting date.

## (h) Comparative information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements.

## (i) Change in accounting policy

According with NSW Treasury policy, the entity has changed its policy on the recognition of superannuation actuarial gains and losses. Such actuarial gains and losses are now recognised outside of profit or loss in the 'statement of recognised income and expense'. Previously, actuarial gains and losses were recognised through profit or loss. Both options are permissible under AASB 119 *Employee Benefits*.

The change in policy has been adopted on the basis that recognition outside profit or loss provides reliable and more relevant information as it better reflects the nature of actuarial gains and losses. This is because actuarial gains/losses are re-measurements, based on assumptions that do not necessarily reflect the ultimate cost of providing superannuation.

Recognition outside profit or loss also harmonises better with the Government Finance Statistics / GAAP comprehensive income presentation for the whole of government and general government sector, required under AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

A comprehensive income presentation will also be available at the entity level from 2009-10 under AASB 101 *Presentation of Financial Statements*.

## 2. Current assets

### (a) Receivables

	30 June 2009 \$000	30 June 2008 \$000
Inter entity receivable – RTA	860,201	451,279

## 3. Current liabilities/non-current liabilities

### (a) Payables

Accrued expenses	5,006	6,015
Payroll Tax	5,049	3,040
GST Payable	78,201	41,025
	<b>88,256</b>	<b>50,080</b>

### (b) Provisions – current

Annual Leave <sup>(i)</sup>	40,992	38,686
Long service leave <sup>(ii)</sup>	188,580	167,168
Employee Related on costs	7,897	7,639
	<b>237,469</b>	<b>213,493</b>

### (c) Provisions – non-current

Superannuation	499,564	155,495
Long Service Leave	7,858	7,962
Employee related on costs	27,054	24,249
	<b>534,476</b>	<b>187,706</b>

### (d) Aggregate employee benefits and related on-costs

Provisions – current	237,469	213,493
Provisions – non-current	534,476	187,706
Accrued salaries, wages and on-costs	5,006	6,015
	<b>776,951</b>	<b>407,214</b>

(i) The value of annual leave, including on costs, expected to be taken within 12 months is \$35.300 million (2007-08: \$32.832 million) and \$18.743 million (2007-08: \$17.936 million) after 12 months.

(ii) The value of long service leave expected to be taken within 12 months is \$25.108 million (2007-08: \$24.059 million) and \$193.547 million (2007-08: \$171.339 million) after 12 months.

### Provision for Superannuation

Superannuation statements include both employer and employee superannuation assets and liabilities as prescribed by AASB 119 *Employee Benefits*.

## General description of the plan

The Pooled Fund holds in trust the investments of the closed NSW public sector superannuation schemes:

- State Authorities Superannuation Scheme (SASS)
- State Superannuation Scheme (SSS)
- State Authorities Non-contributory Superannuation Scheme (SANCS).

These schemes are all defined benefit schemes – at least a component of the final benefit is derived from a multiple of member salary and years of membership. All the Schemes are closed to new members.

Actuarial gains and losses are recognised outside of profit or loss in the year they occur.

The following information has been prepared by the scheme actuary.

## Superannuation position for AASB 119 purposes

	SASS Financial year to 30 June 2009 \$000	SANCS Financial year to 30 June 2009 \$000	SSS Financial year to 30 June 2009 \$000	Total \$000
Accrued liability	491,663	76,059	908,205	1,475,927
Estimated reserve account balance	(407,203)	(60,656)	(508,504)	(976,363)
	84,460	15,403	399,701	499,564
Future Service Liability	(57,447)	(28,749)	(35,917)	(122,113)
<b>Net (asset)/liability to be recognised in balance sheet</b>	<b>84,460</b>	<b>15,403</b>	<b>399,701</b>	<b>499,564</b>

	SASS Financial year to 30 June 2008 \$000	SANCS Financial year to 30 June 2008 \$000	SSS Financial year to 30 June 2008 \$000	Total \$000
Accrued liability	472,399	70,460	740,966	1,283,825
Estimated reserve account balance	(457,610)	(69,275)	(601,445)	(1,128,330)
	14,789	1,185	139,521	155,495
Future Service Liability	(53,716)	(24,883)	(26,379)	(104,978)
<b>Net (asset)/liability to be recognised in balance sheet</b>	<b>14,789</b>	<b>1,185</b>	<b>139,521</b>	<b>155,495</b>

All Fund assets are invested by Superannuation Trustee Corporation at arm's length through independent fund managers.

