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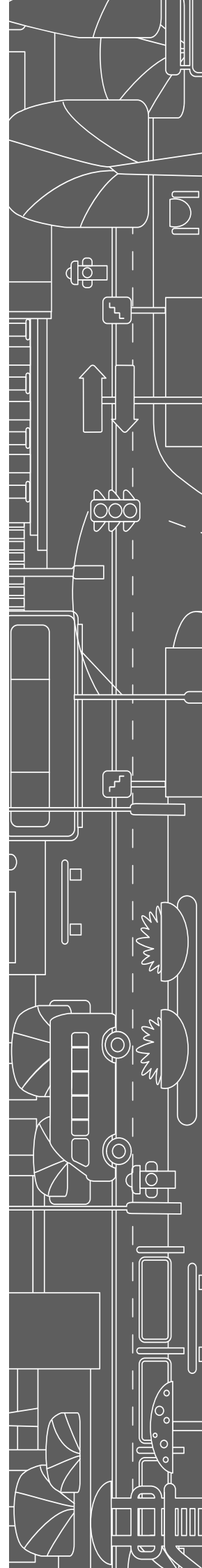
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ABBREVIATIONS

AAS	Australian Accounting Standards	iFACTS	In Field Acquisition of Compliance Trends and Statistics
AASB	Australian Accounting Standards Board	MP	Member of Parliament
ARMC	Audit and Risk Management Committee	MPTP	Multi Purpose Taxi Program
CALD	Culturally and Linguistically Diverse	OH&S	Occupational Health and Safety
CEO	Chief Executive Officer	TSC	Taxi Services Commission
CPVV	Commercial Passenger Vehicles Victoria	VEOHRC	Victorian Equal Opportunity and Human Rights Commission
DTF	Department of Treasury and Finance	VIPP	Victorian Industry Participation Policy
DEDJTR	Department of Economic Development, Jobs, Transport and Resources	VPS	Victorian Public Sector
FRD	Financial Reporting Direction	VTMS	Victorian Taxi Management System
FTE	Full Time Equivalent	WAT	Wheelchair Accessible Taxi
GST	Goods and Services Tax		

Changes in terminology from 1 July 2017

Terminology to 30 June 2017	Terminology from 1 July 2017
Taxis and hire cars	Commercial passenger vehicles

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ACCOUNTABLE OFFICER'S DECLARATION

The Hon. Jacinta Allan MP
Minister for Public Transport

1 Spring Street
Melbourne, VIC, 3000

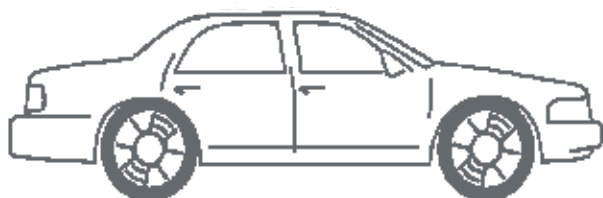
Dear Minister

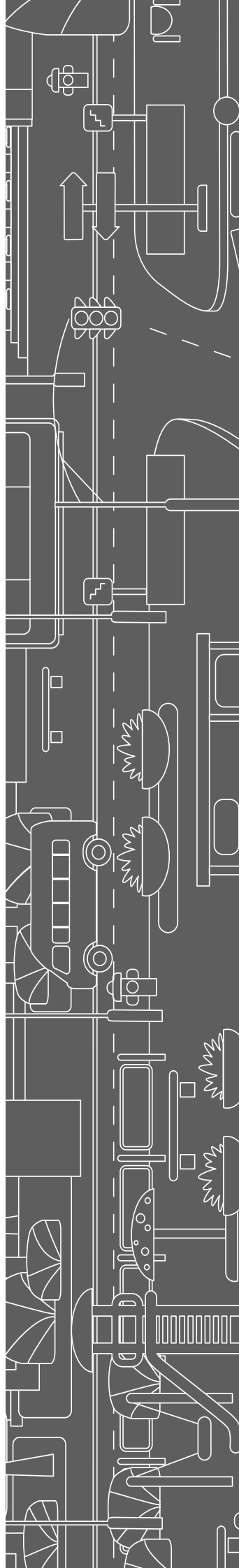
Annual Report 2017–18

In accordance with the provisions of the *Financial Management Act 1994*, I am pleased to present the Taxi Services Commission's annual report for the year ending 30 June 2018.



Megan Bourke – O'Neil
Chair
Commercial Passenger Vehicles Victoria
17 September 2018





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VISION, MISSION AND VALUES

VISION

A commercial passenger vehicle industry that is customer focused, safe, accessible and competitive.

MISSION

The Taxi Services Commission will be contemporary, adaptable and a best practice transport regulator.

VALUES

Collaborate

Innovate

be **R**espectful

Communicate

be **A**ccountable

The Taxi Services Commission values are supported by the Victorian Public Sector values as referenced in the *Code of Conduct for Victorian Public Sector Employees 2015* and *Public Administration Act 2004*.

CHAIR'S FORWARD

This financial year, the Taxi Services Commission implemented unprecedented changes to the taxi and hire car industry. Although the industry had been through reforms and changes before, the changes brought about by the *Commercial Passenger Vehicle Industry Act 2017* were more comprehensive than any preceding them.

In September and October, Transition Assistance payments were made to eligible licence holders, to the value of \$332 million. After this, we focussed our efforts on getting large Booking Service Providers accredited, and impressively attracted four out of the five largest booking service providers in the world to Victoria's commercial passenger vehicle industry.

One of the biggest changes for both the Commission and the industry, was the introduction of new low-cost taxi and hire car licences. These became available from the Taxi Services Commission on Monday 9 October 2017, for an annual fee \$52.90. This significantly reduced the financial barriers to entering the market, and created a level playing field for taxis and hire cars, including rideshare vehicles.

To increase our focus on accessibility matters, a Disability Commissioner to the Taxi Services Commission joined the Commission in January 2018. Commissioner Colleen Furlanetto has been a welcome and highly valued addition to the Commission. Her wealth of knowledge and experience, combined with her ability to engage right across the spectrum has shaped and will continue to shape our understanding of accessibility issues, and the vital role we need to play with the industry and stakeholders to improve accessible transport services and choices.

For Victorians who use commercial passenger vehicle services this is an exciting time as technology and consumer expectations continue to drive new businesses and service models, and we start to see greater competition and diversity in services now on the ground. As regulator of this rapidly expanding and changing market, and with a modern regulatory framework to apply, our role is to ensure this continues to protect consumers and provide for fairness in the market while also facilitating the conditions for innovation and businesses to flourish.

Building on the success of the first Taxi Services Commission Leadership Program, held last year, we continued developing our people, with a second leadership program, thanks to our partnership with Leadership Victoria and through them, the Kansas Leadership Centre. We also continued our partnership with the Institute of Public Administration Australia Victoria and other organisations to provide professional development opportunities. All of this made it a very exciting time for the Commission. I look forward to the next financial year, where we will see even more improvements and positive outcomes for Victorians.

I'd like to thank my fellow Commissioners and Taxi Services Commission employees for their diligent work throughout the year.

I most particularly wish to acknowledge the contribution of Yehudi Blacher, Chair of the TSC from July 2016 and throughout the year to which this annual report applies, for his leadership and oversight of the implementation of such wide-reaching reforms for the industry and regulator alike. I would like to thank our stakeholders for working with us to help make Victoria's commercial passenger vehicle industry the best it can be.



Megan Bourke – O'Neil
Chair

CHIEF EXECUTIVE OFFICER'S REPORT

The 2017-18 financial year was a year of action for the Taxi Services Commission. Over two tranches of legislation we successfully delivered the Victorian Government's reforms to the commercial passenger vehicle industry.

On Monday 9 October 2017, we began putting into place changes to create a level playing field for all industry participants, when the new legislation took effect, including making low cost licences available. Since this time, Victoria has become the only state or territory in Australia where the taxi industry supply is increasing substantially.

The introduction of low-cost licences has led to unprecedented growth in the size of the commercial passenger vehicle industry. We processed 5,546 new taxi licence applications (including 285 Wheelchair Accessible Taxi licences) and 35,859 hire car licence applications. This far exceeded expectations.

The process of bringing drivers into the regulatory framework continued with 33,056 driver accreditation applications processed during 2017-18 an increase of 109 percent from 2016-17 (15,793 applications processed).

Increased calls taken by our Call Centre also reflect this growth. Our calls increased by 27,450 – from 123,577 in 2016-17 to 151,027 in 2017-18.

The high level of engagement and compliance with the new laws reflect the extraordinary work done by the Commission to engage and work with industry throughout the year. We continued engaging with key stakeholders to plan and deliver the 9 October reforms and prepare for the second stage of reforms that took effect on 2 July 2018.

In the final annual report of the Taxi Services Commission, I wish to give special thanks to our Commissioners; Monique Conheady, Janet Dore; Disability Commissioner Colleen Furlanetto for their involvement and support during what has been an exciting time to be part of the Taxi Services Commission. I would like to acknowledge the contribution and support of our previous Chair Yehudi Blacher, who was instrumental in bringing the Government's legislative changes to fruition.

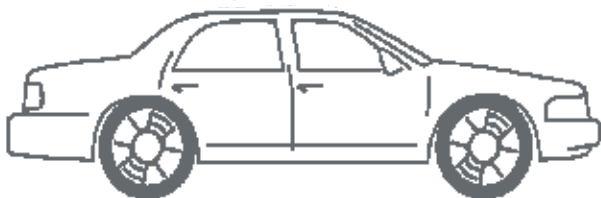
I also wish to thank our employees and other workers for their hard work over the last year. Implementing reforms has touched every area of our business, as we worked to ensure our transition in July goes as smoothly as possible.

One of the last key decisions of the Taxi Services Commission was to select the name of the future regulator – Commercial Passenger Vehicles Victoria, which we adopt from July 2018. The new name better reflects the rapidly growing and evolving industry we now regulate.

I welcome our new Chair Megan Bourke-O’Neil and look forward working with her and the other Commissioners, as we continue implementing reforms and work to ensure Victoria has the best possible commercial passenger vehicle industry.



Aaron de Rozario
CEO



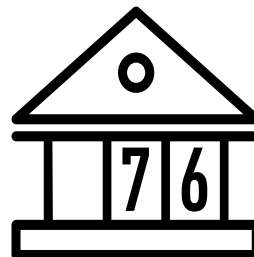
ACHIEVEMENTS

STRATEGIC OBJECTIVE ONE

Facilitate safe commercial passenger vehicle industry services

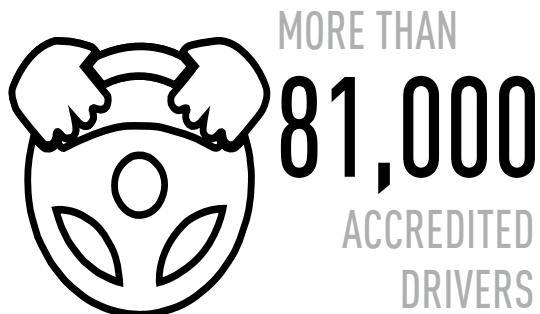
CUSTOMER SATISFACTION SCORES FOR SAFETY

71.2 METRO TAXIS
81.6 REGIONAL TAXIS
81.5 HIRE CARS



PROSECUTIONS COMMENCED

99 PER CENT SUCCESS RATE FOR COMPLETED PROSECUTIONS



STRATEGIC OBJECTIVE TWO

Enable competition and encourage innovation in commercial passenger vehicle industry services



STRATEGIC OBJECTIVE THREE

Ensure that all Victorians can access services to support their social and economic inclusion

MPTP TRIPS INCREASED **14%**



18% INCREASE
IN LIFTING FEES

99%
OF MPTP TRIP
PAYMENTS
PROCESSED DAILY



95,856 MPTP MEMBERS TOOK
5.07 MILLION TRIPS
INCLUDING 1.12 MILLION
WHEELCHAIR TRIPS



21 INVESTIGATIONS
FOR MPTP FRAUD
COMPLETED
THIS YEAR



STRATEGIC OBJECTIVE FOUR

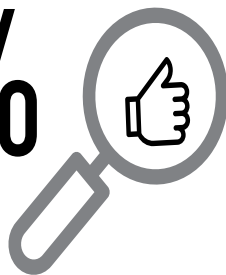
Develop the TSC to be an efficient and effective regulatory agency

4,139
TRANSITION ASSISTANCE PAYMENTS
TO ELIGIBLE LICENCE HOLDERS



80%
CORPORATE SERVICE
SATISFACTION

100%
OF ALL FREEDOM
OF INFORMATION
REQUESTS, SUBMISSIONS AND
ADVICE PROVIDED WITHIN TIMELINES



57
MEETINGS WITH KEY
STAKEHOLDER GROUPS
PROVIDING GUIDANCE ON
NEW LEGISLATION AND REFORMS



MANNER OF ESTABLISHMENT AND RESPONSIBLE MINISTERS

The Taxi Services Commission (TSC) is a statutory authority responsible for regulating the Victorian commercial passenger vehicle industry in a manner that promotes customer-responsive, safe, competitive, efficient and accessible services.

ORIGIN

The TSC, established under sections 115B and 203B of the *Transport Integration Act 2010*, became a statutory authority responsible for regulating the commercial passenger vehicle industry on 1 July 2013.

It reports to the minister or ministers responsible for administering:

- part 5 Division 3 of the *Transport Integration Act 2010*
- the *Commercial Passenger Vehicle Industry Act 2017*
- part VI of the *Transport (Compliance and Miscellaneous) Act 1983*.

The TSC must have regard to the transport system objectives and decision-making principles in exercising its powers and performing its functions under transport legislation. These are set out in sections 7 to 21 of the *Transport Integration Act 2010*.

The TSC consists of the Chairperson, Megan Bourke-O'Neil (Yehudi Blacher throughout 2017- 18), and three appointed Commissioners, Monique Conheady, Janet Dore and Colleen Furlanetto.

Commissioners Conheady and Dore will complete their three-year terms on 31 July 2019, while Commissioner Furlanetto who was appointed on 1 January 2018 completes her three-year term on 31 December 2020. The newly appointed Chair, Megan Bourke-O'Neil, commenced her term on 21 August 2018 expiring on 31 March 2019. The CEO, Aaron de Rozario, leads day-to-day operations of the TSC.

Transport for Victoria (TfV) is a new statutory office and the lead transport agency in Victoria to integrate and coordinate the state's transport system. The TSC is a sector transport agency supporting TfV.

NATURE AND RANGE OF SERVICES

The TSC regulates the commercial passenger vehicle industry in accordance with various acts, regulations and other legislative instruments including the:

- *Transport Integration Act 2010*
- *Commercial Passenger Vehicle Industry Regulations 2017*
- *Transport (Compliance and Miscellaneous) Act 1983*
- *Road Safety Act 1986*
- *Transport (Buses, Taxi-Cabs and Other Commercial Passenger Vehicles) (Taxi-Cab Industry Accreditation and Other Matters) Regulations 2017*.
- *Road Safety (Driving Instructors) Regulations 2010*.

OBJECTIVES

The primary object of the TSC is to regulate the commercial passenger vehicle industry in a manner that promotes commercial passenger vehicle services that are customer focused, safe, competitive, efficient and accessible. The primary object is also:

- to pursue and promote major and enduring improvements in the commercial passenger vehicle industry
- to facilitate competition and innovation in the industry
- to improve the safety of drivers and passengers of commercial passenger vehicles
- to promote public confidence in the safety of the commercial passenger vehicle industry.

FUNCTIONS

The key functions of the TSC are to:

- administer licensing, accreditation and other requirements imposed on industry participants
- administer grants or subsidy schemes
- develop and implement operational policy
- support the Head, TfV in developing strategic policy and legislation
- promote and monitor compliance with relevant legislation
- monitor, investigate and prosecute any breaches of any relevant legislation
- receive complaints relating to the operation and performance of the industry and deal with them in accordance with relevant legislation, policies and procedures
- provide assistance in resolving disputes concerning driver agreements
- conduct enquiries and research into the industry
- inform and educate the public about the operation and performance of the industry
- prepare and publish guidelines regarding the compliance, operation of, or enforcement of relevant legislation.

