

TOW TRUCK AUTHORITY

aR 2002

Annual Report 2002



Tow Truck Authority
of New South Wales

The Hon Carl Scully MP
Minister for Transport
Minister for Roads
Parliament House
SYDNEY NSW 2000

Dear Mr Scully

In accordance with the provisions of the Annual Reports
(Statutory Bodies) Act 1984 it is our pleasure to submit, for
your presentation to Parliament, the Annual Report of the Tow
Truck Authority of NSW for the period 1 July 2001 to 30 June
2002.

Yours sincerely



The Hon Peter Anderson
Chairman
Tow Truck Authority



Terry Hickey
General Manager

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GENERAL MANAGER'S REPORT

The past twelve months were a year of great challenges for the Tow Truck Authority (TTA). The major challenge continues to be the introduction of the Job Allocation Scheme (JAS). The Authority conducted a meeting with operators in the Blacktown area to discuss issues associated with the introduction of the JAS trial. Michael Deegan, Director General of Transport NSW, chaired the meeting.

A number of positives for the JAS did occur. The NSW Treasury provided funding for the JAS trial and therefore, the trial will be undertaken with no fee to the industry or consumers. A JAS Manager has been appointed in the TTA to concentrate solely on the implementation of the JAS. The Tow Truck Industry Act and Regulation were amended to incorporate the required legislative changes for the JAS.

The TTA undertook a staff restructure in July 2001 after a comprehensive review of the organisation. It was recognised that a different set of staff skills were required to progress the reform of the tow truck industry. Recruitment action for the new positions is underway.

The review of the light towing fees has commenced and this should be finalised by the end of 2002. The TTA has also commenced to work closely with the car auction sites.

Greater emphasis has been placed on ensuring that licence and certificates are issued as soon as possible. New application forms have been introduced and the process and documentation required has been standardised. Drivers certificates now have an immediate turnaround and the only delay with Operators Licences occurs when the required documentation is not supplied.

The TTA's financial position is sound due to stringent cost controls and the introduction of revenue generation measures. However, there is a rationalisation of the industry occurring and as the TTA is a cost recovery organisation the financial position will continue to be closely scrutinised. Managerial and administrative initiatives have been implemented to ensure financial security. A Business Plan has been introduced with Key Performance Areas and objectives. This will form the basis for reporting in 2002/2003.

I would like to thank the towing industry for the support that they have given to the TTA during the past year. In addition, special thanks is due to the staff of the TTA, who displayed great professionalism and a strong commitment to improving customer service.

The Hon Carl Scully MP, Minister for Transport announced this financial year that he had requested the Independent Commission Against Corruption (ICAC) to investigate possible collusion to secure competitive advantage on the part of certain towing operators who were members of the Tow Truck Industry Advisory Council.

The Director General of Transport NSW, Mr Michael Deegan was asked by the Minister to take control of the operations of the Tow Truck Authority until the ICAC had examined the issue. In addition, to ensure that the financial operation was secure the Minister had directed Mr Deegan to bring in the Auditor-General to examine the past financial operations of the Tow Truck Authority.

All meetings of the Tow Truck Authority Board and the Tow Truck Industry Advisory Council were suspended immediately following the Minister's announcement.

The Minister also requested the Director General to review what steps were required to achieve implementation of the Job Allocation Scheme and to implement a pilot of the Scheme before the end of year 2002.

2002/2003 will be a year of greater achievement for the Authority as a sound foundation has been put in place to maintain the existing level of service and improve the professionalism of the towing industry and the TTA.

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Terry Hickey
General Manager

2001/2002 HIGHLIGHTS

- Commencement of Light Tow Fee Review.
- Business Process Revision.
- Stamp duty exemption for leased tow trucks.
- Introduction of Prohibited Vehicle Policy.
- Funding from NSW Treasury for Job Allocation Scheme (JAS) trial.
- New application forms for licences and certificates.
- Amendments to the Tow Truck Industry Act and Tow Truck Industry Regulation.
- Development of Business Plan.

2001/2002 CHALLENGES

The TTA is a cost recovery organisation and receives no funding from the Consolidated Fund. Details of the industry are:

	2000/2001	2001/2002	CHANGE(%)
<i>Operators</i>	884	837	47 (5.32)
<i>Drivers</i>	3051	2966	85 (2.8%)

The delays in recruiting permanent staff also placed pressure on the TTA during 2001/2002. Temporary staff continued to act in key licensing positions.

While planning for the Job Allocation Scheme (JAS) continues, the full implementation of the Scheme will be guided by the planned trial of the Scheme. Consultation with towing operators has continually raised issues, which needed to be resolved before the trial can commence. Additionally, the process of securing funding for the JAS trial from the NSW Treasury has taken longer than expected.

THE TOW TRUCK AUTHORITY

The Tow Truck Authority (TTA) was established on 18 February 1999 under the Tow Truck Industry Act 1998. The TTA is a statutory body responsible to the Minister for Transport and Minister for Roads, the Hon Carl Scully MP.