## Reconciliation of the present value of the defined benefit obligation

	SASS Financial year to 30 June 2009 \$000	SANCS Financial year to 30 June 2009 \$000	SSS Financial year to 30 June 2009 \$000	Total \$000
Present value of partly funded defined benefit obligation at the beginning of the year	472,399	70,460	740,966	1,283,825
Current service cost	10,691	3,588	4,457	18,736
Interest cost	29,694	4,365	47,470	81,529
Contributions by Fund participants	6,890	-	6,196	13,086
Actuarial (gains)/losses	5,917	3,540	156,888	166,345
Benefits paid	(33,928)	(5,894)	(47,772)	(87,594)
<b>Present value of partly funded defined benefit obligation at the end of the year</b>	<b>491,663</b>	<b>76,059</b>	<b>908,205</b>	<b>1,475,927</b>

	SASS Financial year to 30 June 2008 \$000	SANCS Financial year to 30 June 2008 \$000	SSS Financial year to 30 June 2008 \$000	Total \$000
Present value of partly funded defined benefit obligation at the beginning of the year	489,099	69,623	734,718	1,293,440
Current service cost	11,152	3,746	5,056	19,954
Interest cost	30,055	4,226	45,987	80,268
Contributions by Fund participants	6,903	-	6,632	13,535
Actuarial (gains)/losses	(23,538)	138	(11,564)	(34,964)
Benefits paid	(41,272)	(7,273)	(39,863)	(88,408)
<b>Present value of partly funded defined benefit obligation at the end of the year</b>	<b>472,399</b>	<b>70,460</b>	<b>740,966</b>	<b>1,283,825</b>

#### Reconciliation of the present value of fund assets

	SASS Financial year to 30 June 2009 \$000	SANCS Financial year to 30 June 2009 \$000	SSS Financial year to 30 June 2009 \$000	Total \$000
Present value of Fund assets at the beginning of the year	457,610	69,275	601,445	1,128,330
Expected return on Fund assets	35,938	5,456	47,600	88,994
Actuarial gains/(losses)	(74,458)	(12,121)	(99,929)	(186,508)
Employer contributions	15,151	3,940	964	20,055
Contributions by Fund participants	6,890	-	6,196	13,086
Benefits paid	(33,928)	(5,894)	(47,772)	(87,594)
<b>Present value of fund assets at the end of the year</b>	<b>407,203</b>	<b>60,656</b>	<b>508,504</b>	<b>976,363</b>

	SASS Financial year to 30 June 2008 \$000	SANCS Financial year to 30 June 2008 \$000	SSS Financial year to 30 June 2008 \$000	Total \$000
Present value of Fund assets at the beginning of the year	411,205	37,754	784,113	1,233,072
Expected return on Fund assets	30,654	2,913	61,199	94,766
Actuarial gains/(losses)	(57,145)	(6,081)	(106,961)	(170,187)
Employer contributions	107,266	41,962	(103,675)	45,553
Contributions by Fund participants	6,902	-	6,632	13,534
Benefits paid	(41,272)	(7,273)	(39,863)	(88,408)
<b>Present value of fund assets at the end of the year</b>	<b>457,610</b>	<b>69,275</b>	<b>601,445</b>	<b>1,128,330</b>

## Reconciliation of the assets and liability recognised in the balance sheet

	SASS Financial year to 30 June 2009 \$000	SANCS Financial year to 30 June 2009 \$000	SSS Financial year to 30 June 2009 \$000	Total \$000
Present value of partly funded defined benefits at the end of the year	491,663	76,059	908,205	1,475,927
Fair value of Fund assets at end of year	(407,203)	(60,656)	(508,504)	(976,363)
<b>Net Liability/(Asset) recognised in balance sheet at end of the year</b>	<b>84,460</b>	<b>15,403</b>	<b>399,701</b>	<b>499,564</b>

	SASS Financial year to 30 June 2008 \$000	SANCS Financial year to 30 June 2008 \$000	SSS Financial year to 30 June 2008 \$000	Total \$000
Present value of partly funded defined benefits at the end of the year	472,399	70,460	740,966	1,283,825
Fair value of Fund assets at end of year	(457,610)	(69,275)	(601,445)	(1,128,330)
<b>Net Liability/(Asset) recognised in balance sheet at end of the year</b>	<b>14,789</b>	<b>1,185</b>	<b>139,521</b>	<b>155,495</b>