In performing its functions, the TSC must, where relevant engage and collaborate with stakeholders to ensure better outcomes for Victorians.



PERFORMANCE AGAINST OBJECTIVES

The TSC had four strategic objectives to achieve its Vision and Mission and address legislative requirements and policy challenges. Significant results have been realised during 2017-18 against these objectives. The following summarises these results and their significance to the TSC's success.

Strategic objective 1: Facilitate safe commercial passenger vehicle industry services

Achievement	Significance
Achieving voluntary compliance resulting in an unprecedented volume in accreditation and licensing applications processed by the TSC.	The whole industry was operating in a unified safety framework for drivers.
Adopted an educational approach to regulation early in the financial year, including more than 600 accreditation checks of drivers with one large booking service provider.	The educational approach to safety was appropriate during the transition period.
Operation CODE was undertaken over two weeks, with authorised officers travelling to eighty regional Victorian towns to engage with industry stakeholders and inspect commercial passenger vehicles.	The TSC's compliance and enforcement of safety standards ensured that commercial passenger vehicle service providers met legislative and regulatory standards in all parts of Victoria.
Implementing a new commercial passenger vehicle inspection approval policy and establishing an audit scope and schedule for the first approved provider.	Creating more options and choices for vehicle inspection services and ensuring such services are provided in a manner that meets safety and quality obligations.
Introduced a Hire Car Quality Rating	The new rating complemented the existing Taxi Quality Rating enabling the TSC to monitor the overall safety and quality of the entire commercial passenger vehicle fleet.

Strategic objective 2: Enable competition and encourage innovation in commercial passenger vehicle services

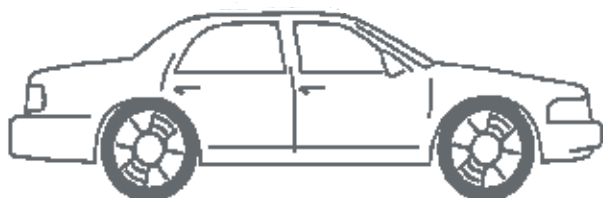
Achievement	Significance
All existing perpetual and fixed term taxi and hire car licences were revoked and replaced with new low cost annual licences.	The market was opened up, creating choice, competition and a level playing field.
Transition assistance was paid to eligible perpetual and fixed term holders of licences.	Licence holders were supported through this significant change.
Rebates were paid to holders of annual taxi licences for annual fees paid.	Licence holders were supported through this significant change.
Online systems were developed for driver accreditation and vehicle licence applications.	Reduction in red tape for industry participants.
Facilitated the accreditation of four major global booking service providers.	The entry of these providers into the Victorian market is an indicator that the TSC has enabled competition and innovation in commercial passenger vehicle services.

Strategic objective 3: Ensure that all Victorians can access services that support their social and economic inclusion

Achievement	Significance
Scoped and planned for expanding the MPTP to all commercial passenger vehicle services	This will facilitate greater choices for people with disabilities.
Commenced a 'proof of concept' trial of alternate ways of processing MPTP transactions.	This facilitates the expansion of the MPTP to non- taxi vehicles in line with government objectives.
Improvements were made in the documented obligations for industry participants receiving subsidies to improve wheelchair accessible services in priority areas of Victoria.	Clear and consistent obligations for recipients of wheelchair accessible commercial passenger vehicle subsidies.
Successfully prosecuted 15 accredited drivers defrauding the MPTP.	Protected the integrity of the MPTP and ensured funds were being used to support people with a disability.
Successfully prosecuted 15 accredited drivers defrauding the MPTP.	Protected the integrity of the MPTP and ensured funds were being utilised to support people with a disability.

Strategic objective 4: Develop the TSC to be an efficient and effective regulatory agency

Achievement	Significance
Replacing the existing MPTP back office hardware and upgrading of end user applications and databases, as part of the GenTex asset refresh program.	The system is better equipped to service MPTP members.
The TSC Workforce Behaviours Program was delivered in partnership with the Victorian Equal Opportunity and Human Rights Commission (VEOHRC).	The TSC is committed to understanding, identifying and eliminating unacceptable workforce behaviours
Quarterly volunteer network meetings held for Health and Safety representatives, First Aid officers, Emergency Wardens; Family Violence contact officers, ergonomic support and Equal Employment Opportunity contact officers.	The TSC was committed to provide networking, training and relationship building opportunities for employees volunteering for these important organisational roles.
Streamlined driver accreditation and vehicle licence applications systems.	Improved efficiency of processing to meet the high-volume environment.



Output Performance Measures

Output measures	Unit of measure	2017-18	2016-17 target	2015-16 actual
Output: Taxi and Hire Vehicle Services				
Quantity				
Average occupancy rate of metropolitan taxis in December (period of high service demand)	per cent	29.8	29.0	28.0
Average occupancy rate of metropolitan taxis in June (period of low service demand)	per cent	25.9	26.0	25.6
Multi Purpose Taxi Program: trips subsidised	number ('000)	5,070	4,450	nm ²
Multi Purpose Taxi Program: wheelchair and scooter lifting fees paid	number ('000)	1,120	950	1,039.4
Taxi and hire vehicle compliance and enforcement interventions	number	19,605	19,200	18,818
Quality				
Taxis and hire vehicles conform to safety and quality standards	per cent	85.0	83.0	81.1
Average wait time for conventional taxis booked to arrive at peak periods of demand	minutes	9.4	9.6	9.9
Average wait time for wheelchair accessible taxis booked to arrive at peak periods of demand	minutes	26.9	28.0	26.4
Taxi services online customer rating: overall satisfaction in metropolitan Melbourne	score	64.2	61.0	62.1
Taxi services online customer rating: overall satisfaction in regional Victoria	score	75.9	72.8	74.1
Taxi services online customer rating: safety and comfort of journeys	score	71.8	69.7	69.7
Timeliness				
Commercial passenger vehicle service complaints and intelligence reports complaints investigated and closed within 45 days	per cent	86.0	85.0	86.0
Taxi and hire vehicle: calls to the Taxi Services Commission call centre answered within 20 seconds	per cent	45.3	56.0	61.5
Output: Transport safety, security and emergency management				
Timeliness				
Multi Purpose Taxi Program: applications assessed and completed within 14 days	per cent	97.0	97.0	93.7
Taxi, hire vehicle and other commercial passenger vehicle licence applications processed within 14 days	per cent	90.0	85.0	66.0
New and renewed taxi, hire vehicle and bus driver accreditation applications processed within 14 days	per cent	78.0	85.0	nm
Road vehicle and driver regulation: new and renewed driving instructor authority applications processed within 14 days	per cent	90.0	85.0	93.0

A common theme to several TSC performance measure results was the impact of significantly increased demand from new commercial passenger vehicle industry entrants and commercial passenger vehicle passengers.

Demand for both conventional taxi and wheelchair trips subsidised through the Multi Purpose Taxi Program was higher than the target expectation but in line with multi-year trends.

Despite a high number of vehicle licence applications received compared to historical levels, the TSC achieved higher than targeted results for processing within 14 days due to ICT investments and process improvements.

The TSC responded to a further source of high demand by processing 11,892 more new driver accreditation applications within 14 days than the previous year.

The target expectation was not achieved, though the result was enhanced through the introduction of electronic processing to improve efficiency, and temporary resources which assisted with throughput.

The significant increase in the volume of accreditation applications and the introduction of low-cost licences significantly contributed to call volumes that were 22 per cent higher than the previous year. The result for telephone calls answered within 20 seconds by the TSC Call Centre ended well below target. Call complexity also increased due to callers wanting to clarify the substantial changes being introduced in the regulatory environment due to the new legislation.

The TSC branch responsible for accreditation were able to achieve a higher than target result for processing the smaller volume of driving instructor authority applications.

Other areas of the TSC's processing and implementation were close to target. These included the completion of MPTP applications within 14 days, closing complaints within 45 days and taxi and hire vehicle compliance and enforcement interventions. Commercial passenger vehicle vehicles were found to be conforming to safety and quality standards at close to the target expectation.

Two of the three scores for online customer ratings of taxi services were also close to expectations. The increase in metropolitan Melbourne taxi customer satisfaction indicates that passengers see overall improvement in the available commercial passenger vehicle service options.

Conventional and wheelchair accessible taxi waiting times in metropolitan Melbourne for peak periods of demand (4pm to 7pm between October and December) and the occupancy rates of metropolitan Melbourne taxis for June and December 2017 were all within the expected target range.



Statement of Expectations

The TSC received two Statements of Expectations from the Minister for Public Transport during 2017-18.

The purpose of the first statement signed on 21 December 2017 was to ensure that the TSC effectively implements the Government's reforms and actively regulates the commercial passenger vehicle industry to conform with new laws and meet expectations and needs.

The strategic context for the statement was the creation of Transport for Victoria (TfV) as the lead transport agency in Victoria. Its role overarching the transport portfolio is now legislated. A second strategic context was the announcement of the new major reforms of the commercial passenger vehicle industry.

A key deliverable of the statement was to report to the Head, TfV on progress towards a TSC business model describing the governance arrangements, accountabilities and resource allocations for all responsibilities under the *Commercial Passenger Vehicle Industry Act 2017*. This report was delivered on 30 April 2018.

A second deliverable is concerned with a commercial passenger vehicle compliance strategy also to be reported to the Head, TfV. A compliance and enforcement framework and timeline were provided to TfV in April 2018.

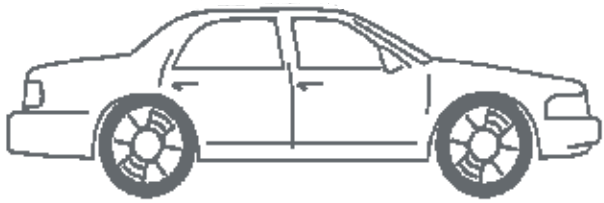
In general, the Minister was seeking the TSC to apply its operational experience to its systems and processes to ensure that they would be fully ready for implementing the reforms on 1 July 2018.

The second Statement of Expectations was delivered on 9 May 2018. It reinforced the priority of the industry reforms and emphasised the need to reduce the cost impacts on businesses engaged in the commercial passenger vehicle industry.

The Minister has asked the TSC to identify and undertake activities to improve administrative processes in the following areas.

- Delays for unbooked service providers entering the market.
- Risk and evidence—based vehicle compliance monitoring and enforcement.
- Entry of community transport providers to the industry
- Codes of practice for complying with new safety duties.
- Quarterly industry participant forums on risk-based compliance and enforcement.
- Timelines and scope for booking service provider registration.
- The quality of compliance advice from the industry perspective.
- More providers and improved efficiency and subsidy payment mechanisms under the MPTP.
- Review industry fees for appropriateness and efficiency.
- Quality and timeliness of key decisions.
- Availability and simplification of online services and of information collecting and processing.
- Reduced timeline uncertainty and duplication for individuals and businesses, aligning with other regulators where appropriate.
- Statement of Expectations performance measures in the Corporate Plan and reported in the annual report.

The TSC will respond to the Minister's second Statement of Expectations early in 2018-19.



PERFORMANCE OF THE INDUSTRY

The TSC is committed to report on the performance of the commercial passenger vehicle industry in its annual report, in line with its primary object as the industry regulator in the *Transport Integration Act 2010* section 115E (1)

This report is based on results and findings drawn from the TSC's regulatory activities.

DRIVER AND OPERATOR ACCREDITATION

Accreditation is required for all drivers of all commercial passenger vehicles. In 2017-18, there was a 39.6 per cent increase in the total number of accredited drivers compared with the previous year. The considerable increase in driver numbers is attributed to new entrants to the commercial passenger vehicle industry.

Figures below indicate that there were slightly fewer active taxi drivers (down 833) in 2017-18 compared with the previous year. Active taxi drivers also represented a lower proportion (20 per cent) of all accredited drivers in 2017-18 compared with the previous year (29 per cent).

The number of accredited industry participants has increased over the year by 350 per cent. This reflects the industry re-structuring and new participants (particularly new licence holders) entering the commercial passenger vehicle market following industry reforms coming into effect from October 2017.



Accredited parties on 30 June	2017-18	2016-17
Total accredited drivers (taxi, hire car, bus driver)	81,089	58,084
Total active taxi drivers*	15,925	16,758
Total accredited industry participants (licence operator, network service provider, licence holder)	44,314	9,830
Total driving instructor authorities	2,181	2,181

*Note: an active driver is defined as one who undertook at least one shift within the last 12 months.

In 2017-18, the pass rate for the WAT knowledge theory module declined from 63 per cent in 2016-17 to 51 per cent in 2017-18. The module was replaced with a new form of assessment on 30 June 2018.

LICENCES

At the end of 2017-18, the total number of taxi licences in Victoria was 10,480. This is an 86 per cent increase compared with a year earlier due to the introduction of low cost licences available since 9 October 2017. Most of the increase in licences was in the metropolitan Melbourne zone.

Hire car licence numbers have increased significantly (up 34,287 licences or 1200 per cent) in 2017-18 primarily due to the introduction of low cost licences. The other contributing factor in the rapid growth in hire car licences was the large numbers of drivers signing up to new commercial passenger vehicle platforms.

	2017-18			2016-17		
Metropolitan zone	8,351	619	8,970	4,170	447	4,617
Urban and Large Regional zone	769	112	881	418	80	498
Regional zone	347	94	441	275	75	350
Country zone	148	40	188	129	35	164
Total taxi licences	9,615	865	10,480	4,992	637	5,629
Total taxi licences	9615	865	10480	4992	637	5629
Number of hire car licences*			37,104		2,817	2817
Total licences			47,584			8,446

* Note: Figures quoted are the total number of licences as at 30 June 2018.

ACCESSIBILITY

A significant proportion of trips provided by the commercial passenger vehicle industry in Victoria involve people with a disability. Demand for the provision of accessible transport services, including services provided by the industry has steadily grown over the past several years.

The government is committed to improving the availability and cost effectiveness of commercial passenger vehicle services for people with a disability through the administration of subsidy and incentive schemes. For 2017-18, these schemes applied just to taxis. Overall, over five million individual taxi trips were subsidised by the TSC in 2017-18. This was a six per cent increase in the number of trips subsidised in 2016-17, while the subsidised wheelchair trip segment increased by eight per cent during this period.

As well as individual trip subsidies, the TSC recognises the importance of supporting wheelchair accessible services. In regional Victoria TSC continues to provide subsidies for the purchase of wheelchair accessible vehicles.

The following information is presented to indicate industry performance in providing accessible services. Data relates to the MPTP, the principal subsidy scheme administered by the TSC to support the needs of people with a disability for point-to-point transport services in Victoria.

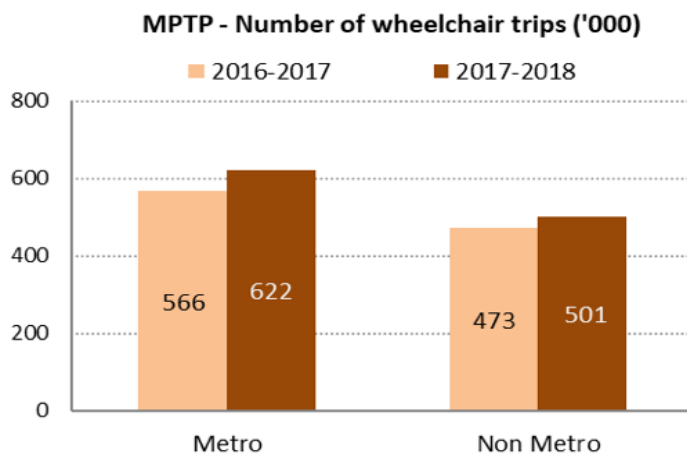
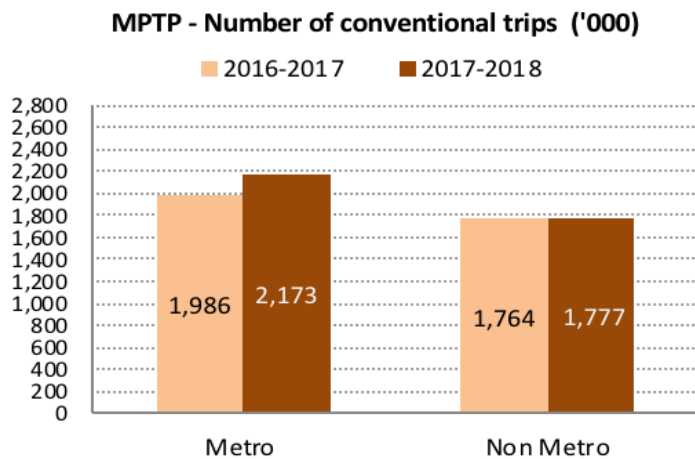
The average number of conventional taxi trips taken per active MPTP member (48.1) in 2017-18 was marginally above the figure in the previous year (46.6).