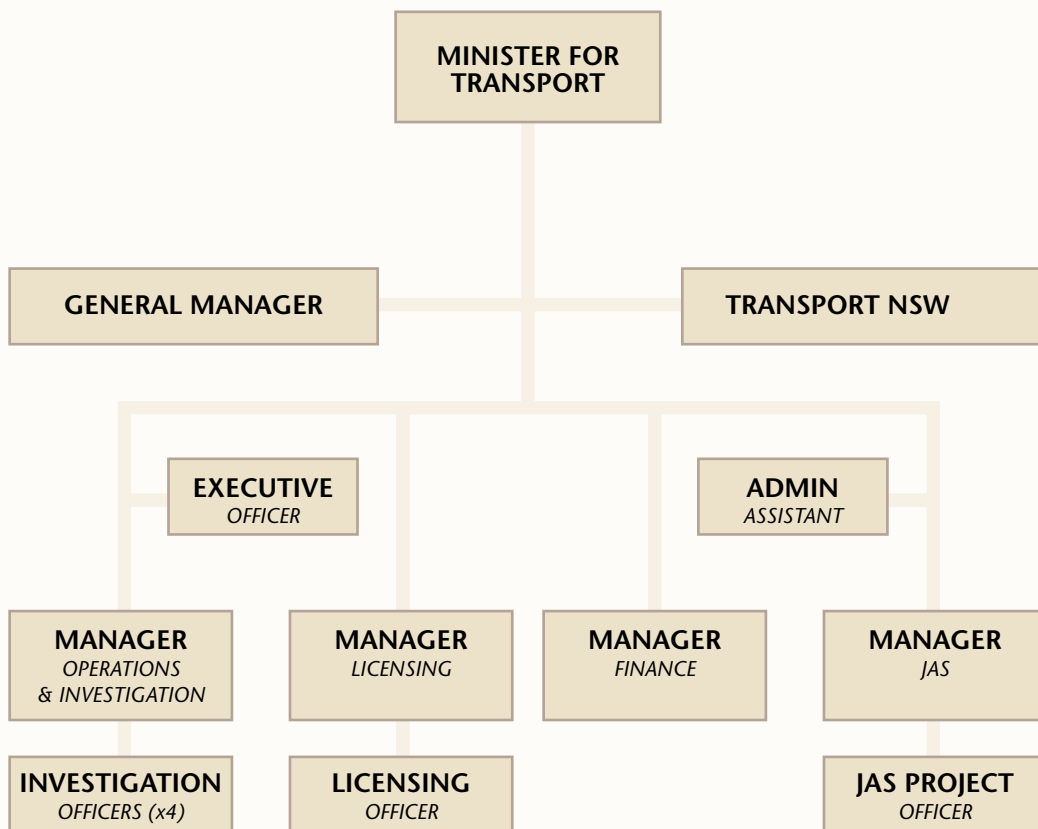
The TTA ensures that both tow truck operators and tow truck drivers comply with the Tow Truck Industry Act 1998 through licensing operators, certifying drivers, investigating complaints, and on-road enforcement. In particular the TTA has the following functions:

- To regulate the tow truck industry in accordance with the Tow Truck Industry Act 1998 and the Tow Truck Industry Regulation 1999;
- To make reports and recommendations to the Minister for Transport with respect to the licensing of tow truck operators and drivers, and the design, construction and equipment of tow trucks;
- To inform the public about the tow truck industry;
- To promote and undertake research into the tow truck industry;
- Whenever it considers it necessary to do so or is requested by the Minister for Transport to do so, to make reports or recommendations with respect to the operation of the Tow Truck Industry Act 1998 or the Tow Truck Industry Regulation 1999.

The TTA has three primary objectives:

- Ensure that the tow truck industry delivers safe and reliable services to road users;
- Improve the image of the tow truck industry through training and promoting professional conduct; and
- Make sure that there is a level playing field, so that operators and drivers who work within the regulatory framework are not at a competitive disadvantage.

STRUCTURE OF THE TTA



LEGISLATION ADMINISTERED BY THE TTA

- Tow Truck Industry Act 1998.
- Tow Truck Industry Regulation 1999.

TOW TRUCK AUTHORITY BOARD

The members of the Tow Truck Authority Board are appointed under the requirements of section 9 of the Tow Truck Industry Act 1998. The Act was amended in 2001/2002 to increase the size of the Board from 3 members to 5 and remove the TTA's General Manager as a member. The Chairman the Hon Peter Anderson and the Deputy Chairman Paul O'Sullivan have been reappointed. Two new members were appointed in May 2002– Christine Thomas from Transport NSW and Mark Fitzgibbon, General Manager of Clubs NSW. A fifth member Ms Elizabeth Darlison, Principal of Darlison Rowe Consultants was appointed outside the reporting period of this document. The details of the TTA Board are:

THE HON PETER ANDERSON, BA (POL STUD) AM

CHAIR

Principal of Peter Anderson and Co, Peter Anderson served for over 15 years in the NSW Legislative Assembly as the Member for Nepean, Penrith and Member for Liverpool, and for more than six years as a Minister under the Wran and Unsworth Governments, holding the Police, Emergency Services, Health and Community Services Portfolios. The Minister for Transport appointed Peter Anderson to the Chair of the TTIC on 25 March 1998, and to the position of Chair of the TTA's Board on 19 February 1999. He is the author of the Review of the Tow Truck Industry in NSW.

Mr Anderson is a member of the Board of the Children's Hospital at Westmead and Wentworth Area Health Service; Chair of the Penrith Regional Gallery and the Lewers Bequest; and a Director of the Joan Sutherland Performing Arts Centre.