## Expense recognised in income statement

	SASS Financial year to 30 June 2009 \$000	SANCS Financial year to 30 June 2009 \$000	SSS Financial year to 30 June 2009 \$000	Total \$000
Current service cost	10,691	3,588	4,457	18,736
Interest on obligation	29,694	4,365	47,470	81,529
Expected return on Fund assets (net of expenses)	(35,938)	(5,456)	(47,600)	(88,994)
<b>Expense/(income) recognised</b>	<b>4,447</b>	<b>2,497</b>	<b>4,327</b>	<b>11,271</b>

	SASS Financial year to 30 June 2008 \$000	SANCS Financial year to 30 June 2008 \$000	SSS Financial year to 30 June 2008 \$000	Total \$000
Current service cost	11,152	3,746	5,056	19,954
Interest on obligation	30,055	4,226	45,987	80,268
Expected return on Fund assets (net of expenses)	(30,654)	(2,913)	(61,199)	(94,766)
<b>Expense/(income) recognised</b>	<b>10,553</b>	<b>5,059</b>	<b>(10,156)</b>	<b>5,456</b>

## Amount recognised in the statement of recognised income and expense

	SASS Financial year to 30 June 2009 \$000	SANCS Financial year to 30 June 2009 \$000	SSS Financial year to 30 June 2009 \$000	Total \$000
Actuarial (gains)/losses	80,375	15,660	256,817	352,852

	SASS Financial year to 30 June 2008 \$000	SANCS Financial year to 30 June 2008 \$000	SSS Financial year to 30 June 2008 \$000	Total \$000
Actuarial (gains)/losses	33,607	6,219	95,396	135,222

## Cumulative amount recognised in the statement of recognised income and expense

	SASS Financial year 30/6/05-30/6/09 \$000	SANCS Financial year to 30/6/05-30/6/09 \$000	SSS Financial year to 30/6/05-30/6/09 \$000	Total \$000
Actuarial (gains)/losses	87,395	11,445	176,364	275,204

## Actual return on fund assets

	SASS Financial year to 30 June 2009 \$000	SANCS Financial year to 30 June 2009 \$000	SSS Financial year to 30 June 2009 \$000	Total \$000
Actual return on plan assets	(44,750)	(6,666)	(58,607)	(110,023)

	SASS Financial year to 30 June 2008 \$000	SANCS Financial year to 30 June 2008 \$000	SSS Financial year to 30 June 2008 \$000	Total \$000
Actual return on plan assets	(28,132)	(3,168)	(48,131)	(79,431)

## Fund assets

The percentage invested in each asset class at the balance sheet date:

	30 June 2009	30 June 2008
Australian equities	32.1%	31.6%
Overseas equities	26.0%	25.4%
Australian fixed interest securities	6.2%	7.4%
Overseas fixed interest securities	4.7%	7.5%
Property	10.0%	11.0%
Cash	8.0%	6.1%
Other	13.0%	11.0%

## Expected rate of return on assets

The expected return on assets assumption is determined by weighting the expected long-term return for each asset class by the target allocation of assets to each class. The returns used for each class are net of investment tax and investment fees.

## Valuation method and principal actuarial assumptions at the reporting date

### a) Valuation method

The Projected Unit Credit (PUC) valuation method was used to determine the present value of the defined benefit obligations and the related current service costs. This method sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

### b) Economic assumptions

	30 June 2009	30 June 2008
Salary increase rate (excluding promotional increases)	3.5%pa	3.5%pa
Rate of CPI Increase	2.5%pa	2.5%pa
Expected rate of return on assets	8.13%	8.30%
Discount rate	5.59%pa	6.55%pa

## Historical information

	SASS Financial year to 30 June 2009 \$000	SANCS Financial year to 30 June 2009 \$000	SSS Financial year to 30 June 2009 \$000	Total \$000
Present value of defined benefit obligation	491,663	76,059	908,205	1,475,927
Fair value of Fund assets	(407,203)	(60,656)	(508,504)	(976,363)
(Surplus)/Deficit in Fund	84,460	15,403	399,701	499,564
Experience adjustments – Fund liabilities	5,917	3,540	156,888	166,345
Experience adjustments – Fund assets	74,458	12,121	99,929	186,508