The result for wheelchair members also increased (82.1 per member) with wheelchair trips taken per active member up by five per cent in the past financial year.

Average number of trips per MPTP member	2017-18	2016-17
Conventional trips per active* members	48.1	46.6
Wheelchair trips per active* members	82.1	77.6

*Note: active MPTP members are defined as those who have taken at least one trip during the relevant financial year.

The number of active members (those that have taken at least one subsidised trip) have increased two per cent and is now 95,856. At the end of June 2018, 36,170 MPTP active members were wheelchair users.



SAFETY AND COMPLIANCE

There were 19,604 inspections and interventions conducted for the year with a strong focus on commercial passenger vehicle safety and driver accreditation.

The TSC uses a tablet-based inspection application – iFACTS – to record data from commercial passenger vehicle safety inspections. Data analysis allows the TSC to establish a benchmarked quality rating for commercial passenger vehicles. The TSC uses these ratings to monitor and to report upon the quality of the commercial passenger vehicle fleet on an ongoing basis.

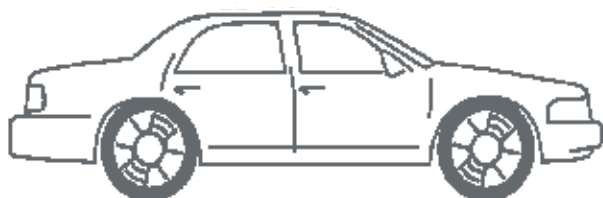
Over 2017-18, a targeted inspection regime was implemented, focusing on commercial passenger vehicles that were not inspected by the TSC in the previous twelve months, wheelchair vehicles, and older vehicles. Other inspections targeted commercial passenger vehicles drivers to check whether they were operating with the correct accreditation endorsements and that their vehicles' critical safety features were in order. Operator fleets were also inspected where iFACTS data identified vehicle safety as being generally at a higher risk.

Part of the TSC's regulatory role is to issue notices to industry participants where breaches of regulations occur. The table on the following page shows that the number of infringement and rectification notices issued in 2017-18 was lower than the number issued in the previous year. This was due to a focus on education to complement the impending industry reforms in the early months of the financial year. Generally, notices were targeted to address the most significant risks to consumer safety and service.

The TSC also engages with industry and the wider community on safety through public awareness campaigns, consultation, stakeholder forums and communication materials.

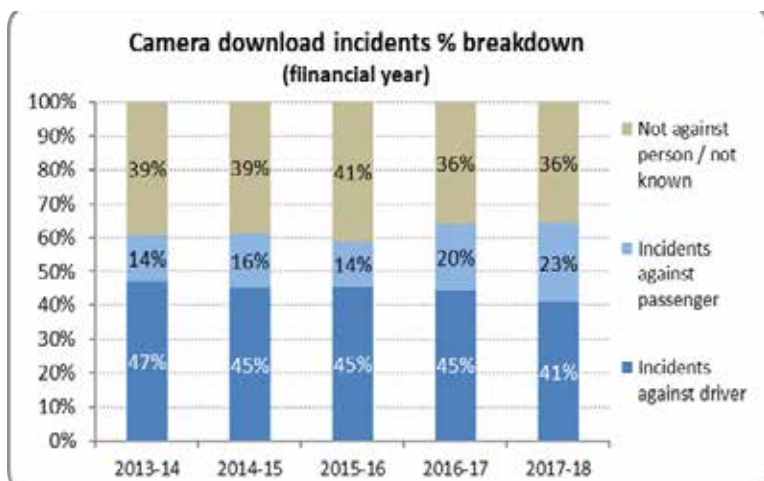
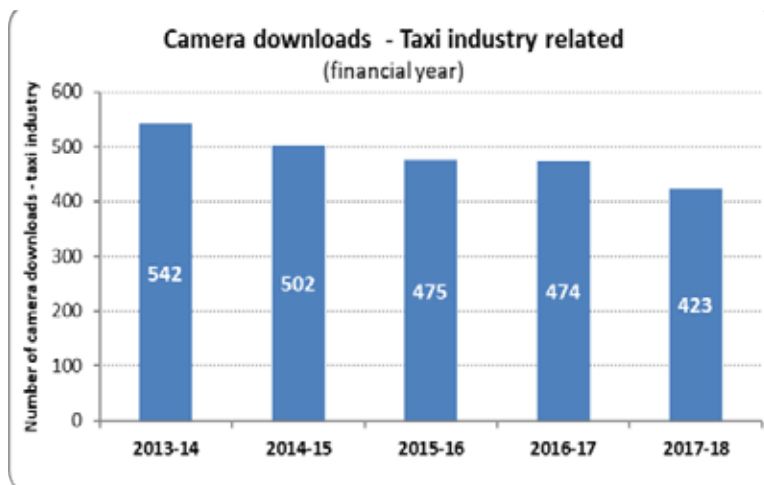
Transport safety and compliance	2017-18	2016-17
Number of infringement notices	323	436
Number of official warning notices	261	223
Number of rectification notices	831	1,529
Number of other notices*	3,551	1,382
Total notices issued	4,966	3,570
Directed vehicle inspections	2,582	1,420
Total inspections	19,604	19,818
Notices as a percentage of vehicle inspections	25.3%	18.0%

*Consists of defects notices and Regulation 12 notices requiring the vehicle and driver to attend at a TSC centre for a comprehensive vehicle safety inspection.



The number of infringement notices issued in 2017-18 was 323, the majority involving breaches of driver accreditation, licence conditions relating to WAT drivers failing to give priority to customers with a disability and unlicensed commercial passenger vehicles.

A key TSC function is downloading images from the safety cameras installed in taxis, when incidents occur which require Victoria Police or TSC investigation. In 2017-18, a total of 630 camera downloads were completed, each from a single trip. It is important to note that the total trips where an incident occurred that warranted the downloading of images represents just 0.003 per cent of the estimated 22 million taxi trips taken annually in Victoria. This proportion reduces further when it is considered that 423 downloads were for investigating matters related to the commercial passenger vehicle industry, and 207 were for matters



COMPLAINTS AND DISPUTES

The TSC can investigate complaints from the public or industry participants about services provided by the industry. The TSC uses a secure case management system to record the complaints received.

Complaints have been analysed to provide a summary of the key issues raised and these are categorised based on the objectives of the *Transport (Buses, Taxi-Cabs and Other Commercial Passenger Vehicles) (Taxi- Cab Industry Accreditation and Other Matters) Regulations 2017*.

In 2017-18, the total number of issues recorded by the TSC was 16 per cent lower than for 2016-17. Complaints relating to 'conduct of driver' were notably higher than the previous year while 'fare charging' and 'compliance with road rules' were significantly lower.

	2016-17	2015-16
Total number of complaints received by the TSC ⁽ⁱ⁾ ⁽ⁱⁱ⁾	1,960	2,329
Number of issues relating to commercial passenger vehicle services		
Conduct of driver	558	270
Fare charging and payment	406	961
Compliance with general road rules	197	422
Concerns with operator	67	247
Vehicle condition and appearance	40	80
Hiring and trip experience	72	8
Authorisation - driver and/or vehicle	87	24
Adequacy of vehicle equipment	11	90
Presentation of driver	2	26
Number of issues relating to other transport services		
Relating to driving instructors	12	20
Relating to buses	2	6
Number of other issues recorded		
Relating to the Knowledge test	12	29
Referred to other government authority	44	39
Relating to the MPTP (i)	178	n/a
Other issues that do not fall into above categories	164	107

⁽ⁱ⁾ Complaints relating to the MPTP is a new category identified for 2017-18.

Following the commencement of the driver agreement, the TSC introduced a process to manage disputes between drivers and operators. Recording of disputes is separate to complaints. The number of disputes received by the TSC in 2017-18 (108) is above the previous year (85). The following table classifies the nature and incidence of issues in dispute.

Issue in dispute	2017-18	2016-17
Insurance and indemnity	29	40
Bond	16	11
Fare box (55 per cent)	9	20
General/other	53	12
Termination of employment	0	2
Fees and charges	1	0
Leave entitlements	0	0
Maintenance and cost	0	0
Total number of disputes received by the TSC	108	85

TAXI AND HIRE CAR CUSTOMER SATISFACTION

The TSC surveys 1,500 customers of commercial passenger vehicle services each year through an independent market research provider with results by month reported at six-monthly intervals following the end of December and June. The survey is designed to give the TSC a reliable view of satisfaction with commercial passenger vehicle services in metropolitan Melbourne and regional areas.

Satisfaction scores for three major categories (metropolitan taxis, regional taxis and hire car) are presented in the chart below, showing the April to June 2018 results compared to the results for the same quarter in 2017. Looking at the change over a year helps to indicate whether there is any improving or declining trend in satisfaction.

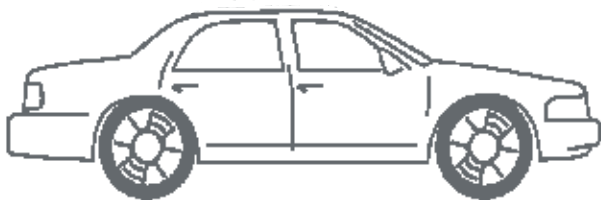
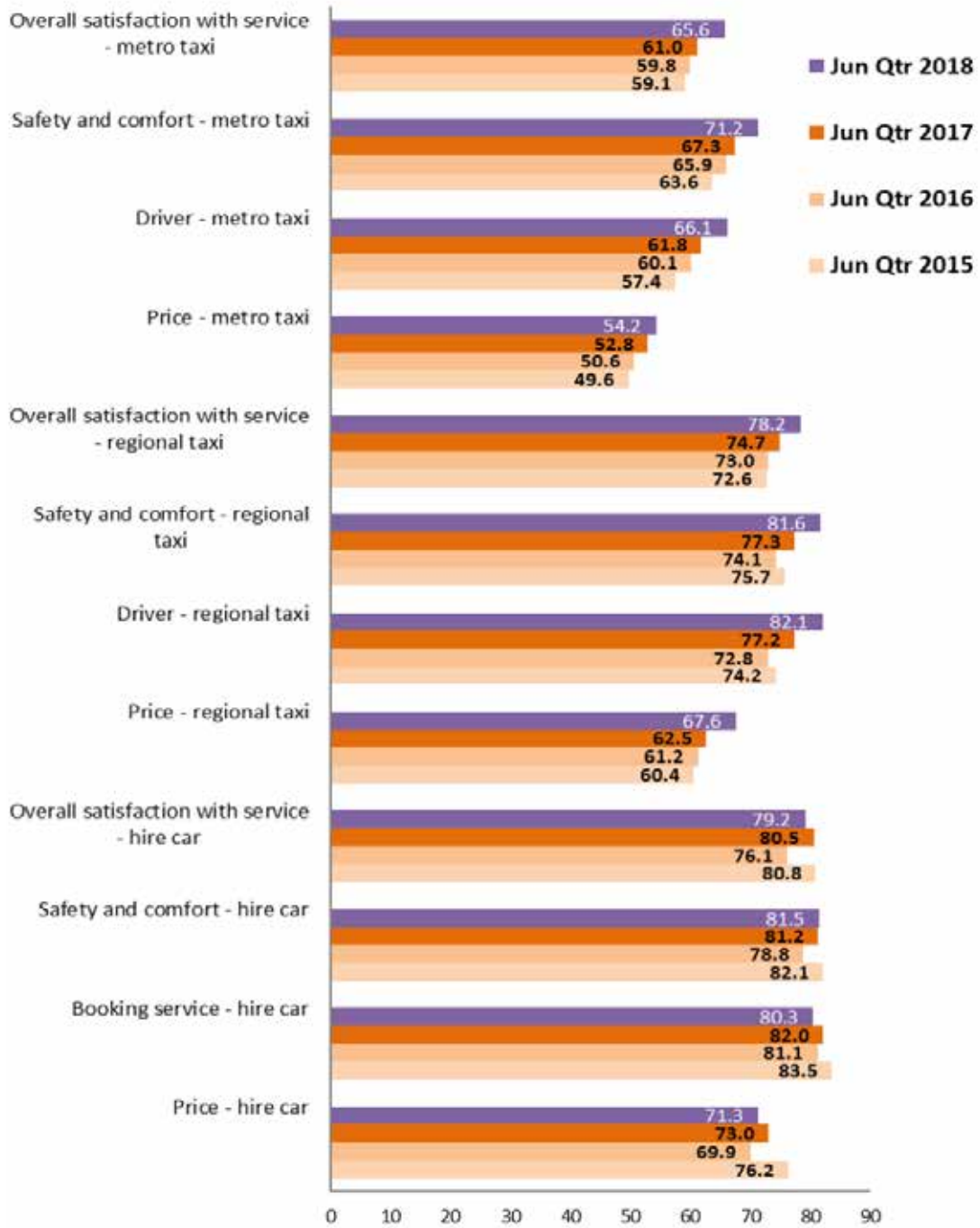
Expert analysis by the TSC's research provider indicates that driver performance, safety and comfort, and trip price mostly determine overall customer satisfaction with taxi services. Safety and comfort, trip price and the experience of booking the trip mostly determine overall customer satisfaction with hire car services. The following chart displays individual satisfaction scores for these aspects and the overall satisfaction scores.

Of the commercial passenger vehicle industry service categories measured through the survey, results over time show that Victorian hire car customers are the most satisfied, followed by regional taxi customers with metropolitan taxi customers being the least satisfied.

Overall satisfaction for June quarter 2018 continues an upward trend for metropolitan taxi and regional taxi customers. This is due to general improvement in the level of satisfaction with commercial passenger vehicle service options, particularly in metropolitan Melbourne.

The decline in hire car satisfaction compared to the previous year is not significant: overall satisfaction scores for this customer category show more variability than with the two taxi customer categories.

Satisfaction with key areas of service



FINANCIAL SUMMARY AND REVIEW

The table below shows the financial results for 2017-18 and the four preceding financial years.

Financial result for the year ended 30 June extract	2017-18	2016-17 \$'000	2015-16 \$'000	2014-15 \$'000	2013-14 \$'000
Income from government	102,956	427,391	87,110	87,130	79,783
Total income from transactions	103,283	428,151	87,931	87,655	80,018
Total expenses from operations	(106,039)	(433,154)	(92,255)	(91,723)	(83,535)
Net result from transactions	(2,756)	(5,003)	(4,324)	(4,069)	(3,517)
Net cash flow from operating activities	2,378	(14)	(1,304)	529	1,844
Total assets	19,450	347,246	20,702	22,873	21,860
Total liabilities	12,046	341,051	9,646	11,321	10,647
Net assets	7,403	6,195	11,056	11,552	11,213

The TSC Annual Report 2017-18 includes its full-year financial statements from 1 July 2017 to 30 June 2018. This is the fifth reporting period that has ended since the responsibility for the regulation of commercial passenger vehicles transferred from DEDJTR Secretary to the TSC, effective on 1 July 2013.

The significant difference compared to figures reported for 2016-17 is due to the Victorian Government's decision to fund transition assistance for eligible holders of perpetual licenses which ceased with implementation of the government's policy changes announced in August 2016.

Financial result

In 2017-18, the net result from transactions was a deficit of \$2.75 million. This represents the unfunded non-cash items, such as depreciation and amortisation. The funding received from DEDJTR does not fund the TSC for depreciation and amortisation as these are considered to be non-controllable transactions. This will have a cumulative impact on the accumulated deficit in future financial years.

Income

The source of the TSC's income was predominantly government grants.