PAUL O'SULLIVAN, AM, MBE

DEPUTY CHAIR

Chief Executive of the NSW Division of the Australian Red Cross, Paul O'Sullivan served for 35 years in the Australian Army retiring with the rank of Brigadier. During his career, he commanded the Holsworthy based 1st Brigade, served as Military Attache in Washington DC and Chief of Staff at Victoria Barracks . Mr O'Sullivan also presided over the Inquiry into the Black Hawk helicopter accident in North Queensland.

Mr O'Sullivan is a graduate of the Army Command and Staff College and the Joint Services Staff College. He holds degrees in politics, history and business administration. He is a Fellow of the Australian Institute of Company Directors and a Fellow of the Australian Institute of Management.

MARK FITZGIBBON

Chief Executive Officer Clubs NSW from March 1999, Mark Fitzgibbon served for over 20 years in local government. During his career he was the General Manager of Bankstown, Maitland and Baulkham Hills Councils. Mr Fitzgibbon is also the Executive Director of Clubs Australia and New Zealand and Chief Executive Officer Club Keno Holdings Ltd.

Mr Fitzgibbon holds a Masters Degree in Business Administration and is currently undertaking a Doctorate in Business Administration at Macquarie University. He is also a Fellow of the Australian Institute of Company Directors.

CHRISTINE THOMAS B. SOC. SCI., MPH

Chris Thomas joined Transport NSW in February 2001.

The Tow Truck Authority Board met 9 times during 2001/20021.

Attendance details are:

<i>The Hon Peter Anderson (Chairman)</i>	9
<i>Paul O'Sullivan</i>	9
<i>Terry Hickey</i>	8
<i>Christine Thomas (Appointed May 2002)</i>	1
<i>Mark Fitzgibbon (Appointed May 2002)</i>	1
<i>Michael O'Brien (Resigned 13 July 2001)</i>	1

TOW TRUCK INDUSTRY ADVISORY COUNCIL

The Tow Truck Industry Advisory Council (TTIAC) is chaired by the General Manager of the TTA and comprises members appointed by the Minister for Transport and Minister for Roads .The TTIAC's membership in 2000/2001 is listed below:

- **Terry Hickey**, General Manager Tow Truck Authority
- **Leslie Bond**, Association of Country Service Centres*
- **Andrew Gottwald**, Auto Recovery Association**
- **Graeme Walker**, Auto Recovery Association*
- **Philip Martin**, Motor Traders Association*
- **Bruce O'Neill**, Motor Traders Association**
- **Steven Willis**, Tow Truck Operators Association**
- **Kevin Waters**, Tow Truck Operators Association**
- **Geoffrey Hughes**, Insurance Council of Australia (Appointed 22 August 2001 to 22 August 2004)

- **Gavin Strangwick**, Insurance Council of Australia (Appointed 22 August 2001 to 22 August 2002)
- **Superintendent Ron Sorrenson**, NSW Police Service**
- **Ira Christou**, NRMA*
- **John Stokes**, Roads and Traffic Authority**
- **Barbara El Gamal**, Department of Fair Trading*
- **Inspector Dave Evans**, NSW Police***
- **Michael Barrett**, Motor Traders Association***
- **Peter Steele**, NRMA***
- **Gerard Ashford**, Auto Recovery Association***
- **Arthur Rogers**, Transport NSW***
- **Chris Ford**, Roads and Traffic Authority***

* Term expired 31 January 2002, reappointed to 30 April 2005.

** Term expired 31 January 2002, not reappointed.

*** Appointed 1 May 2002 to 30 April 2005.

In 2001/2002 the TTIAC held 4 meetings, with attendance as follows:

<i>Terry Hickey</i>	4
<i>Steven Willis</i>	3
<i>Kevin Waters</i>	3
<i>Barbara El-Gamal</i>	2
<i>Les Bond</i>	3
<i>Andrew Gottwald</i>	3
<i>Phillip Martin</i>	2
<i>Peter Anderson</i>	1
<i>Gavin Strangwick</i>	3
<i>Geoffrey Hughes</i>	3
<i>Ira Christou</i>	2
<i>Peter Steele</i>	1
<i>Gerard Ashford</i>	1
<i>Mike Barrett</i>	1
<i>Chris Ford</i>	1
<i>Superintendent Dave Evans</i>	1
<i>Arthur Rogers</i>	1

WHERE IS THE TTA

The TTA is located at: Level 1,
20 Charles Street,
Parramatta NSW 2150.

Telephone: 02 8836 6200

FAX: 02 8836 6266

Free Phone: 1800 044 547

Postal Address: Locked Bag 5054, Parramatta NSW 2150.

APPENDIX 1: FREEDOM OF INFORMATION ACT

During the reporting period 1 July 2001 to 30 June 2002, the Tow Truck Authority did not receive any requests under the Freedom of Information Act.

APPENDIX 2: PUBLICATIONS

- TTA Newsletter December 2001.

APPENDIX 3: CONSULTANTS OVER \$30,000

- During the period 1 July 2001 to 30 June 2002, the Tow Truck Authority did not make payment of any individual consultancies for a value greater than \$30,000. The TTA employed four consultants below \$30,000 at a total cost of \$53,240.

APPENDIX 4: SIGNIFICANT COMMITTEES

- Tow Truck Industry Advisory Council.
- Heavy Vehicle Towing / Smash Repair Working Party.
- Insurance Council of Australia Tow Truck Reference Group.