	SASS Financial year to 30 June 2008 \$000	SANCS Financial year to 30 June 2008 \$000	SSS Financial year to 30 June 2008 \$000	Total \$000
Present value of defined benefit obligation	472,399	70,460	740,966	1,283,825
Fair value of Fund assets	(457,610)	(69,275)	(601,445)	(1,128,330)
(Surplus)/Deficit in Fund	14,789	1,185	139,521	155,495
Experience adjustments – Fund liabilities	(23,538)	138	(11,564)	(34,964)
Experience adjustments – Fund assets	57,145	6,081	106,961	170,187

	SASS Financial year to 30 June 2007 \$000	SANCS Financial year to 30 June 2007 \$000	SSS Financial year to 30 June 2007 \$000	Total \$000
Present value of defined benefit obligation	489,099	69,623	734,718	1,293,440
Fair value of Fund assets	(411,205)	(37,753)	(784,113)	(1,233,071)
(Surplus)/Deficit in Fund	77,894	31,870	(49,395)	60,369
Experience adjustments – Fund liabilities	7,547	(1,540)	(54,318)	(48,311)
Experience adjustments – Fund assets	(21,801)	(2,159)	(46,741)	(70,701)



	SASS Financial year to 30 June 2006 \$000	SANCS Financial year to 30 June 2006 \$000	SSS Financial year to 30 June 2006 \$000	Total \$000
Present value of defined benefit obligation	471,698	70,059	750,583	1,292,340
Fair value of Fund assets	(370,708)	(34,720)	(669,479)	(1,074,907)
(Surplus)/Deficit in Fund	100,990	35,339	81,104	217,433
Experience adjustments – Fund liabilities	979	(4,450)	(77,765)	(81,236)
Experience adjustments – Fund assets	(31,372)	(3,807)	(54,383)	(89,562)

	SASS Financial year to 30 June 2005 \$000	SANCS Financial year to 30 June 2005 \$000	SSS Financial year to 30 June 2005 \$000	Total \$000
Present value of defined benefit obligation	301,738	71,750	678,578	1,052,066
Fair value of Fund assets	(138,094)	(53,818)	(454,466)	(646,378)
(Surplus)/Deficit in Fund	163,644	17,932	224,112	405,688
Experience adjustments – Fund liabilities	23,937	4,202	78,885	107,024
Experience adjustments – Fund assets	(5,877)	(2,681)	(21,528)	(30,086)

### Expected contributions

	SASS Financial year to 30 June 2009 \$000	SANCS Financial year to 30 June 2009 \$000	SSS Financial year to 30 June 2009 \$000	Total \$000
Expected employer contributions	7,303	3,387	929	11,619

	SASS Financial year to 30 June 2008 \$000	SANCS Financial year to 30 June 2008 \$000	SSS Financial year to 30 June 2008 \$000	Total \$000
Expected employer contributions	19,312	5,077	25,775	50,164

## Funding arrangements for employer contributions

The following is a summary of the 30 June 2009 financial position of the Fund calculated in accordance with AAS 25 – Financial Reporting by Superannuation Plans.

	SASS Financial year to 30 June 2009 \$000	SANCS Financial year to 30 June 2009 \$000	SSS Financial year to 30 June 2009 \$000	Total \$000
Accrued benefits	448,930	69,924	671,912	1,190,766
Net market value of Fund assets	(407,203)	(60,656)	(508,504)	(976,363)
<b>Net (surplus)/deficit</b>	<b>41,727</b>	<b>9,268</b>	<b>163,408</b>	<b>214,403</b>

	SASS Financial year to 30 June 2008 \$000	SANCS Financial year to 30 June 2008 \$000	SSS Financial year to 30 June 2008 \$000	Total \$000
Accrued benefits	468,896	70,757	682,075	1,221,728
Net market value of Fund assets	(457,610)	(69,275)	(601,445)	(1,128,330)
<b>Net (surplus)/deficit</b>	<b>11,286</b>	<b>1,482</b>	<b>80,630</b>	<b>93,398</b>

Recommended contribution rates for the entity are:

SASS	SANCS	SSS
multiple of member contributions	% member salary	multiple of member contributions
1.06	2.07% pa	0.15

## Funded method

The method used to determine the employer contribution recommendations at the last actuarial review was the Aggregate Funding method. The method adopted affects the timing of the cost to the employer.

Under the Aggregate Funding method, the employer contribution rate is determined so that sufficient assets will be available to meet benefit payments to existing members, taking into account the current value of assets and future contributions.