Expenses

The TSC's operating expenses in 2017-18 totalled \$106 million. Of this expenditure, \$65.9 million (2017: \$64.5 million) was for grant payments for the MPTP and \$40.1 million (2017: \$36.9 million) was for implementing the commercial passenger vehicle reforms and administration of regulatory services.

A significant expenditure in 2016-17 was \$331.7 million for transition assistance payments. No equivalent expenditure occurred in 2017-18.

Income collected on behalf of the Victorian Government and other government agencies

The TSC administers the collection of certain licence fees and other fees on behalf of the Victorian Government and State Government agencies. These amounts are not recognised as the TSC's income but are paid to be Victorian Government's Consolidated Fund or other government agencies.



Financial position—balance sheet

During 2017-18 total financial assets decreased by \$326.2 million to \$14.2 million. This result is mainly due to a decrease of \$333.8 million in transition assistance paid in 2016-17 and increased operations due to implementation of commercial passenger vehicle reforms.

Total non-financial assets decreased by \$1.6 million to \$5.3 million due to a decrease in prepayments of \$0.89 million for workplace services and reduction to property, plant and equipment and intangible assets by additional depreciation of \$0.99 million. Intangible assets mainly constitute the Victorian Taxi Management System (VTMS) and the TSC Data Warehouse solution.

Total liabilities decreased by \$329 million to \$12 million mainly due to decrease in provision as result of obligation to pay transition assistance payments of \$331.7 million in 2016-17.

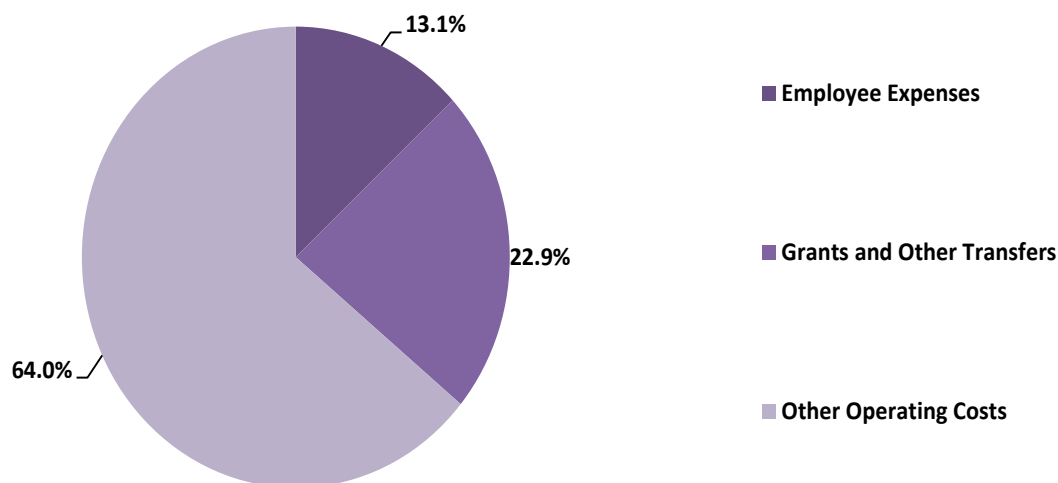
Cash flows

Net cash inflow from operating activities was \$2.38 million in 2017-18. This represents a \$2.4 million increase compared to 2016-17, which is mainly due to a \$2.1 million underspend in transition assistance payments.

The overall cash surplus of \$4.1 million for the 2017-18 financial year represented a net increase of \$2.3 million compared to the previous year. Of this, \$1.2 million net cash outflow was from investing activities, such as increased cash spent on capital expenditure.

Financial summary

The financial statements presented later in this report are prepared in accordance with the *Financial Management Act 1994* and applicable Australian Accounting Standards (AAS).



GRANTS PROGRAMS

The TSC had a number of grants programs that provided assistance to organisations that met predetermined criteria.

Taxi Rank Safety Program

The Taxi Rank Safety Program provided grants to councils across Victoria to improve the safety, quality and amenity of taxi ranks in areas of high usage.

Infrastructure funded by this program included (but was not limited to):

- closed circuit television
- improved lighting
- pedestrian barriers
- weather shelters
- signage
- seats
- modifications to curbing or road treatments.

Project assessment by the TSC ensured that awarding of funding to councils demonstrated that the requested infrastructure provided the greatest benefit for both passengers and drivers.

In line with the government commitment to increase safety on Victorian streets, priority was given to infrastructure projects that further enhanced safe taxi ranks.

In 2017-18, the following payments were made towards council infrastructure projects.

Organisation	Payment \$ (GST exclusive)
Banyule City Council	18,476
Manningham City Council	56,621
Mitchell Shire Council	10,937
Hobsons Bay City Council	110,455
Total	196,489

WHEELCHAIR ACCESSIBLE TAXI (WAT) PROGRAMS

The WAT vehicle subsidy scheme aims to:

- maintain and improve the availability of WATs for people with a disability living in country towns
- make the operation of WATs more cost effective for the providers of taxi services.

The following grants were approved for payment in 2017-18.

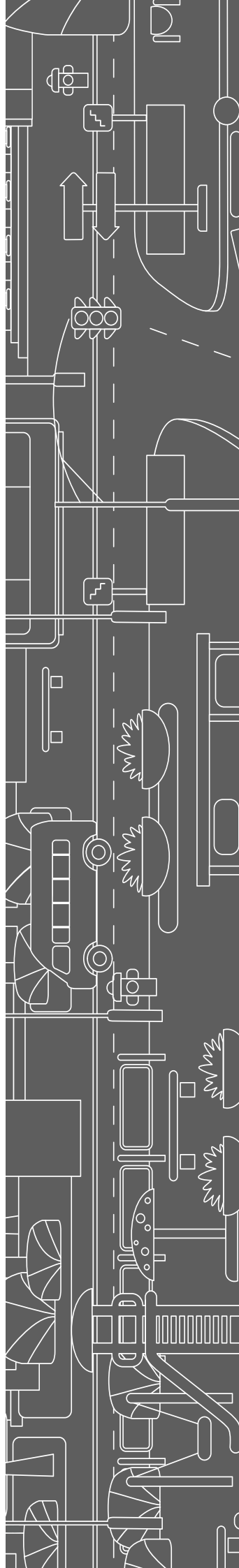
Organisation	Payment \$ (GST exclusive)
Gurpeet Singh	37,655
Horsham Taxis	80,000
Scott Cowie	33,000
Surinder Singh Dhaliwal	40,000
Karmajeet Singh	39,706
Richard Jones (Numurkah)	37,412
Taxis Associated Bendigo	40,000
Total:	307,773

WAT training subsidies were available for Registered Training Organisations to provide the WAT training.

The following grants were approved for payment in 2017-18.

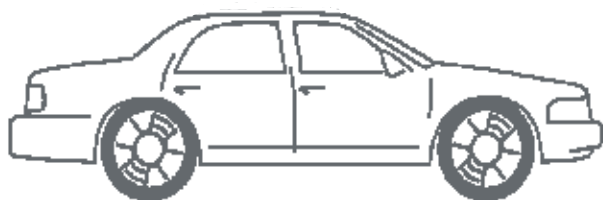
Organisation	Payment \$ (GST exclusive)
CWY Transport Training	2,717
Individual Registered Training Organisations	20,955
Total:	23,672





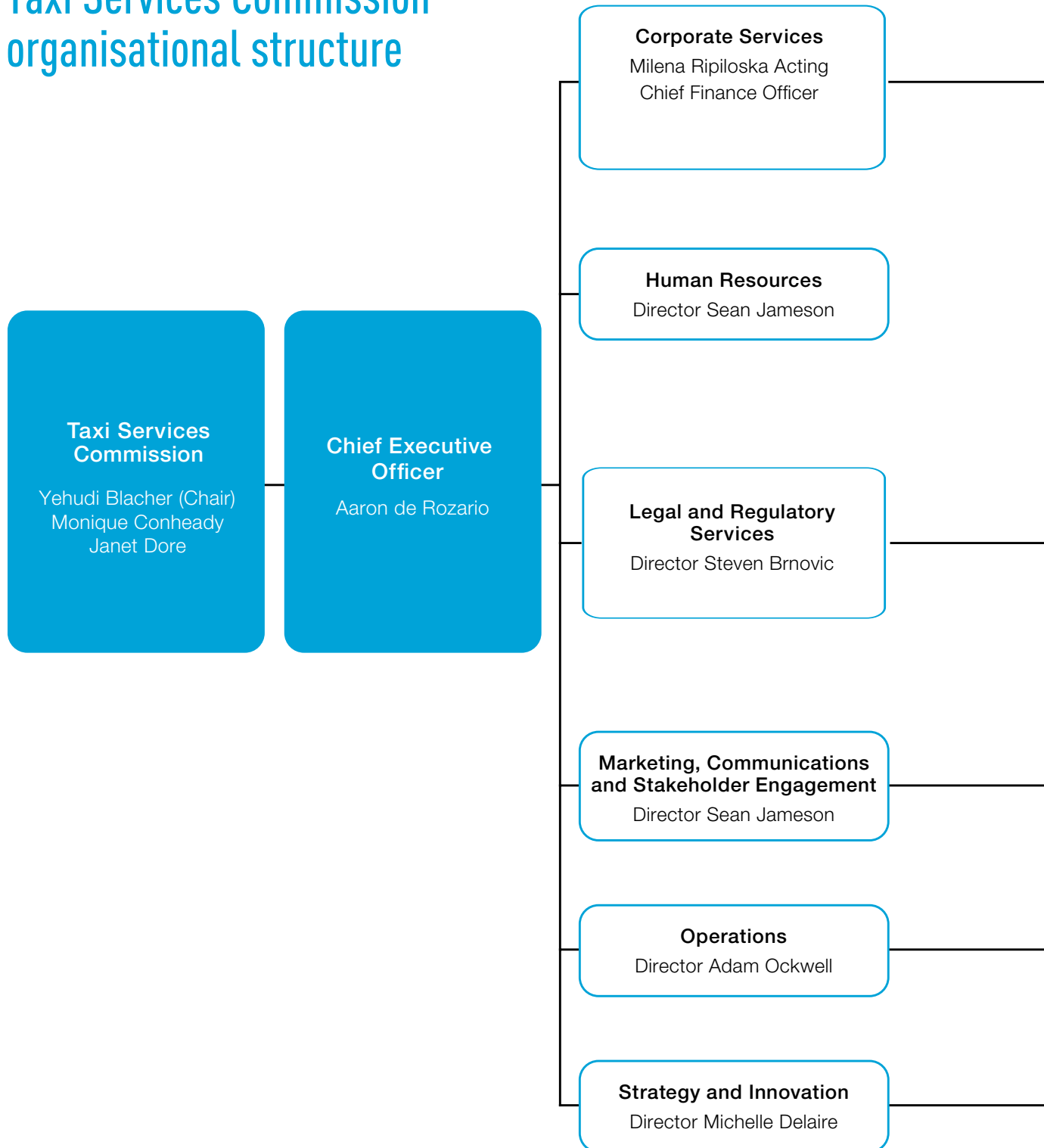
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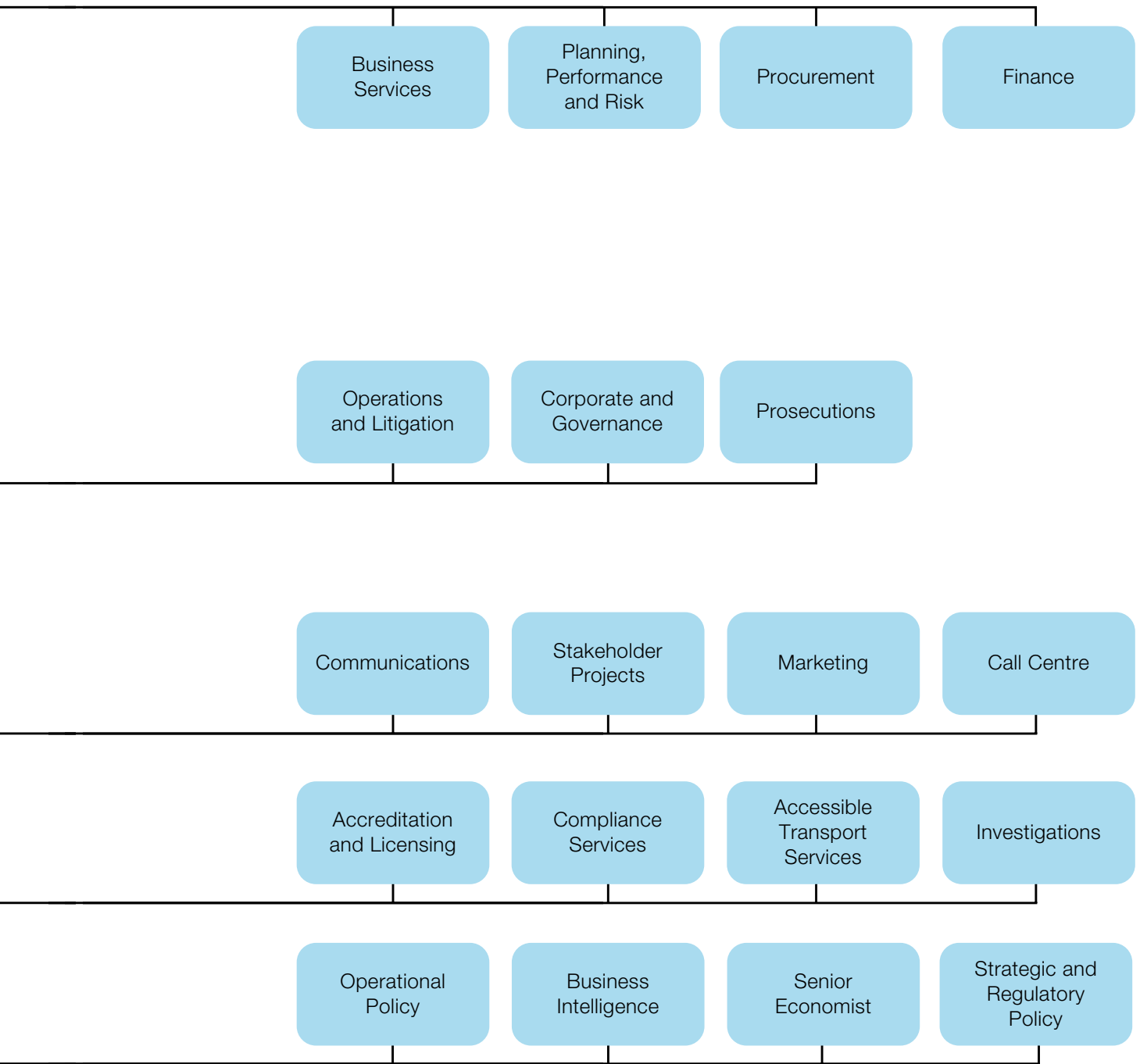
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GOVERNANCE AND ORGANISATIONAL STRUCTURE IN 2017-18

Taxi Services Commission organisational structure





COMMISSIONERS

Commissioners were first appointed to the TSC on 26 May 2013 under the *Transport Integration Act 2010*. New Commissioners were appointed in 2016 and 2018.

During the year, the Commissioners governed the way the TSC operated, including safeguarding and overseeing its management. The Commissioners were responsible for setting strategic direction, managing risk and ensuring that the TSC had the appropriate arrangements in place to meet its obligations.

Chair Yehudi Blacher and Commissioners Monique Conheady and Janet Dore commenced their terms on 1 August 2016. An additional Commissioner, Colleen Furlanetto, was appointed to the TSC on 1 January 2018 with a specific focus on the diverse range of disability and accessibility issues in the commercial passenger vehicle industry, including wheelchair accessible services.



**YEHUDI BLACHER PSM
CHAIR
(Throughout 2017-18)**

B.A. (Hons), M.A.

Yehudi Blacher has over thirty years' experience in a variety of senior roles in the Victorian Public Service.

From 2002 to 2011 Yehudi was the Secretary of the Departments of Planning and Community Development, and Victorian Communities. He also held Deputy Secretary level roles in the Departments of Premier and Cabinet, Human Services and Infrastructure and Housing.

Yehudi is currently a Deputy Chancellor at Monash University; an honorary Professorial Fellow in the School of Social and Political Sciences, Melbourne University; and a National Fellow, Institute of Public Administration Australia.