APPENDIX 5: OVERSEAS VISITS

No member of the Tow Truck Authority had any overseas visits in 2001/2002.

APPENDIX 6: PROGRAM PERFORMANCE EVALUATION

The following major reviews were conducted:

- Prohibited Vehicle Policy.
- Review of Authority's Structure.
- Review of light towing fees.

APPENDIX 7: GRANTS TO NON-GOVERNMENT ORGANISATIONS

The Tow Truck Authority did not make any grants to Non-Government Organisations in 2001/2002.

APPENDIX 8: TOW TRUCK AUTHORITY GUARANTEE OF SERVICE

The Authority's Guarantee of Service is being developed and will be released in 2002/2003.

**APPENDIX 9:
NUMBER OF EMPLOYEES (EFFECTIVE FULL TIME)**

Grade	Number of Staff
<i>Senior Executive Service</i>	<i>Nil</i>
<i>Senior officer</i>	<i>1</i>
<i>DTO 9</i>	
<i>DTO 8</i>	<i>2</i>
<i>DTO 7</i>	<i>2</i>
<i>DTO 6</i>	<i>3</i>
<i>DTO 5</i>	<i>4</i>
<i>DTO 4</i>	<i>5</i>
<i>DTO 3</i>	<i>2</i>
<i>DTO 2</i>	
<i>DTO 1</i>	
TOTAL	19

**APPENDIX 10:
CHIEF AND SENIOR EXECUTIVE SERVICE**

There are no Senior Executive Service officers within the Tow Truck Authority.

APPENDIX 11: HUMAN RESOURCES AND INDUSTRIAL RELATIONS POLICIES AND PRACTICES

All **Tow Truck Authority** staff are employed under the Public Sector Management Act. One industrial dispute was recorded for the year however, no hours were lost due to the dispute.

APPENDIX 12 OCCUPATIONAL HEALTH AND SAFETY

The Authority is committed to providing a safe and healthy working environment for staff and to ensure that effective Occupational Health and Safety policies and practices are developed and implemented.

The Authority's occupational health and safety performance for 2001/2002 is detailed below:

<i>Number of work related injuries:</i>	<i>1</i>
<i>Number of work related illnesses</i>	<i>3</i>
<i>Total time lost due to work related injuries or illnesses</i>	<i>875 hours</i>
<i>Number of worker's compensation claims</i>	<i>4</i>
<i>Number of prosecutions reported during 2001/2002</i>	<i>1</i>

APPENDIX 13: CODE OF CONDUCT

The **Tow Truck Authority** is covered by Transport NSW's Code of Conduct.

APPENDIX 14: DISABILITY PLAN

The **Tow Truck Authority** is included within Transport NSW's Disability Plan.

APPENDIX 15: EQUAL EMPLOYMENT OPPORTUNITY

The **Tow Truck Authority** is committed to the implementation of EEO strategies and initiatives.

APPENDIX 16: STAFF BY LEVEL AND EMPLOYMENT BASIS

Level	TOTAL STAFF (Number)	Men	Women	Aboriginal People & Torres Strait Islanders	People whose language first spoken as a child was not english	People with a disability	People with a disability requiring adjustment at work
< \$25,761	0	—	—	—	—	—	—
\$25,762 - \$37,825	0	—	—	0	—	0	0
\$37,826 - \$47,866	7	1	6	0	4	0	0
\$47,867 - \$61,899	7	5	2	0	1	0	0
>\$61,899 (non SES)	5	3	2	0	0	0	0
TOTAL	19	9	10	0	5	0	0

APPENDIX 17: ETHNIC AFFAIRS PRIORITIES STATEMENT

The Authority during 2002/2003 will prepare an Ethnic Affairs Priorities Statement.

APPENDIX 18: WOMEN'S ACTION PLAN

Consistent with the whole of Government approach to addressing women's issues and concerns the Tow Truck Authority undertakes human resources policy to provide means and opportunities to give effect to the goals of the NSW Government's "Action Plan for Women".

APPENDIX 19: RISK MANAGEMENT AND INSURANCE ACTIVITIES

The major risks faced by the Authority are the security of its assets, operational and administrative risks and accidents resulting in workers' compensation and motor vehicle claims. The Authority's Risk Management activities aim to ensure that occupational health and safety and other business risks are identified and appropriate strategies implemented to mitigate risk and impacts on the Authority.

The Authority's insurance activities are conducted within the framework of the NSW Treasury Managed Fund.

APPENDIX 20: DISPOSAL OF PROPERTY

The Tow Truck Authority did not dispose of any property in 2001/2002.

APPENDIX 21: LEGISLATION ADMINISTERED BY THE MINISTER. (AS AT 30 JUNE 2002)

- Tow Truck Industry Act 1998.
- Tow Truck Industry Regulation 1999.

APPENDIX 22: RECYCLING

The Tow Truck Authority promotes and encourages recycling in accordance with the Government's waste reduction policy to reduce landfill waste.

APPENDIX 23: CORPORATE GOVERNANCE

The Tow Truck Authority's policies management, performance and strategies are coordinated by the Tow Truck Authority Board which reports to the Minister for Transport and Minister for Roads.

The Tow Truck Authority complies with the audit program specified in the Public Finance and Audit Act and Australian Standard Accounting Practices. The Authority does not have an internal auditor.