## Economic assumptions

The economic assumptions adopted for the current actuarial review of the Fund were:

Weighted-Average Assumptions	2009	2008
Expected rate of return on Fund assets backing current pension liabilities	8.3% pa	7.7% pa
Expected rate of return on Fund assets backing other liabilities	7.3% pa	7.0% pa
Expected salary increase rate	4.0% pa	4.0% pa
Expected rate of CPI increase	2.5%	2.5%

## Nature of asset/liability

If a surplus exists in the employer's interest in the Fund, the employer may be able to take advantage of it in the form of a reduction in the required contribution rate, depending on the advice of the Fund's actuary.

Where a deficiency exists, the employer is responsible for any difference between the employer's share of fund assets and the defined benefit obligation

## Provision for Long Service Leave (LSL)

Long service leave is measured at present value in accordance with AASB 119 Employee Benefits. This is based on the application of the valuation ratio at the Commonwealth Government bond rate at the reporting date to employees with five or more years of service, using current rates of pay. This ratio is determined based on an actuarial review to approximate present value.

The actuarial assessment is based on the accrued long service leave liabilities and employee data of the RTA as at 31 December 2007. Long Service leave accrued at the rate of 4.4 days per annum for the first 10 years of service and then at the rate of 11 days per annum.

Employees who exit with less than five years service get no benefits. Those who leave with between five and seven years service have been assumed to only receive benefits if exiting due to death, disability or age retirement. Benefits are paid in service or on exit after seven years service on a pro rata basis.

### Assumptions:

An allowance has been determined for each relevant on-cost separately to the LSL liability, as their accounting treatment and the adoption of liability is different to the LSL liability. The on-costs to LSL present value liabilities are:

Payroll Tax	5.75 %
Superannuation	9.0 %
Superannuation accruing while on LSL	3.6 %
LSL accruing while on LSL	1.6 %
Annual Leave accruing while on LSL	3.0 %

As workers' compensation is determined without direct reference to salary, and does not accrue while an employee is on long service leave, there is no future workers' compensation expense that will be incurred when currently accrued LSL is taken during future service, and hence there is no attaching on-cost.

Assumptions about rates of taking leave in service are based on historical details of payments of LSL for calendar years 2005-07 and projected future payments are broadly consistent with this data. It has been assumed that six days of LSL will be taken per year by employees who are eligible.

General salary increases of 4% per annum have been assumed for all future years, consistent with NSW Treasury expectations for the NSW public sector in the medium term.

Promotional salary increases have been assumed at rates based on NSW public sector superannuation scheme rates expected to reasonably reflect employees' promotional salary experience.

The rates of resignation, death, age retirement and ill-health retirement assumed have been adopted from superannuation valuations of NSW public servants. Withdrawal rates for those with less than 10 years of service are based on experience from NSW and other superannuation schemes.

The discount rate is based on the 10 year bond rate at 30 June, but adjusted from a semi-annual rate to an annual rate.

## 4 Audit fee

During 2008-09 an expense of \$6,500 (2008: \$7,000) excluding GST was incurred by the Division for the audit of the financial statements by The Audit Office of NSW which was fully paid for by the Roads and Traffic Authority of NSW.

## 5 Related party transaction

### (a) Relationship between RTA and the Division

As a result of the *Public Sector Employment Legislation Amendment Act 2006* (PSELAA), from 17 March 2006 previous employees of the RTA are now employees of the RTA Division of the Government Service of New South Wales (the Division).

The Division is a controlled entity of the RTA and its only function is to provide personnel services in the form of employee related activity to the RTA.

### (b) Transactions between RTA and the Division

RTA Division provides personnel services to RTA. Information related to personnel services is as follows:

- |                                  |  |
|----------------------------------|--|
| (i) Personnel services provided  | \$1,024,338 million (2007-08: \$746,726 million) |
| (ii) Receivable due from the RTA | \$860.201 million (2007-08: \$451.279 million)   |

The receivable is unsecured and the consideration to be provided on settlement will be equal to the total payables and provisions of the Division. No provision for doubtful debts relating to the receivable has been raised nor has an expense been recognised during the period in respect of bad or doubtful debts due from the RTA.

## 6. After balance sheet date event

Under the Administrative Change Order set out in Public Sector Employment and Management (Departmental Amalgamations) Order 2009, the Department of Transport and Infrastructure is established as a Division of the Government Service. The Director-General of the Department of Premier and Cabinet has to determine the transfer of the groups of staff in the Roads and Traffic Authority Division to the Department of Transport and Infrastructure.

## End of audited financial statements