JANET DORE

**B.App.Sc. (Planning),
MBA, FAICD**

Janet Dore is an experienced non-executive director and former CEO of the Transport Accident Commission, Ballarat and Newcastle City Councils.

She is currently Chair of the Committee for Ballarat, Deputy Chair Central Highlands Water, Director MAV WorkCare, Member CTP Committee SIRA NSW and Municipal Monitor Ararat Rural City Council.

Janet has a Master of Business Administration, Bachelor of Applied Science (Planning) and is a Fellow and graduate of the Australian Institute of Company Directors.



MONIQUE CONHEADY

**B.Eng. (Hons), B.A.
(Hons)**

Monique Conheady is an experienced entrepreneur and marketer. She founded the car-share business Flexicar, which she sold to Hertz in 2010. Earlier this year she co-founded DC Power Co., an innovative energy retailer.

In 2009, she was awarded the Victorian Telstra Business Women Private Sector Award. She was also a recipient of a Churchill Fellowship.

Monique is currently on the board of the Victorian Responsible Gambling Foundation and the Environment Protection Authority. She is the past Chair of Morland Energy Foundation Limited.

Monique holds a Bachelor of Engineering and Bachelor of Arts from the University of Melbourne, is a graduate of the Australian Institute of Company Directors and a Centre for Sustainability Leadership Fellow



COLLEEN FURLANETTO

Colleen Furlanetto has significant experience in the health and local government sectors. Colleen worked as a registered nurse for 20 years, working in acute, aged care, disability and general practice.

As Disability Commissioner for the TSC, Colleen's focus is on accessibility matters.

She was an elected representative of the Strathbogie Shire from 2008-2016 and was appointed Mayor in her final year.

Commission meeting attendance

Yehudi Blacher (Chair)	12 of 12
Janet Dore	11 of 12
Monique Conheady	12 of 12
Colleen Furlanetto	6 of 6
<i>(appointed to the TSC on 1 January 2018)</i>	



MEGAN BOURKE-O'NEIL
Incoming Chair
(Commenced 21 August 2018)

Megan Bourke-O'Neil is a policy, strategy and reform leader of 20+ years working with and for public, corporate and not-for-profit sectors. Her experience encompasses infrastructure, transport, social and financial services portfolios. She has led customer and competition-based reforms, policy initiatives, legislation and commercial transactions with major citizen-centric and workforce impacts.

Megan holds a Bachelor of Social Work from Victoria University and Executive Master of Public Administration from Melbourne University. She is a graduate of the Cranlana Programme (ethical leadership), a qualified Company Director with the Australian Institute of Company Directors and an approved Gateway reviewer.

Megan has held senior leadership roles in the Victorian public service, most recently as Deputy Secretary in the Department of Economic Development, Jobs, Transport and Resources/ Deputy Head, Transport for Victoria.

EXECUTIVE



**AARON DE ROZARIO,
CHIEF EXECUTIVE
OFFICER**

Aaron de Rozario has been involved in the regulation of commercial passenger vehicles since 2012.

He previously advised the Western Australian government on industry reforms, regulatory matters, and the changing nature of commercial passenger vehicle services.

Aaron has twenty years' experience working in the Australian and United Kingdom public sectors. He has a strong public policy background, having held multiple executive positions in State Government and has a Master's in Public Policy from Murdoch University.

LEADERSHIP TEAM

The TSC's Leadership Team assists the CEO in managing the day-to-day business of the TSC to achieve outcomes.

The Leadership Team members manage the six divisions that work together to support the TSC's role as regulator of the commercial passenger vehicle industry.

Director Strategy and Innovation
Michelle Delaire

*Acting Chief Finance Officer
Director of Corporate Services*
Milena Ripiloska

*Director Human Resources,
Director Marketing, Communications
and Stakeholder Engagement*
Sean Jameson

*Director Legal and Regulatory Services,
General Counsel*
Steven Brnovic

Director Operations
Adam Ockwell



DIVISIONS OF THE TSC

STRATEGY AND INNOVATION

The Strategy and Innovation division had a whole-of-business focus, providing research, strategic policy advice and support, operational policy and data analysis to support evidence-based decision-making.

The division led a suite of reform projects to deliver the two tranches of legislative change.

It also provided specialist economic advice and led strategic policy considerations for the TSC with a focus on regulatory reform and market analysis.

The division delivered business intelligence and data analysis relating to the commercial passenger vehicle industry for the whole organisation and undertook environmental scanning to monitor future changes in the operating environment.

CORPORATE SERVICES

The Corporate Services division provided support and advice to drive organisational efficiency, with a focus on improving systems, processes and governance.

It did this by providing assistance in the areas of financial management, risk and business continuity management, corporate planning, business planning and reporting, procurement and contracts, IT services, and records management and workplace services.

The division was also responsible for audit assurance and provided the secretariat function for the Audit and Risk Management Committee.

LEGAL AND REGULATORY SERVICES

The Legal and Regulatory Services division provided the TSC with support and services in a range of areas necessary for the TSC to properly deliver on its functions as a statutory authority with a Board of Commissioners. The division provided the secretariat function for the TSC Commission meetings and worked closely with DEDJTR on the development of legislation.

This division had three branches focussed on the following:

Operations and litigation

- made administrative decisions on applications for accreditation or driving instructor authority, and took disciplinary action against industry participants
- made decisions to cancel or suspend (including on an interim, urgent basis) the accreditations of industry participants in order to protect the public
- managed and represented the TSC in all VCAT and Supreme Court litigation
- provided general, operational and reform-related legal advice
- managed requests relating to the Public Register of industry participants.

Corporate and governance

- provided in-house legal services to all divisions
- managed the TSC's compliance with privacy legislation
- made administrative decisions on internal review applications
- performed the TSC's functions under Freedom of Information legislation
- provided contract and commercial drafting, advice and negotiation services
- provided general legal advice.

Prosecutions

- prosecuted for fraud and other offences against taxi and hire car legislation and regulations
- managed applications for review of infringement notices issued by Compliance Services.

HUMAN RESOURCES

The Human Resources division was responsible for providing people policies, procedures and processes to support organisation leaders and employees to develop a fair, respectful, engaged and high-performing workforce.

Key strategic priorities included workforce planning, occupational health and safety, learning and development, employee relations and provision of competitive conditions of employment including flexible work arrangements. These conditions supported the organisation to attract, develop and retain people with required skills, knowledge and experience.

Partnering with organisation leaders, the division delivered services and initiatives that supported individual and team performance, leadership capability development, a robust performance management environment, and encouraged workplace diversity and flexibility.

MARKETING, COMMUNICATIONS AND STAKEHOLDER ENGAGEMENT

The Marketing, Communications and Stakeholder Engagement division was responsible for establishing, building and strengthening the TSC's brand and relationships with the commercial passenger vehicle industry, media and members of the public.

It communicated information on regulation, government initiatives and other related issues through marketing and advertising campaigns.

The division included the TSC Call Centre, ministerial services, event management, design and print for marketing collateral and online communications.

OPERATIONS

The Operations division was responsible for a number of key functions to support the TSC as industry regulator, including the provision of frontline counter and telephone services to the commercial passenger vehicle industry.

This division had four branches focussed on the following:

Accessible Transport Services

- administered and provided advice on the MPTP providing subsidised travel for people with disabilities
- administered the Performance Based Booking System, an incentive scheme designed to improve the level of service for Victorians using WATs

Accreditation and Licensing

- administered the accreditation scheme for suitable taxi and hire car applicants
- authorised driving instructors to teach unlicensed car drivers in Victoria
- evaluated driver medical assessments
- assessed driver and other industry participants' criminal records checks
- reviewed suitability of drivers based on criminal offences, serious traffic infractions and poor service delivery
- managed WAT training subsidies
- issued commercial passenger vehicle licences to suitable applicants
- provided ongoing management of licences
- managed the Country WAT Vehicle Subsidy Scheme.

Compliance Services

- managed on-road compliance, audit and complaint resolution activities to regulate the commercial passenger vehicle industry
- undertook in-car safety camera downloads at the request of Victoria Police and other relevant agencies.

Investigations

- investigated fraud involving the MPTP subsidy scheme
- investigated breaches of commercial passenger vehicle legislation and regulations.

COMMITTEES AND STAKEHOLDER GROUPS

AUDIT AND RISK MANAGEMENT COMMITTEE

The TSC’s Audit and Risk Management Committee oversees and advises the TSC on matters of accountability and internal controls affecting

the TSC’s operations regarding financial and risk management. As such, it assists the TSC in fulfilling its corporate governance and oversight responsibilities regarding:

- financial and regulatory compliance and reporting
- accounting policies
- risk management
- internal control
- internal and external audit
- financial and risk management policies and practices.

The committee operates under a written charter. TSC Commissioner Monique Conheady chaired the committee from July 2017 to February 2018 and

Commissioner Janet Dore chaired the committee from February 2018 to 30 June 2018.

There were two independent members. Mary Anne Hartley completed her term on 22 September 2017 and was replaced by Jay Bonnington for the remainder of 2017-18.

Committee meetings were held on five occasions.

Attendance at committee meetings

Monique Conheady (Chair–1 July 2017 to 2 February 2018)	3 of 3
Janet Dore (Chair–2 February to 30 June 2018)	3 of 3
Mary Anne Hartley QC (independent member–1 July to 22 September 2017)	1 of 1
Jay Bonnington (independent member–8 December 2017 to 30 June 2018)	4 of 4
Robert Hogarth (independent member)	5 of 5

EXECUTIVE REMUNERATION COMMITTEE

The TSC has an established Executive Remuneration Committee in line with the requirements of the Victorian Public Service Executive Handbook.

This committee comprised the TSC Chair and Commissioners. It is required to apply a consistent and rigorous approach to setting and adjusting executive remuneration (for Band 2 and 3 positions) and to apply a documented methodology for determining individual executive’s work and performance value.

The committee met twice during the year as required to consider executive performance and annual remuneration package changes. All end-of- year remuneration decisions were finalised by the committee in line with whole of Victorian government processes.

The Director Human Resources was responsible for provision of the secretariat function to the committee.

INDUSTRY IMPLEMENTATION GROUP

The Industry Implementation Group was established following the government’s announcement of commercial passenger vehicle reforms in August 2016. Representatives of the established and emerging industry were invited to work closely with the TSC at the forefront of these industry changes, to aid in the smooth delivery of the reforms and assist in the transition and foundation of a new commercial passenger vehicle industry.

The group met on eight occasions during 2017-18.

STAKEHOLDER REFERENCE GROUP

The Stakeholder Reference Group commenced in 2013 at the time of the previous government’s taxi and hire car reforms from the Taxi Industry Inquiry. Recently, the group has maintained a more operational focus, featuring several driver representatives. Other members from Melbourne Airport, Melbourne City Council and West justice, a provider of legal help to people in western Melbourne, have also participated.

The group met on two occasions during the year in July and November 2017.

PUBLIC TRANSPORT ACCESS COMMITTEE

The TSC supported the Public Transport Access Committee that advises the Minister for Public Transport on current, emerging and/or potential public transport accessibility issues including those related to commercial passenger vehicle services.

OCCUPATIONAL HEALTH AND SAFETY

OCCUPATIONAL HEALTH AND SAFETY

All employees, contractors and visitors to a TSC workplace were protected from any physical, psychological or potential harm or injury, as far as practicable. The health, safety and wellbeing of every employee continued to be an integral consideration in all TSC activities.

The following were key achievements:

- continuing to embed a comprehensive safety culture
- developing committed, resourced and trained leaders to promote a safe and engaged workforce
- encouraging and empowering employees to take responsibility for their own health and safety practices
- directly engaging contracted service providers to brief their employees on occupational health and safety (OH&S) obligations and share their organisational policies.

Development of OH&S policies and procedures were in accordance with the *Occupational Health and Safety Act 2004*, *Occupational Health and Safety Regulations 2007* and the *Accident Compensation Act 1985*. The *Victorian Public Service Enterprise Agreement 2016* covered the formal agreement with our people and the Community and Public Sector Union regarding OH&S obligations.

The OH&S Committee met every two months and was the central forum for discussing and managing OH&S issues within the organisation. The CEO chaired the committee comprised of managers, OH&S representatives and other employees from across the organisation.

The committee ensured equal representation of our different work accountabilities and workplaces. The committee was active in OH&S reporting and decision-making and followed the appropriate resolution procedures when required.

- regular review, development and promotion of intranet content
- provision of training to employees holding volunteer roles
- inspections to identify workplace hazards
- provision of flu vaccinations
- partnership with the Victorian Equal Opportunity and Human Rights Commission to deliver workplace behaviours training.

Human Resources hosted volunteer group meetings to provide networking and relationship building opportunities for all First Aid Officers, Health and Safety Representatives, Emergency Wardens, Equal Employment Opportunity Contact Officers, Environmental Officers and Ergonomic Assistants. Meetings involved technical learning, information sharing and guest speakers.

The TSC continued to provide a DEDJTR managed Employee Assistance Program (EAP) service throughout the year.

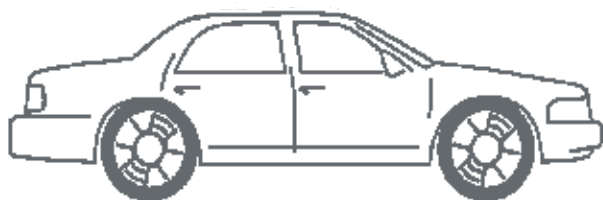
The TSC continued to use the services of Xchanging for workers' compensation insurance.

During 2017-18 there were two new claims lodged by TSC employees.

- One claim was minor and was accepted by the insurer
- The costs of claims have increased slightly this year, due to the nature of the psychological injury of the accepted claim.

OH&S was included in the monthly CEO's report to the TSC Commissioners

The TSC continued to be committed to creating and maintaining a workplace that embraces diversity, mandates and promotes workplace safety, supports flexible work arrangements, provides our people with professional development opportunities and offers recognition and reward in response to our individual and team achievements.



Performance against OH&S management measures

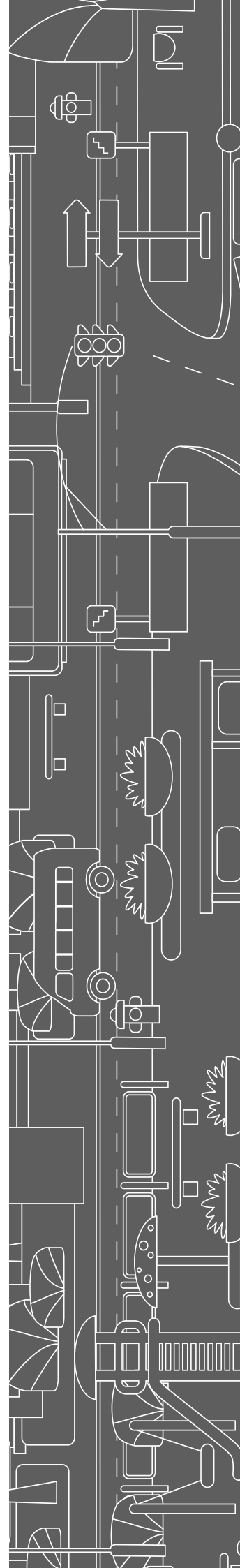
Measure	KPI	2017-18	2016-17	2015-16
Incidents	Number of incidents	33	31	28
	Rate per 100 FTE	2.2%*	24%	20%
Claims	Number of standard claims	2	2	4
	Rate per 100 FTE	1.5%	1.5%	2.5%
	Number of lost time claims	0	0	1
	Rate per 100 FTE	0.0%	0.0%	0.6%
	Number of claims exceeding 13 weeks	0	0	0
	Rate per 100 FTE	0.0%	0.0%	0.0%
Fatalities	Number	0	0	0
Claims costs	Average cost per standardised claim	\$2,783	\$1,289.00	\$4,823.60
Return to work	Percentage of claims with Return To Work plan <30 days	100%	100%	100%
Management commitment	Evidence of policy statement, OH&S objectives, OH&S plans signed by CEO	Complete	Complete	Complete
Consultation and participation	Evidence of agreed structure of designated work groups, health and safety representatives and issue resolution procedures	Complete	Complete	Complete
Risk management	Percentage of internal audits/inspections conducted as planned	100%	100%	100%
	Percentage of issues actioned as identified in an internal audit/inspection	100%	100%	100%
Training	Percentage of health and safety representatives trained	100%	100%	100%

* - The calculation of the incident rate has been amended from previous years. It has changed from an annual to a monthly rate in line with Victorian Government standards



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PUBLIC ADMINISTRATION VALUES AND EMPLOYMENT PRINCIPLES

The TSC continued to be committed to creating and maintaining a workplace that embraces diversity, mandates and promotes workplace safety, supports flexible work arrangements, provides our people with professional development opportunities and offers recognition and reward in response to our individual and team achievements.