APPENDIX 24: ACCOUNT PAYMENT PERFORMANCE

The Tow Truck Authority applies the general accounts payable policy of payment on a "creditor terms" basis, using its computerised accounting system. Creditor terms are entered into the system and payments are made by the due date. This ensures payment performance, as well as gaining maximum benefits from cash management. When a payment attracts discount on an early settlement, we ensure that the Tow Truck Authority benefits from that discount.

During 2001/2002 there were no instances leading to penalty payments made on overdue accounts under clause 2AB of the Public Finance and Audit Regulation 1984.

APPENDIX 25: ENERGY MANAGEMENT POLICY

The TTA follows the energy management policies of Transport NSW. Electricity cost \$2,558. Petrol \$8,120.

APPENDIX 26: ANNUAL REPORT COSTS

The direct cost of production of 60 copies of the 2001/2002 Tow Truck Authority Annual Report is \$4,616 or \$76.93 per report.

APPENDIX 27: JUDICIAL DECISIONS

No **judicial decisions** were recorded in 2001/2002.

APPENDIX 28: SUBORDINATE LEGISLATION

Tow Truck Industry Amendment Regulation 2001 commenced 1 June 2002.

APPENDIX 29: PRIVACY ACT

Under section 3393(a) and (b) of the Privacy & Personal Information Protection Act the following information is provided for inclusion in the Authority's Annual Report.

In 2001/2002 the Authority did not receive any applications for reviews under the Act.

APPENDIX 30: MAJOR ASSETS

Major assets are:

- Computer equipment;
- Motor vehicles; and
- Office equipment.

APPENDIX 31: CONTRACTING AND MARKET TESTING POLICY

The Authority's human resource operations and information technology are undertaken by Transport NSW.

APPENDIX 32: CONSUMER RESPONSE

The Authority received 272 letters from the public and the towing industry that required a response in 2001/2002.

APPENDIX 33: RESEARCH AND DEVELOPMENT

No major research or development projects were undertaken in 2001/2002.

APPENDIX 34: RESPONSE TO MATTERS RAISED BY THE AUDITOR-GENERAL

There were no qualifications raised by the Auditor-General.

APPENDIX 35: CREDIT CARD CERTIFICATION

The Director General certified, in his performance review with the Minister, that credit card usage in the Department was in accordance with Premier's Memoranda and Treasurer's Directions.

APPENDIX 36: ELECTRONIC SERVICE DELIVERY

The TTA is currently re-configuring its internet site. Once finalised, this site will meet the requirements of the Office of Information technology.



GPO BOX 12
SYDNEY NSW 2001

INDEPENDENT AUDIT REPORT

TOW TRUCK AUTHORITY OF NEW SOUTH WALES

To Members of the New South Wales Parliament

Scope

I have audited the accounts of the Tow Truck Authority of New South Wales for the year ended 30 June 2002. The General Manager of the Authority is responsible for the financial report consisting of the accompanying statement of financial position, statement of financial performance and statement of cash flows, together with the notes thereto, and the information contained therein. My responsibility is to express an opinion on the financial report to Members of the New South Wales Parliament based on my audit as required by the *Public Finance and Audit Act 1983* (the Act).

My audit has been conducted in accordance with the provisions of the Act and Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates.

These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the requirements of the Act, Accounting Standards and other mandatory professional reporting requirements, in Australia, so as to present a view which is consistent with my understanding of the Authority's financial position, the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In my opinion, the financial report of the Tow Truck Authority of New South Wales complies with section 41B of the Act and presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements the financial position of the Authority as at 30 June 2002 and the results of its operations and its cash flows for the year then ended.

S R Stanton CPA
Assistant Director of Audit

SYDNEY
30 October 2002





Tow Truck Authority
of New South Wales

STATEMENT BY THE GENERAL MANAGER TOW TRUCK AUTHORITY OF NSW

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2002

Pursuant to Section 41C of the Public Finance and Audit Act, 1983

I state that in my opinion:

- a) The accompanying general purpose financial report has been prepared in accordance with the Public Finance and Audit Act, 1983, Public Finance and Audit Regulations 2000, applicable Australian Accounting Standards, Urgent Issues Group (UIG) Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board.
- b) The accompanying financial report exhibits a true and fair view of the financial position of TTA of NSW as at June 30, 2002 and of the profit and cash flows of the Authority for the year ended on that date.
- c) At the date of this report there are reasonable grounds to believe that TTA of NSW will be able to pay its debts as and when they become due and payable.
- d) I am not aware of any circumstance that would render any particulars included in these statements to be misleading or inaccurate.

Terry Hickey
General Manager

Parramatta 18 October, 2002

TOW TRUCK AUTHORITY OF NSW STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 30 June 2002

	Note	2002 \$'000	2001 \$'000
Revenue			
<i>Retained fees and fines</i>	2a	1,405	1,287
<i>Investment income</i>	2b	29	41
<i>Grants and contributions</i>	2c	535	—
<i>Other revenue</i>	2d	170	56
Total revenue from ordinary activities		2,139	1,384
Expenses			
<i>Employee related expenses</i>	3a	1,163	1,082
<i>Other operating expenses</i>	3b	507	615
<i>Depreciation</i>	3c	25	36
<i>Deferred Superannuation</i>		—	215
Total expenditure from ordinary activities		1,695	1,948
Surplus/(Deficit) for the Year from Ordinary Activities		444	(564)
<i>Total revenues, expenses and valuation adjustments recognised directly in equity</i>		—	—
Total changes in equity other than those resulting from transactions with owners as owners		444	(564)

TOW TRUCK AUTHORITY OF NSW STATEMENT OF FINANCIAL POSITION

As at 30 June 2002

	Note	2002 \$'000	2001 \$'000
Current Assets			
<i>Cash at bank</i>	4	464	214
<i>Receivables</i>	5	3	8
<i>Other financial assets</i>	6	454	433
<i>Other</i>	7	8	9
Total Current Assets		929	664
Non-Current Assets			
<i>Receivables</i>	5	159	—
<i>Property, Plant and Equipment</i>	8	42	98
Total Non-Current Assets		201	98
Total Assets		1,130	762

The accompanying notes form part of these statements.