The TSC promoted high standards of ethical behaviour in line with government policies and the *Victorian Public Sector (VPS) Code of Conduct 2015*, and *VPS Enterprise Agreement 2016*. Specific awareness and compliance programs in areas such as bullying and equal employment opportunity supported the TSC's behavioural standards.

The TSC complied with the *Public Administration Act 2004*. Employee selection was on merit, with a focus on equal employment opportunity and fostering career public service by providing development opportunities to existing employees. The TSC continued to provide its leaders with recruitment and selection tools and guidance to lead them through the selection process.

The TSC continued to imbed its values in every day practice as well as across policies and procedures.

WORKFORCE STRATEGY

The workforce strategy for 2017-18 continued to focus on prioritising resourcing to implement new commercial passenger vehicle legislative reforms.

Resourcing was a mix of ongoing and fixed term employment arrangements, supported by an increase in external contractors to provide additional support at peak times. The TSC continued to focus on developing a more flexible workforce to have 'the right people in the right positions at the right time'.

LEARNING AND DEVELOPMENT

Developing our people

Learning and Development (L&D) continued to be a core investment in the ongoing development of the TSC and its people. The focus was on continually developing the skills, knowledge and experiences to deliver on our business requirements.

The annual L&D strategy encouraged employee participation in a broad range of activities that included but were not limited to:

- formal technical training courses
- people leadership and management training
- 'on the job' learning for new roles, responsibilities and project appointments
- attendance at industry and other professional events
- mentoring and coaching
- professional memberships to develop business partnerships
- tertiary study, volunteering and community engagement experiences
- Continuation of our traineeship program.

The TSC continued to implement the Herrmann Brain Dominance Instrument for all new employees.

Organisational feedback in the 2018 People Matter Survey on L&D was positive, with 70 per cent of respondents stating in the last 12 months that their learning and development needs were identified and agreed with their supervisor.

Developing our leaders

The TSC continued to focus on the development of internal leadership capability, most notably through our continuing partnership with Leadership Victoria. In addition to the inaugural TSC Leadership Program cohort continuing from the previous year, a second Leadership Program cohort commenced in October 2017. New and aspiring people managers across the TSC were invited to apply for the new program which again focussed on the delivery of the four

key leadership capabilities along with principles of adaptive leadership. A total of 26 employees were selected to participate in this second program.

In addition, TSC people attended Leadership Victoria hosted events with leaders from the visiting Kansas Leadership Centre.

Other leadership development highlights included:

- active participation in Institute of Public Administration Australia (IPAA) suite of learning and development programs, seminars and networking opportunities, including continued employee participation in the Young Institute of Public Administration Program (YIPAA) and the 'Peer Plus' Mentoring Program, and TSC employees attending IPAA Public Sector Week 2017 events
- continued participation in Juno Consulting's Mock Interview program
- participation in the Transport for Victoria (TFV) Executive Forum and other TfV projects, committees and forums.
- TSC representation on the DEDJTR Women in Leadership program.

RECRUITMENT AND INDUCTION

The TSC continued to be committed to applying merit and equity principles when appointing employees to both ongoing and fixed term positions.

Our selection processes ensured fair and equitable assessment and evaluation of applicants, based on key selection criteria and other accountabilities, without discrimination and in line with the *Public Administration Act 2004*.

Induction programs covered TSC operations, policies, legislative obligations including occupational health and safety, organisation culture, performance expectations and requirements for adherence to the Public Sector values set out in the VPS Code of Conduct.

WORKPLACE FLEXIBILITY

The TSC offered a range of flexible work options that allowed all employees to achieve a balance between meeting their position requirements and managing their personal and family responsibilities.

Allowable flexible working arrangements included flexi time, part-time hours, job sharing, compressed working weeks, annualised working hours and working from home. The TSC continued to support flexible working practices that meet both individual and organisation needs.

DIVERSITY

The TSC is proud of the diverse nature of its workforce. Active promotion of workplace diversity occurred through TSC policies, employee support and the continuation of a TSC Diversity and Health Awareness Calendar. Harmony Day is used to recognise the diversity of our workforce's varied cultures, beliefs and celebrated festivities along with major community health programs.

Other activities for the TSC relating to diversity included:

- fostering and valuing diversity in recruitment and career progression
- ensuring equitable and fair treatment for all employees in all matters
- respecting and upholding human rights as per the VPS Code of Conduct.

A comprehensive suite of policies supported these activities and ensured compliance with our legislative obligations. The TSC set clear expectations for behaviour, which were enforced through our performance management systems.

A continued TSC focus was on the equal representation of women in the workforce, with an emphasis on supporting women with leadership career aspirations. An example of this commitment was TSC attendance at the annual IPAA 2018 International Women's Day dinner.

To fulfil and promote the aims of the Victorian Government's Disability Action Plan, the TSC entered into a 12 month partnership with Job Access, a federally funded body which provides advice, guidance and support to assist employers to realise their disability employment goals. This partnership also reflected the results of the People Matter Survey 2017 which indicated that as an organisation, the TSC values and is committed to, creating a diverse workforce.

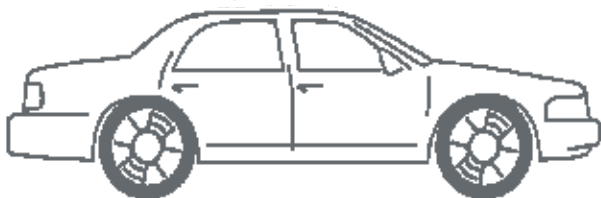
The TSC worked with Job Access to:

- improve the user experience for applicants with disability to positions within the TSC
- to forge relationships with Disability Employment Services providers
- check for TSC IT systems compatibility with programs for visually impaired applicants.

The relationship with Job Access will continue in 2018-19 with the TSC aiming to provide disability awareness training to its employees.

The commercial passenger vehicle industry has a high representation of members of Culturally and Linguistically Diverse (CALD) communities.

In recognising the TSC role in working with the industry, the TSC was committed to better representation of these communities within our workforce. This representation will provide greater understanding of and communication with CALD community members.



COMPARATIVE WORKFORCE DATA

The following two tables provide information on the number of active employees during the last full pay period in June 2018 compared to same period in June 2017. Excluded are those on leave without pay or absent on secondment, external contractors and consultants, and temporary employees employed by employment agencies.

	2017-18	2016-17
Average age of employees	44 years	44 years
Proportion of women in workforce	48.4%	49.6%

	2017-18		2016-17	
	Male	Female	Male	Female
The accountable officer and executives	3	1	3	1
Other	61	59	66	65

The following table discloses the total number of executive officers by gender and class employed during 2017-18.

	All		Male		Female	
	Number	Variation	Number	Variation	Number	Variation
EO-1	0	n/a	0	n/a	0	n/a
EO-2	1	n/a	1	n/a	0	n/a
EO-3	3	n/a	2	n/a	1	n/a
Total	4	(0)	3	(0)	1	(0)

The following table provides a reconciliation of executive numbers including separations (executives who left during the year) between the report on operations and section 9.4 'Remuneration of executives' in the financial statements..

	2017-18	2016-17
Executives (financial statement section 9.4)	4	4
Less Separations	0	(1)
Total executive numbers at 30 June	4	3

Note: the following definitions are applied to workforce classifications:

Classification	Definition
Executives	A person, other than a statutory office holder or an accountable officer, who is employed as an executive under part 3 of the <i>Public Administration Act 2004</i> . (Financial Reporting Direction 15D, section 5.2)
Other	Other employees who are not classified as executives

Employment levels	June 2018						June 2017	
	Ongoing		Fixed term and casual		Ongoing		Fixed term and casual	
	Employees (headcount)	FTE	Employees (headcount)	FTE	Employees (headcount)	FTE	Employees (headcount)	FTE
Gender								
Male	59	58.8	5	4.9	61	61.0	6	5.8
Female	57	51.8	3	2.6	60	56.3	6	5.2
Age								
Under 25	0	0	0	0	1	1.0	1	1.0
25–34	24	22.8	3	2.6	19	17.6	4	3.6
35–44	28	25.4	2	1.9	34	32.3	7	6.4
45–54	44	43.6	3	3.0	45	44.3	0	0
55–64	18	17.8	0	0	21	21.0	0	0
Over 64	2	2	0	0	1	1.0	0	0
Classification								
VPS 1	0	0	0	0	0	0	0	0
VPS 2	12	11.9	0	0	14	13.8	0	0
VPS 3	44	42.5	1	1.0	47	45.4	6	6.0
VPS 4	34	32.3	1	0.9	28	26.8	2	2.0
VPS 5	20	19.3	0	0	22	21.4	0	0
VPS 6	6	5.6	2	1.6	6	5.8	4	3.0
STS	0	0	0	0	1	1.0	0	0
Executives	0	0	4	4.0	0	0	4	4.0
Other	0	0	0	0	0	0	0	0



REPORT STRUCTURE

Taxi Services Commission presents the Annual Financial Statements for the financial year ended 30 June 2018, as follows:

Certifications	Chair, Chief Executive Officer and Chief Finance Officer's declaration
	Victorian Auditor-General's report
Financial Statements	Comprehensive operating statement
	Balance sheet
	Statement of changes in equity
	Cash flow statement
Notes to the Financial Statements	1. About this report
	The basis on which the financial statements have been prepared and compliance with reporting regulations
	2. Funding delivery of our services
	Revenue recognised from grants and other sources
	2.1 Summary of income that funds the delivery of our services
	2.2 Income from transactions
	3. The cost of delivering services
	Operating expenses of the TSC
	3.1 Expenses incurred in delivery of services
	3.2 Grant and other transfers
	3.3 Capital asset charge
	3.4 Administration and information technology
	3.5 Transition assistance
	3.6 Other operating expenses
	4. Disaggregated financial information
	Administered Items
	5. Key assets available to support output delivery
Property, Plant and Equipment and intangible assets	
5.1 Property, plant and equipment	
5.2 Intangible assets	
6. Other assets and liabilities	
Working capital balances, and other key assets and liabilities	
6.1 Receivables	
6.2 Payables	
6.3 Other provisions	

Notes to the Financial Statements (continued)	7. How we financed our operations
	Borrowings, cash flow information, leases and assets pledged as security
	7.1 Borrowings
	7.2 Leases
	7.3 Cash flow information and balances
	7.4 Commitments for expenditure
	7.5 Assets pledged as security
	8. Risks, contingencies and valuation judgements
	Financial risk management, contingent assets and liabilities as well as fair value determination
	8.1 Financial instruments specific disclosures
8.2 Contingent assets and contingent liabilities	
8.3 Fair value determination	
9. Other disclosures	
9.1 Ex-gratia expenses	
9.2 Other economic flows included in net result	
9.3 Responsible persons	
9.4 Remuneration of executives and other personnel	
9.5 Related parties	
9.6 Remuneration of auditors	
9.7 Subsequent events	
9.8 Australian Accounting Standards issued that are not yet effective	
9.9 Glossary of technical terms	
9.10 Style conventions	

FINANCIAL STATEMENTS FOR THE
YEAR ENDED 30 JUNE 2018

FINANCIAL STATEMENTS

The Taxi Services Commission is a government agency of the State of Victoria.

For queries in relation to our financial statements please call 1800 638 802.

CHAIR, CHIEF EXECUTIVE OFFICER AND CHIEF FINANCE OFFICER'S DECLARATION

The attached financial statements for the Taxi Services Commission have been prepared in accordance with Direction 5.2 of the Standing Directions of the Minister for Finance under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2018 and financial position of the Taxi Services Commission as at 30 June 2018.

At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 17 September 2018.



Megan Bourke-O'Neil
Chair

Taxi Services Commission

Melbourne

Date 17/9/2018

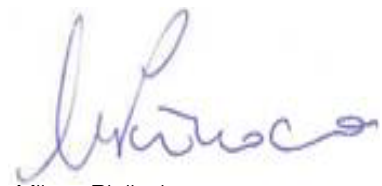


Aaron de Rozario
Chief Executive Officer

Taxi Services Commission

Melbourne

Date 17/9/2018



Milena Ripiloska
Acting Chief Finance Officer

Taxi Services Commission

Melbourne

Date 17/9/2018

VICTORIAN AUDITOR-GENERAL'S REPORT



Victorian Auditor-General's Office

Independent Auditor's Report

To the Commissioners of the Taxi Services Commission

Opinion	<p>I have audited the financial report of the Taxi Services Commission (the entity) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2018 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including significant accounting policies • chair, chief executive officer and chief finance officer's declaration. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the entity as at 30 June 2018 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's <i>APES 110 Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Other Information	<p>The Commissioners of the entity are responsible for the Other Information, which comprises the information in the entity's annual report for the year ended 30 June 2018, but does not include the financial report and my auditor's report thereon.</p> <p>My opinion on the financial report does not cover the Other Information and accordingly, I do not express any form of assurance conclusion on the Other Information. However, in connection with my audit of the financial report, my responsibility is to read the Other Information and in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of the Other Information, I am required to report that fact. I have nothing to report in this regard.</p>
Commissioners' responsibilities for the financial report	<p>The Commissioners of the entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Commissioners determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Commissioners are responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

VICTORIAN AUDITOR-GENERAL'S REPORT

Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Commissioners
- conclude on the appropriateness of the Commissioners' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Commissioners regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE
18 September 2018



Simone Bohan
as delegate for the Auditor-General of Victoria

Comprehensive Operating Statement

For the financial year ended 30 June 2018

	Note	2018 \$'000	2017 \$'000
Income from transactions			
Government grants	2.2.1	102,956	427,391
Fair value of services received free of charge or for nominal consideration	2.2.2	274	623
Interest income	2.2.3	53	137
Total income from transactions		103,283	428,151
Expenses from transactions			
Employee expenses	3.1.1	13,474	14,310
Depreciation and amortisation	5.1.1	2,792	5,093
Grants and other transfers	3.2	66,078	64,580
Capital asset charge	3.3	1,100	1,100
Administration and information technology	3.4	16,282	7,748
Transition assistance	3.5	-	331,712
Commercial passenger vehicle licence refund		-	3,584
Other operating expenses	3.6	6,313	5,027
Total expenses from transactions		106,039	433,154
Net result from transactions (net operating balance)		(2,756)	(5,003)
Other economic flows included in net result			
Net (loss)/gain on non-financial assets	9.2	17	-
Other gain from other economic flows	9.2	1	48
Unwinding of other provisions	9.2	2,714	-
Total other economic flows included in net result		2,733	48
Net result		(24)	(4,955)
Comprehensive Result		(24)	(4,955)

The accompanying notes form part of these financial statements.

Balance sheet

As at 30 June 2018

	Note	2018 \$'000	2017 \$'000
Assets			
Financial assets			
Cash	7.3	4,133	1,819
Receivables	6.1	10,033	338,574
Total financial assets		14,165	340,393
Non-financial assets			
Prepayments		147	236
Property, plant and equipment	5.1	942	1,936
Intangible assets	5.2	4,196	4,681
Total non-financial assets		5,284	6,853
Total assets		19,450	347,246
Liabilities			
Payables	6.2	8,915	5,147
Borrowings	7.1	282	283
Employee related provisions	3.1.2	2,554	2,950
Other Provisions	6.3	295	332,671
Total liabilities		12,046	341,051
Net assets		7,403	6,195
Equity			
Contributed capital		25,011	23,779
Accumulated deficit		(17,608)	(17,584)
Net worth		7,403	6,195
Commitments for expenditure	7.4		
Contingent assets and liabilities	8.2		

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the financial year ended 30 June 2018

	<i>Contributions by Owner</i>	<i>Accumulated Deficit</i>	<i>Total</i>
	\$'000	\$'000	\$'000
Balance at 1 July 2016	23,685	(12,629)	11,056
Net result for the year	-	(4,955)	(4,955)
Capital contributions	94	-	94
Balance at 30 June 2017	23,779	(17,584)	6,195

	<i>Contributions by owner</i>	<i>Accumulated deficit</i>	<i>Total</i>
	\$'000	\$'000	\$'000
Balance at 1 July 2017	23,779	(17,584)	6,195
Net result for the year	-	(24)	(24)
Capital contributions	1,232	-	1,232
Balance at 30 June 2018	25,011	(17,608)	7,403

The accompanying notes form part of these financial statements.