	Note	2002 \$'000	2001 \$'000
Current Liabilities			
<i>Payables</i>	9	501	319
<i>Provisions</i>	1c	—	91
<i>Other</i>	10	362	405
Total Current Liabilities		863	815
Non-Current Liabilities			
<i>Payables</i>	9	159	—
<i>Provisions</i>	1c	—	160
<i>Unfunded superannuation</i>	1c	—	123
Total Non-Current Liabilities		159	283
Total Liabilities		1,022	1,098
Net Assets			
Equity	11	108	(336)
<i>Accumulated Funds</i>		108	(336)
Total Equity		108	(336)

TOW TRUCK AUTHORITY OF NSW

STATEMENT OF CASH FLOWS

For the year ended 30 June 2002

	Note	2002 \$'000	2001 \$'000
<i>Cash Flows from Operating Activities</i>			
<i>Retained fees and fines</i>		1,380	1,310
<i>Interest received</i>		29	41
<i>Other Income</i>		783	56
<i>Payments to employees and suppliers</i>		(1,921)	(1,767)
Net Cash Flows from Operating Activities	13	271	(360)
Net increase / (decrease) in cash held		271	(360)
Opening cash and cash equivalents		647	1,007
Closing cash and cash equivalents	4	918	647

The accompanying notes form part of these statements.

TOW TRUCK AUTHORITY OF NSW

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2002

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

The Tow Truck Authority (TTA) of NSW was constituted by the Tow Truck Industry Act 1998, which came into effect on 12th February 1999. It replaced the former Tow Truck Industry Council, which was constituted by the Tow Truck Act 1989 as an Independent Statutory Body on 1st November 1990.

(b) Basis of Accounting

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

- applicable Australian Accounting Standards;
- other authoritative pronouncements of the Australian Accounting Standards Board (AASB);
- Urgent Issues Group Consensus (UIG) Views;
- the requirements of the Public Finance and Audit Act and Regulations.

In the absence of a specific Accounting Standard, other authoritative pronouncements of the AASB or UIG Consensus View, the hierarchy of other pronouncements as outlined in AAS6 "Accounting Policies" is considered.

The financial statements have been prepared in accordance with the historical cost convention. All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

The accounting policies adopted are consistent with those of the previous year with the exception of issues mentioned in note 1(c).

Where appropriate, comparative amounts have been amended in accordance with changes to presentation made in the current year.

(c) Changes in Presentation of the Financial Report

Employee entitlements have been reclassified as creditors in the current financial year. This change recognises the fact that the TTA does not engage employees directly, rather, all employees are seconded from Transport NSW. Therefore, such employee entitlements are brought to account and initially funded by Transport NSW with appropriate employee expenses then passed onto the TTA.

Previously, employee entitlements were classified as provisions, and this change has resulted in an adjustment within the Statement of Financial Position between provisions and creditors.

To accurately account for the fact that TTA does not have employees, the unfunded superannuation liability (\$123,000 as at 30 June 2001) has been reversed, resulting in a credit expense for superannuation in 2002 (See note 3(a)).

The lease liability has been adjusted to reflect the policy whereby operating lease payments are charged to the Statement of Financial Performance in the period in which they are incurred. As a result, rental and lease payments for 2002 have been adjusted by \$19,000 (See note 3(b)).

Some minor changes have also been made to the presentation of the financial report (comparative information for previous year has also been amended) to improve readability and more accurately classify items. In particular:

- contractors have been reclassified as employee related expenditure. Previously, such expenditure was included as maintenance and working expenditure;
- maintenance and working expenses have been renamed as other operating expenses;
- prepayments have been reclassified from receivables to other current assets;
- income received in advance has been brought to account under other current liabilities.

(d) Revenue Recognition

(i) Drivers' Certificates and Operators' Licences.

Revenue from Drivers' Certificates and Operators' Licences represents revenue from non-refundable application fees and licence fees relating to the financial year. The portion of licence fees which has been paid in advance is reported as a Liability.

(ii) Fines and Other Income.

Revenue from Fines and Other Income is recognised as it is received.

(iii) Investment Income.

Interest revenue is recognised as it accrues.

(e) Employee Entitlements

Employee entitlements are brought to account as creditors in the financial statements. This adjustment recognises the fact that the TTA does not engage employees directly. Rather, all employees are seconded from Transport NSW, with employee entitlements brought to account by Transport NSW and appropriate employee expenses subsequently charged to the TTA.

(f) Insurance

The agency's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self insurance for Government agencies. The expense (premium) is determined by the Fund Manager based on past experience.

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

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

- the amount of GST incurred by the agency as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense.