Cash Flow Statement

For the financial year ended 30 June 2018

	Note	2018 \$'000	2017 \$'000
Cash flows from operating activities			
Receipts			
Proceeds from grant contributions by Victorian Government	2.2.1	430,620	92,600
Goods and Services Tax recovered from the ATO ⁽ⁱ⁾		9,030	7,615
Interest received		53	137
Total receipts		439,703	100,352
Payments			
Payments to suppliers and employees		(41,319)	(31,583)
Payments of grants and other transfers		(66,342)	(65,193)
Payments to licence holders	3.5	(329,661)	(3,584)
Interest paid		(3)	(6)
Total payments		(437,325)	(100,366)
Net cash flows from/ (used in) operating activities	7.3	2,378	(14)
Cash flows from investing activities			
Payments for intangible assets		(1,232)	(446)
Proceeds from disposals of property, plant and equipment		17	-
Net cash flows used in investing activities		(1,215)	(446)
Cash flows from financing activities			
Proceeds from capital grant contributions by Victorian Government		1,232	-
Repayments of finance lease liabilities		(81)	(80)
Net (decrease)/increase in cash flows from financing activities		1,151	(80)
Net (decrease) / increase in cash and cash equivalents		2,314	(540)
Cash and cash equivalents at the beginning of the financial year		1,819	2,359
Cash and cash equivalents at the end of the financial year	7.3	4,133	1,819

The accompanying notes form part of these financial statements.

(i) Goods and Services Tax recovered from the ATO is presented on a net basis.

1. ABOUT THIS REPORT

These annual financial statements represent the audited general purpose financial statements for the Taxi Services Commission (TSC) for the year ended 30 June 2018. The purpose of the report is to provide users with information about the TSC's stewardship of resources entrusted to it.

The financial statements cover the TSC as an individual reporting entity and independent statutory authority. The TSC was established by the *Transport Legislation Amendment (Taxi Services Reform and Other Matters) Act 2011*. The TSC assumed the role of industry regulator from 1 July 2013.

Its principal address is 1 Spring Street, Melbourne VIC 3000.

A description of the nature of the TSC's operations and its principal activities are included in the report of operations which does not form part of the financial statements.

Basis of preparation

The accrual basis of accounting has been applied in the preparation of these financial statements whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The financial statements include all the controlled activities of the TSC.

These financial statements are presented in Australian dollars, and prepared in accordance with the historical cost convention, except where noted.

All amounts in the financial statements have been rounded to the nearest \$1,000 unless otherwise stated.

Compliance information

These general purpose financial statements have been prepared on a going concern basis and in accordance with the *Financial Management Act 1994* (FMA) and applicable Australian Accounting Standards (AAS's) which include interpretations, issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of the AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Where appropriate, those AASs paragraphs applicable to not-for-profit entities have been applied.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The annual financial statements were authorised for issue by the Chair of the Taxi Services Commission, Chief Executive Officer and the Acting Chief Finance Officer on 17 September 2018.

Economic dependency

The TSC is dependent on the continued financial support of the State Government and in particular, the Department of Economic Development, Jobs, Transport and Resources (DEDJTR). DEDJTR has provided confirmation that it will provide adequate cash flow support based on agreed budget targets and TSC's immediate advice to DEDJTR of any risks to the TSC's capacity to meet its budget targets, to enable the TSC to meet its current and future operational obligations as and when they fall due to September 2019. The TSC is not funded for depreciation and amortisation. Accordingly, these financial statements have been prepared on a going concern basis.

Contributed capital

Consistent with requirements of AASB 1004 Contributions, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of the TSC. Government grants that have been designated as contributions by owners are recognised as contributed capital.

2. FUNDING DELIVERY OF OUR SERVICES

Introduction

The TSC is charged with regulating the commercial passenger vehicle industry in a manner that promotes service provision by taxis, hire cars, driving instructors and bus drivers that is customer-responsive, safe, competitive, efficient and accessible.

The TSC is predominantly funded by accrual based Parliamentary appropriations for the provision of outputs. These appropriations are received by the Department of Economic Development, Jobs, Transport and Resources (DEDJTR) and on-forwarded to the TSC in the form of operating government grants and capital contributions (refer Note 1).

Structure

2.1 Summary of income that funds the delivery of our services

2.2 Income from transactions

2.1 Summary of income that funds the delivery of our services

	Note	2018 \$'000	2017 \$'000
Government grants	2.2.1	102,956	427,391
Fair value of services received free of charge or for nominal consideration	2.2.2	274	623
Interest	2.2.3	53	137
Total income from transactions		103,283	428,151

Income is recognised to the extent it is probable the economic benefits will flow to the TSC and the income can be reliably measured. All amounts of income over which TSC does not have control over are disclosed as administered income (see note 4).

2.2 Income from transactions

2.2.1 Government grants

Government grants are provided by DEDJTR to fund the operations and recognised as they are received or receivable. The operating government grant contributions are recognised as operating revenue in the Comprehensive Operating Statements and capital contributions recognised as an equity contribution in the Statement of Changes in Equity.

2.2.2 Fair value of services received free of charge or for nominal consideration

	2018 \$'000	2017 \$'000
Employee expenses incurred by DEDJTR for services provided as per Service Level Agreement (SLA)	274	623

Contributions of resources received free of charge or for nominal consideration are recognised at fair value when control is obtained over them, irrespective of whether these contributions are subject to restrictions or conditions over their use. Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not received as a donation. The contribution is recognised when the related expenditure is incurred and transferred by the contributing entity.

2.2.3 Interest income

Interest income includes interest received on cash at bank. Interest income is recognised using the effective interest method which allocates the interest over the relevant period.

3. THE COST OF DELIVERING SERVICES

Introduction

This section accounts for the major components of expenditure incurred towards the operating activities (expenses from transactions) as well as any related obligations outstanding as at 30 June 2018.

Expenses from transactions are recognised as they are incurred and reported in the financial year to which they relate.

Structure

- 3.1 Expenses incurred in delivery of services
- 3.2 Grant and other transfers
- 3.3 Capital asset charge
- 3.4 Administration and information technology
- 3.5 Transition assistance
- 3.6 Other operating expenses

3.1 Expenses incurred in delivery of services

		2018	2017
	Note	\$'000	\$'000
Employee expenses	3.1.1	13,474	14,310
Grant and other transfers	3.2	66,078	64,580
Capital asset charge	3.3	1,100	1,100
Administration and information technology	3.4	16,282	7,748
Transition assistance	3.5	-	331,712
Commercial passenger vehicle refund		-	3,584
Other operating expenses	3.6	6,313	5,021
Total expenses incurred in delivery of services		103,247	428,055

3.1.1 Employee expenses in the comprehensive operating statement

		2018	2017
		\$'000	\$'000
Salaries and wages		10,494	11,264
Annual leave and long service leave expense		747	891
Superannuation		1,255	1,285
Termination benefits		-	-
Other on-costs (fringe benefits tax, payroll tax and work cover levy)		978	870
Total employee expenses		13,474	14,310

All costs related to employee expenses include wages and salaries, payroll tax, superannuation, fringe benefits tax, leave entitlements, redundancy payments and WorkCover premiums.

The amount recognised in the comprehensive operating statement in relation to superannuation is employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period. The TSC does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. Instead, Department of Treasury and Finance (DTF) discloses in its annual financial statements the net defined benefit cost related to the members of these plans as an administered liability (on behalf of the State as a sponsoring employer).

Termination benefits are payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment.

3.1.2 Employee benefits in the balance sheet

Provision is made for benefits accruing to employees in respect of annual leave and long service leave for services rendered to the reporting date.

	2018 \$'000	2017 \$'000
Current provisions:		
Annual leave		
Unconditional and expected to settle within 12 months ⁽ⁱ⁾	418	487
Unconditional and expected to settle after 12 months ⁽ⁱⁱ⁾	330	382
Long service leave		
Unconditional and expected to settle within 12 months ⁽ⁱ⁾	223	255
Unconditional and expected to settle after 12 months ⁽ⁱⁱ⁾	983	1,127
Provisions for on-costs		
Unconditional and expected to settle within 12 months ⁽ⁱ⁾	103	117
Unconditional and expected to settle after 12 months ⁽ⁱⁱ⁾	213	238
Total current provisions for employee benefits	2,270	2,606
Non-current provisions:		
Long Service Leave	243	297
On-costs	41	47
Total non-current provisions for employee benefits	284	344
Total provisions for employee benefits	2,554	2,950

Notes:

(i) The amounts disclosed are nominal amounts.

(ii) The amounts disclosed are discounted to present values.

Reconciliation of movement in on-cost provision

	2018 \$'000
Current:	
Opening balance	355
Additional provisions recognised	241
Reductions arising from payments	(280)
Closing balance	316
Non-Current	
Opening balance	47
Additional provisions recognised	(6)
Reductions arising from payments	-
Closing balance	41

Annual leave

Liability for annual leave is recognised in the provision for employee benefits as 'current liabilities' because the TSC does not have an unconditional right to defer settlements of these liabilities.

Depending on the expectation of the timing of settlement, annual leave is measured at:

- undiscounted value if the TSC expects to wholly settle within 12 months; or
- present value if the TSC does not expect to wholly settle within 12 months.

Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

Unconditional LSL is disclosed in the notes to the financial statements as a current liability even where the TSC does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

- undiscounted value if the TSC expects to wholly settle within 12 months; and
- present value if the TSC does not expect to wholly settle within 12 months.

Conditional LSL is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL liability is measured at present value.

Any gain or loss following revaluation of the present value of non-current LSL liability is recognised in the 'net result from transactions', except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as other economic flow.

On-costs

Provision for on-costs such as payroll tax, workers compensation and superannuation are recognised separately from the provision for employee benefits.

3.1.3 Superannuation contributions

Employees of the TSC are entitled to receive superannuation benefits and the TSC contributes to both defined benefit and defined contribution plans. The defined benefit plans provide benefits based on years of service and final average salary.

The TSC does not recognise any defined benefit liability in respect of the plans because the entity has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. The DTF recognises and discloses the State's defined benefit liabilities in its financial statements.

However, superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the comprehensive operating statement of the TSC.

The name and details of the major employee superannuation funds and contributions (including salary sacrifice contributions) made by the TSC are as follows:

	<i>Contributions Paid or payable at year end</i>	
	2018	2017
	\$'000	\$'000
Defined benefit plans: ⁽ⁱ⁾		
State Superannuation Fund	47	53
Transport Superannuation Fund	17	17
Total defined benefit plans	64	70
Defined contribution plans:		
VicSuper	764	831
Other	426	384
Total defined contribution plans	1,190	1,215
Total superannuation plans	1,254	1,285

Notes:

⁽ⁱ⁾ The bases for determining the level of contributions is determined by the various actuaries of the defined benefit superannuation plans.

3.2 Grant and other transfers

	2018	2017
	\$'000	\$'000
Grants and transfers – Multi Purpose Taxi Program	65,884	64,470
Other grants to private sector businesses, legal centres and non-profit organisations	194	110
Total grants and other transfers	66,078	64,580

Grants and other transfers to third parties (other than contribution to owners) are recognised as an expense in the reporting period in which they are paid or payable. They include transactions such as: grants for disability care and taxi rank safety program and subsidies for Wheelchair Accessible Taxis to the Commonwealth Government, local government, private sector businesses, legal centres and non-profit organisations.

The Multi-Purpose Taxi Program (MPTP) provides subsidised taxi fares for Victorians with severe and permanent disability who also experience financial hardship. These expenses relate to all costs associated with the MPTP, which includes subsidy, processing charges and payments to the Performance Based Booking System (PBBS), which provide subsidies to providers of wheelchair accessible taxi services where appropriate.

3.3 Capital asset charge

The capital asset charge is an allocated budget from DEDJTR and calculated on the budgeted carrying amount of applicable non-financial physical assets.

3.4 Administration and information technology

Administration and information technology expenses represent day-to-day running costs incurred in normal operations, maintaining the information technology environment and also includes processing charges associated with MPTP program.

3.5 Transition assistance

In August 2016, the Victorian Government announced reforms to the commercial passenger vehicle (CPV) industry to be progressively implemented up to early 2018. The Government agreed to provide financial assistance in the form of transition assistance to existing perpetual and fixed term licence holders who paid for licences up-front at the time of purchase. As such the transition assistance was recognised as an expense and provision in 2016-17 since the TSC had a present constructive obligation. The amount recognised was the best estimate of the consideration required to settle the present obligation at reporting date. These payments were made during 2017-18.

	Notes	2018 \$'000	2017 \$'000
Accrued expenses			
Opening balance		(331,712)	-
Accrued transition assistance payments	6.3	-	(331,712)
Transition assistance payments made		329,661	-
Unwinding of provision		2,051	-
Closing balance	6.3	-	(331,712)

3.6 Other operating expenses

	Notes	2018 \$'000	2017 \$'000
Supplies and services:			
Accommodation		1,710	1,970
Contractors and consultants		3,784	2,578
Insurance, legal and audit fees		542	395
Ex-gratia expense	9.1	-	78
Transfers to agencies free of charge		274	-
Interest expense		3	6
Total other operating expenses		6,313	5,027

Other operating expenses constitute expenditures for contractors and consultants, accommodation, insurance, legal and other ad-hoc costs incurred in normal operations.

The TSC engages vendors in implementing and maintaining IT systems, providing analysis and advice on technical, economic and regulatory matters on an as-needs basis.

Accommodation includes rental expense and other associated costs such as parking, utilities and repairs and maintenance.

4. ADMINISTERED (NON-CONTROLLED) ITEMS

Certain resources are administered by the TSC on behalf of the State. While the TSC is accountable for the transactions involving administered items, it does not have the discretion to deploy the resources for its own benefit or the achievement of its objectives. Accordingly, transactions and balances relating to administered items are not recognised as TSC's income, expenses, assets or liabilities in the body of the financial statements.

Administered income includes collection of fees and licences on behalf of the Victorian Government. Administered assets include government income earned but yet to be collected.

Except as otherwise disclosed, administered resources are accounted for on an accrual basis using the same accounting policies adopted for the recognition of the TSC's items in the financial statements. Both controlled and administered items of the TSC are consolidated into the financial statements of the State.

Regulatory fees

The TSC does not gain control over assets arising from regulatory fees, consequently income is not recognised in the TSC's financial statements. The TSC collects these amounts on behalf of the State. This includes collection of annual and new issuance fee on MPTP cards, annual licence fees, issuance fees on new taxi licences; special purpose vehicle, metropolitan and country hire licences.

	2018	2017
	\$'000	\$'000
Administered income from transactions		
Licence revenue ⁽ⁱ⁾	5,304	6,023
Multi-Purpose Taxi Program service fees ⁽ⁱⁱ⁾	458	458
Interest	143	-
Total administered income from transactions	5,905	6,481
Administered expenses from transactions		
Bad debts	7,175	-
Other expenses	87	65
Revenue remitted back to the State	4,666	10,972
Total administered expenses from transactions	11,928	11,037
Total administered net result from transactions	(6,023)	(4,556)
Administered other economic flows included in net result		
Doubtful debts	7,175	(2,545)
Total administered other economic flows	7,175	(2,545)
Administered net result	1,152	(7,101)
Administered financial assets		
Cash	2,028	803
Receivables	1	33
Total administered financial assets	2,029	836
Administered financial liabilities		
Other payables	44	4
Total administered financial liabilities	44	4
Total administered net assets	1,985	832

Notes:

(i) The TSC does not gain control over assets arising from regulatory fees and categorised as Licence revenue \$5.30 million (2017: \$6.02 million) and MPTP service fees \$0.46 million (2017: \$0.46 million), consequently, no income is recognised in the TSC's financial statements.