Receivables and payables are stated with the amount of GST included.

(h) Acquisition of Assets

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

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

(i) Plant and Equipment

Plant and equipment costing \$5,000 and above individually are capitalised. Leasehold improvements and computer and office equipment are valued at historical cost less accumulated depreciation.

(j) Revaluation of Physical Non-Current Assets

The TTA considers the written down value for non-current assets to be a fair approximation of their market value.

The recoverable amount test has not been applied as the agency is a not-for-profit entity whose service potential is not related to the ability to generate net cash flows.

(k) Depreciation of Non-Current Physical Assets

Depreciation is provided on a straight line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the entity. Leasehold improvements are amortised over the period of the lease (20 percent) and the rate for computer and office equipment is 25 percent.

(l) Maintenance and Repairs

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

(m) Leased Assets

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

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

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

(n) Receivables

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

Licence fees are collected in advance of issuance of operator and driver authorities. There are no doubtful debts or provision for doubtful debts as at 30 June 2002.

(o) Other Financial Assets

Term deposits over 90 days are classified as other financial assets and are recognised at cost.

(p) Other Assets

Other assets including prepayments are recognised on a cost basis.

(q) Payables

These amounts represent liabilities for goods and services provided to the TTA including liabilities in respect of entitlements for staff seconded from Transport NSW and the repayable advance from Transport NSW, for the Job Allocation Scheme (JAS).

(r) Authority Member Payments

Authority Members were paid a sitting fee for each meeting attendance and received no other remuneration or benefit from the Authority.

	2002 \$'000	2001 \$'000
2. REVENUE		
(a) Retained Fees & Fines		
<i>Licence Fees – Operators</i>	921	789
- Administration	267	276
- Certificates	184	190
- Other	21	11
<i>Fines & Other Infringements</i>	12	21
	1,405	1,287
(b) Investment Income		
<i>Interest</i>	29	41
	29	41
(c) Grants and Contributions		
<i>Transport NSW</i>	535	—
- Job Allocation Scheme (JAS)	535	—
(d) Other Revenue		
<i>Recovery of costs</i>	146	—
<i>Other</i>	24	56
	170	56

	2002 \$'000	2001 \$'000
3. EXPENSES		
<i>(a) Employee Related Expenses</i>		
Salaries & allowances	684	543
JAS salaries	59	223
Annual leave	49	90
Payroll tax	19	30
Superannuation	(48)	115
Long service leave	31	64
Workers compensation	6	3
Other (Including contractors)	363	14
	1,163	1,082
<i>b) Other Operating Expenses</i>		
Audit Fees (**)	7	8
Rental and lease payments	83	96
Insurance	16	4
Fleet & equipment hire	92	84
Consultants	61	12
Printing & stationery	51	62
Postage, freight & communications	45	17
Write-off of furniture and computer/office equipment	31	—
Legal fees	20	24
Refund of licence fees	19	9
Travel & lodging	10	33
Transport NSW Office Services	9	8
Call centre	8	—
Training & meetings	8	97
Advertising	6	2
Bank charges	5	6
Other administration & miscellaneous charges	36	153
	507	615

** Audit fees represent amounts paid or payable to The Audit Office of NSW. The Audit Office NSW received no other benefits throughout the year.

	2002 \$'000	2001 \$'000
<i>(c) Depreciation and Amortisation Expense</i>		
<i>Computer and office equipment</i>	3	12
<i>Office furniture and equipment</i>	—	2
<i>Leasehold improvements</i>	22	22
	25	36
4. CURRENT ASSETS - CASH		
<i>Cash at bank and on hand</i>	464	214
	464	214

For the purposes of the Statement of Cash Flows, cash includes cash on hand, cash at bank and term deposits.

Cash as recognised in the Statement of Financial Position is reconciled to cash at the end of the financial year in the Statement of Cash Flows as follows:

	2002 \$'000	2001 \$'000
<i>Tcorp – Hour Glass Facility</i>	454	433
<i>Cash at bank and on hand</i>	464	214
	918	647
5. CURRENT / NON-CURRENT ASSETS - RECEIVABLES		
<i>Current</i>		
<i>Miscellaneous</i>	3	8
	3	8
<i>Non-current</i>		
<i>Repayable advance from Transport NSW for JAS</i>	159	—
	159	—

	2002 \$'000	2001 \$'000
6. CURRENT ASSETS – OTHER FINANCIAL ASSETS		
<i>Tcorp – Hour Glass Facility</i>	454	433
	454	433
7. CURRENT ASSETS – OTHER		
<i>Prepayments</i>	8	9
	8	9
8. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT		
<p>The TTA's non-current assets comprise leasehold improvements and computer and office equipment.</p>		
	2002 \$'000	2001 \$'000
<i>Plant and equipment (at cost)</i>	123	186
<i>Less: accumulated depreciation (at cost)</i>	81	88
	42	98

RECONCILIATIONS

Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the current and previous financial years are set out below:

	Leasehold improvements \$'000	Office furniture & equipment \$'000	Computer & office equipment \$'000	Total \$'000
<i>Carrying amount at start of year</i>	59	6	33	98
<i>Write-off of assets</i>	—	6	25	31
<i>Depreciation expense</i>	22	0	3	25
<i>Carrying amount at end of year</i>	37	0	5	42

	2002 \$'000	2001 \$'000
9. CURRENT / NON –CURRENT LIABILITIES – PAYABLES		
<i>Current</i>		
<i>Creditors</i> Transport NSW	298	253
<i>Other</i>	23	23
<i>Accruals</i>	27	43
<i>Entitlements for employees seconded from Transport NSW</i>	153	—
	501	319
<i>Non-Current</i>		
<i>Repayable advance from Transport NSW for JAS</i>	159	—
	159	—
10. CURRENT LIABILITIES – OTHER		
<i>Income received in advance – licence fees</i>	362	386
<i>Lease liability</i>	—	19
	362	405
11. CHANGES IN EQUITY		
<i>Balance at the beginning of the financial year</i>	(336)	228
<i>Changes in equity – other than transactions with owners as owners – surplus/(deficit) for period</i>	444	(564)
Balance at the end of the financial period	108	(336)
12. COMMITMENTS FOR EXPENDITURE		
<i>Commitments in relation to non-cancellable operating leases are payable as follows:</i>		
<i>Not later than 1 year</i>	108	72
<i>Later than 1 year but not later than 5 years</i>	72	121
Total (including GST)	180	193
<i>The Authority has no other commitments for expenditure.</i>		
13. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO OPERATING SURPLUS / DEFICIT		
<i>Net cash provided by operating activities</i>	(271)	(360)
<i>Depreciation / amortisation</i>	(25)	(36)
<i>Write-off of non-current assets</i>	(31)	—
<i>Decrease in prepaid superannuation</i>	—	(92)
<i>Increase / (decrease) in receivables</i>	(6)	(12)
<i>(Increase) / decrease in payables and accruals</i>	(163)	113
<i>(Increase) / decrease in provisions</i>	374	(67)
<i>(Increase) / decrease in income received in advance</i>	24	(110)
Operating surplus / (deficit)	444	(564)

14. FINANCIAL INSTRUMENTS

Financial instruments give rise to positions that are a financial asset of either Tow Truck Authority of NSW or its counterparty and a financial liability of the other party. For the Authority these include cash and term deposits, receivables, trade creditors and accruals.

a) Cash and Term Deposits

Cash comprises cash on hand and bank balances. Interest on term deposits is earned at approximately 4.29 percent per annum and interest on the operating account is earned at the bank set rate. The term deposit is held with NSW Treasury Corporation, which has been rated "AAA" by Standard and Poors.

b) Receivables

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectable are written-off. A provision for doubtful debts is raised when some doubt as to collection exists. The credit risk is the carrying amount (net of any provision for doubtful debts). No interest is earned on trade debtors. The carrying amount approximates net fair value. Sales are made on seven days credit terms.

c) Trade Creditors and Accruals

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 generally settled in accordance with the agreed trade terms. 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.

15. CONTINGENT LIABILITIES

There are no contingent liabilities as at 30 June 2002.

End of audited financial statements.

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Transport NSW Locations

HEAD OFFICE

Level 17, 227 Elizabeth St,
SYDNEY NSW 2000

Telephone: (02) 9268 2800

Facsimile: (02) 9268 2900

Website: www.transport.nsw.gov.au

Email: mail@transport.nsw.gov.au

CONTRACTS & COMPLIANCE OFFICE - PARRAMATTA

Level 1, 16-18 Wentworth St,
PARRAMATTA NSW 2150

Telephone: (02) 9891 8900

Toll Free: 1800 227 774

Facsimile: (02) 9891 8999

CONTRACTS & COMPLIANCE OFFICE - WOLLONGONG

Level 6, NRMA Building,
221-229 Crown St,
WOLLONGONG NSW 2500

Telephone: (02) 4224 3333

Toll Free: 1800 049 961

Facsimile: (02) 4226 4117

CONTRACTS & COMPLIANCE OFFICE - NEWCASTLE

Ground Floor, 239 King St
NEWCASTLE NSW 2300

Telephone: (02) 4929 7006

Toll Free: 1800 049 983

Facsimile: (02) 4929 6288

TAXI AND HIRE CAR BUREAU

Level 5, 6 Parkes St
PARRAMATTA NSW 2150

Telephone: (02) 9689 8888

Toll Free: 1800 049 971

Facsimile: (02) 9689 8813

All offices are open between 8.30am and 4.30pm for personal access by the public without appointment. Offices are staffed between 7.30am and 5.30pm and appointments may also be made on a needs basis during these hours.

TRANSPORT SERVICES AND ENQUIRIES

General Enquiries

Telephone: (02) 9268 2800

TTY (for people with hearing impairments)

Telephone: (02) 9268 2244

Email: mail@transport.nsw.gov.au

Website: www.transport.nsw.gov.au

Transport Infoline:

(Bus, train and ferry information)

Telephone: 131 500

Website: www.131500.com.au

Freedom of Information:

Telephone: (02) 9268 2886

Media Enquiries:

Telephone: (02) 9268 2800

Air Transport Council:

Telephone: (02) 9268 2800

Bus Operator Accreditation Renewal:

Telephone: 1800 227 774

Taxi Operator Accreditation Renewal:

Telephone: (02) 9689 8888

Taxi Complaints:

Telephone: 1800 648 478

Taxi Transport Subsidy Scheme:

Telephone: 1800 623 724

TTY (for people with hearing impairments):

Telephone: (02) 9689 8899

Wheelchair Accessible Taxis:

Telephone: (02) 9689 8888