4.1 Reconciliation of provision for Administered doubtful debts

	2018	2017
	\$'000	\$'000
Opening balance	(7,175)	(4,630)
(Increase) / Decrease in allowance for doubtful debts	7,175	(2,545)
Closing balance	-	(7,175)

5. KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

The TSC controls property, plant and equipment and intangible assets, that are utilised in fulfilling its objectives and conducting its activities.

Fair value measurement

Where the assets included in this section are carried at fair value, additional information is disclosed in Note 8.3 relating to how those fair values were determined.

Structure

5.1 Property, plant and equipment

5.2 Intangible assets

5.1 Total property, plant and equipment

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Leasehold improvements at fair value	3,476	3,476	(2,814)	(1,820)	663	1,656
Plant and equipment at fair value	5	5	(5)	(5)	-	-
Leased vehicles at fair value	376	435	(96)	(155)	279	280
Total	3,857	3,916	(2,915)	(1,980)	942	1,936

The cost of a leasehold improvement is capitalised as an asset and depreciated over the shorter of the remaining term of the lease or the estimated useful life of the improvements.

Items of property, plant and equipment are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment.

The initial cost for vehicles under a finance lease is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

The fair value of plant, equipment and vehicles, is normally determined by reference to the asset's depreciated replacement cost. For plant, equipment and vehicles, existing depreciated historical cost is generally a reasonable proxy for depreciated replacement cost because of the short lives of the assets concerned.

5.1.1 Depreciation and amortisation

	2018	2017
	\$'000	\$'000
Depreciation		
Leasehold improvements	993	993
Plant and equipment	-	10
Leased vehicles	81	79
Total depreciation	1,075	1,082
Amortisation		
Software	1,717	4,011
Total amortisation	1,717	4,011
Total depreciation and amortisation	2,792	5,093

All plant and equipment, vehicles and intangible produced assets that have a finite useful life are depreciated. Depreciation is calculated on a straight-line basis at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method. Leased vehicles are depreciated on a straight-line basis to their residual value (cost less estimated projected market value) over the period of the lease.

The estimated useful lives, residual values and depreciation methods are reviewed at the end of each annual reporting period, and adjustments made where appropriate.

The following are typical estimated useful lives for the different asset classes for current and prior years.

Asset category	2018	2017
	Useful Life	Useful Life
Leasehold improvements at fair value	Lease period or 5-15 years whichever is shorter	Lease period or 5-15 years whichever is shorter
Plant and equipment at fair value:		
- Computer equipment	1-4 years	1-4 years
- Office machines and equipment	4 years	4 years
Leased vehicles at fair value	3 years or 60,000kms whichever occurs first	3 years or 60,000kms whichever occurs first
Intangible produced assets:		
- Capitalised software development	4-7years ⁽ⁱ⁾	4 years

Depreciation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

5.1.2 Reconciliation of movements in carrying values of property, plant and equipment

	Leasehold improvements		Plant and equipment		Leased vehicles		Total	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Opening balance	1,656	2,649	-	10	280	281	1,936	2,940
Additions	-	-	-	-	167	115	167	115
Depreciation	(993)	(993)	-	(10)	(82)	(79)	(1,075)	(1,082)
Disposals	-	-	-	-	(86)	(37)	(86)	(37)
Closing balance	663	1,656	-	-	279	280	942	1,936

5.2 Intangible assets

	Capitalised software development		Work in progress (software)		Total	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Gross carrying amount						
Opening balance	17,521	14,410	1,071	4,168	18,592	18,578
Additions	-	-	1,232	447	1,232	447
Disposals	-	-	-	(433)	-	(433)
Transfers between classes	350	3,111	(350)	(3,111)	-	-
Closing balance	17,871	17,521	1,953	1,071	19,824	18,592
Accumulated amortisation						
Opening balance	(13,911)	(9,900)	-	-	(13,911)	(9,900)
Amortisation expense	(1,717)	(4,011)	-	-	(1,717)	(4,011)
Closing balance	(15,628)	(13,911)	-	-	(15,628)	(13,911)
Net book value at end of financial year	2,243	3,610	1,953	1,071	4,196	4,681

Intangible assets are initially recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated depreciation/amortisation and accumulated impairment losses. Costs incurred after initial acquisition are capitalised when it is expected that additional future economic benefits will flow to the TSC.

Intangible assets mainly constitute the Victorian Taxi Management System (VTMS) and the TSC Data Warehouse solution. VTMS is the core information system for the accreditation and licensing of taxi and hire car industry participants. The TSC Data Warehouse solution processes industry relevant data, also receives data from taxi network service providers and provides reporting to industry and internal stakeholders.

Significant intangible assets

The useful life of VTMS was re-assessed at 30 June 2017 and extended to June 2020. There have been further enhancements to VTMS and a software maintenance contract exists with the external provider to June 2020.

6. OTHER ASSETS AND LIABILITIES

Introduction

This section sets out those assets and liabilities that arose from the TSC's controlled operations.

Structure

- 6.1 Receivables
- 6.2 Payables
- 6.3 Other provisions

6.1 Receivables

	2018	2017
	\$'000	\$'000
Contractual - current		
Amounts owing from Victorian Government	8,926	337,691
Other receivables	66	42
Statutory - current		
GST input tax credit recoverable	1,041	841
Total receivables	10,033	338,574

Receivables consist of statutory receivables, which include amounts owing from Goods and Services Tax (GST) input tax credits recoverable.

6.2 Payables

	2018	2017
	\$'000	\$'000
Contractual - current		
Supplies and services	8,619	4,833
Other payables	269	235
Total contractual payables	8,888	5,068
Statutory - current		
FBT payable	15	22
GST payable	(34)	-
Other taxes payable	46	57
Total statutory payables	27	79
Total payables	8,915	5,147

Payables consist of:

- Contractual payables, such as accounts payable and accrued expenses. Accounts payable represent liabilities for goods and services provided to the TSC prior to the end of the financial year that are unpaid, and arise when the TSC becomes obliged to make future payments in respect of the purchase of those goods and services; and
- Statutory payables, such as goods and services tax and fringe benefits tax payables.

The average credit period for creditors is 30 days, a period in which no interest is charged.

Maturity analysis of contractual payables

	2018					
	Carrying amount	Nominal amount	Less than 1 month	Maturity dates		
				1-3 months	3 months -1 year	1-5 years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Supplies and services	8,619	8,619	8,619	-	-	-
Other payables	269	269	269	-	-	-
Total	8,888	8,888	8,888	-	-	-

	2017					
	Carrying amount	Nominal amount	Less than 1 month	Maturity dates		
				1-3 months	3 months -1 year	1-5 years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Supplies and services	4,833	4,833	4,833	-	-	-
Other payables	235	235	235	-	-	-
Total	5,068	5,068	5,068	-	-	-

6.3 OTHER PROVISIONS

	2018	2017
	\$'000	\$'000
Transition assistance	-	331,712
Make-good provision ⁽ⁱ⁾	295	959
Total non-current Other provisions	295	332,671

Note:

⁽ⁱ⁾ This constitutes make good provision for 1 Spring Street, Melbourne premises on expiry of lease. The balance of the provision is assessed by Management at each reporting date, and any changes to the provision is adjusted to reflect the current estimate.

Other provisions are recognised when the TSC has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risk and uncertainties surrounding the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, using a discount rate that reflects the time value of money and risks specific to the provision.

The make-good provision is recognised in accordance with the lease agreement over the leased facilities. The TSC must remove any leasehold improvements from the leased facilities and restore the premises to its original condition at the end of the lease term.

7. HOW WE FINANCED OUR OPERATIONS

Introduction

This section provides information on the source of finance utilised by the TSC during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities of the TSC. This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances). Notes 7.1 and 8.1 provide additional, specific financial instrument disclosures.

Structure

- 7.1 Borrowings
- 7.2 Leases
- 7.3 Cash flow information and balances
- 7.4 Commitments for expenditure
- 7.5 Assets pledged as security

7.1 Borrowings

	2018	2017
	\$'000	\$'000
Current borrowings		
Current Motor vehicle lease liability ⁽ⁱ⁾	106	141
Non-current Motor vehicle lease liability ⁽ⁱ⁾	176	142
Total borrowings	282	283

Note:

(i) Secured by the assets leased. Finance leases are effectively secured as the rights to the leased assets revert to the lessor in the event of default

Borrowings refer to interest bearing liabilities raised from finance lease.

Borrowings are classified as financial instruments. All interest-bearing borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. The measurement basis subsequent to initial recognition depends on whether the TSC has categorised its interest-bearing liabilities as either 'financial liabilities designated at fair value through profit or loss', or financial liabilities at 'amortised cost'. The classification depends on the nature and purpose of the interest liabilities. The TSC determines the classification of its interest-bearing liabilities at initial recognition.

Maturity analysis borrowings

	2018					
	Carrying amount	Nominal amount	Less than 1 month	Maturity dates		
				1–3 months	3 months –1 year	1–5 years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Finance lease liabilities	282	294	-	11	107	176
Total	282	294	-	11	107	176
2017	<i>Maturity Dates</i>					
Finance lease liabilities	283	295	33	26	89	147
Total	283	295	33	26	89	147

7.2 Leases

Finance lease liabilities

The finance lease entered into by the TSC relates to motor vehicles with lease terms of three years or 60,000 kilometres, whichever occurs first.

	Minimum future lease payments ⁽ⁱ⁾		Present value of minimum future lease payments	
	2018	2017	2018	2017
Other finance lease liabilities payable	\$'000	\$'000	\$'000	\$'000
Not longer than one year	118	148	106	141
Longer than one year but less than five years	176	147	176	142
Minimum future lease payments	294	295	282	283
Less future finance charges	(12)	(12)	-	-
Present value of minimum lease payments	282	283	282	283
<i>Included in the financial statements as:</i>				
Current borrowings (Note 7.1)			106	141
Non-current borrowings (Note 7.1)			176	142
Total			282	283

Note:

(i) Minimum future lease payments include the aggregate of all base payments and any guaranteed residual.

At the commencement of the lease term, finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. The leased asset is accounted for as a non-financial physical asset. The leased asset is depreciated over the shorter of the lease term or its estimated useful life. Minimum finance lease payments are apportioned between reduction of the outstanding lease liability and periodic finance expense which is calculated using the interest rate implicit in the lease and charged directly to the comprehensive operating statement.

7.3 Cash flow information and balances

Cash, including cash equivalents, comprise cash on hand and cash at bank.

	2018	2017
	\$'000	\$'000
Cash at bank and on hand	4,133	1,819
Balance as per cash flow statement	4,133	1,819

At 30 June 2018, cash at bank included the amount of notional shortfall for the payment of unrepresented cheques of \$395,000 (2017: \$10,000).

Reconciliation of net result for the period to cash flow from operating activities

	2018	2017
	\$'000	\$'000
Net result for the period	(24)	(4,955)
Non-cash movements:		
Loss/(gain) on sale or disposal of non-current assets	(17)	-
Depreciation and amortisation of non-current assets	2,792	5,093
Unwinding of other provisions	(2,715)	-
Movements in assets and liabilities		
Decrease / (Increase) in receivables	328,542	(333,583)
Decrease / (Increase) in other non-financial assets	89	1,592
(Decrease) / Increase in payables	3,768	278
(Decrease) / Increase in provisions	(330,057)	331,561
Net cash flow from operating activities	2,378	(14)

7.4 Commitments for expenditure

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of note at their nominal value and inclusive of the GST payable.

In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

7.4.1 Total commitments payable

	Less than 1 year	Between 1 and 5 years	Total
	\$'000	\$'000	\$'000
2018			
Operating and lease commitments	1,018	68	1,086
Other commitments ⁽ⁱ⁾	14,128	3,524	17,652
Total commitments (inclusive of GST)	15,146	3,592	18,738
Less GST recoverable	(1,376)	(327)	(1,703)
Total commitments (exclusive of GST)	13,770	3,265	17,035
2017			
Intangible assets commitments	56	-	56
Operating and lease commitments	1,426	1,086	2,512
Other commitments	10,178	4,282	14,460
Total commitments (inclusive of GST)	11,660	5,368	17,028
Less GST recoverable	(1,060)	(488)	(1,548)
Total commitments (exclusive of GST)	10,600	4,880	15,480

Note:

(i) Other commitments include the in-taxi solution for transaction data collection related to MPTP, contractors, internal audit services and other operating expense commitments

7.5 Assets pledged as security

The TSC has secured the motor vehicles against the related finance lease liabilities. In the event of default, the rights to the leased assets will revert to the lessor.

8. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

The TSC is exposed to risks from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instruments specific information (including exposures to financial risks) as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for the TSC related mainly to fair value determination.

Structure

- 8.1 Financial instruments specific disclosures
- 8.2 Contingent assets and contingent liabilities
- 8.3 Fair value determination

Introduction

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of the TSC's activities, certain financial assets and financial liabilities arise under statute rather than a contract (for example: taxes). Such assets and liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.

The TSC's principal financial instruments comprise:

- cash assets;
- receivables;
- payables (excluding statutory payables); and
- borrowings.

Categories of financial instruments:

TSC has statutory receivables which are not classified as financial instruments.

Statutory receivables, are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments because they do not arise from a contract.

The TSC recognises cash at bank assets as a financial instrument.

Financial liabilities at amortised cost are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest-bearing liability, using the effective interest rate method. The TSC recognises the following liabilities in this category:

- Payables (excluding statutory payables); and
- Borrowings (including finance lease liabilities)

De-recognition of financial liabilities:

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an 'other economic flow' in the comprehensive operating statement.

8.1.1 Financial instruments: categorisation

	<i>Contractual financial assets – cash</i>	<i>Contractual financial liabilities at amortised cost</i>	<i>Total</i>
2018	\$'000	\$'000	\$'000
Contractual financial assets:			
Cash	4,133	-	4,133
Amount owing from Victorian Government	8,926	-	8,926
Other receivables	66	-	66
Total contractual financial assets⁽ⁱ⁾	13,125	-	13,125
Contractual financial liabilities:			
Payables:			
Supplies and services	-	8,619	8,619
Other payables	-	269	269
Borrowings			
Finance lease liabilities	-	282	282
Total contractual financial liabilities⁽ⁱ⁾	-	9,170	9,170
	Contractual financial assets – cash	Contractual financial liabilities at amortised cost	Total
2017	\$'000	\$'000	\$'000
Contractual financial assets:			
Cash	1,819	-	1,819
Amount owing from Victorian Government	337,691	-	337,691
Other receivables	42	-	42
Total contractual financial assets^{(i) (ii)}	339,552	-	339,552
Contractual financial liabilities:			
Payables:			
Supplies and services	-	4,833	4,833
Other payables	-	235	235
Borrowings			
Finance lease liabilities	-	283	283
Total contractual financial liabilities^{(i) (ii)}	-	5,351	5,351

Notes:

(i) The amounts disclosed represent the carrying amounts for the reporting period.

(ii) The total amounts disclosed exclude statutory amounts (e.g. GST input tax credit recoverable and taxes payable).

8.1.2 Financial risk management objectives and policies

The TSC is exposed to several financial risks, including:

- Credit risk
- Liquidity risk
- Market risk
- Interest rate risk

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset and financial liability above are disclosed in Note 8.3 to the financial statements.

Credit risk

The TSC's only contractual financial assets are cash assets.

The carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents the TSC's limited exposure to credit risk without taking into account the value of any collateral obtained.

	<i>Financial institutions (AA- credit rating)⁽ⁱⁱ⁾</i>	<i>Total</i>
2018	\$'000	\$'000
Cash	4,133	4,133
Total contractual financial assets	4,133	4,133
2017		
Cash	1,818	1,818
Total contractual financial assets⁽ⁱ⁾	1,818	1,818

Notes:

(i) The total amounts disclosed exclude statutory amounts (e.g. amounts owing from Victorian government and GST input tax credit recoverable and taxes payable).

(ii) The credit rating given by Standard and Poor (S&P) to Westpac Banking Corporation is AA-.

Liquidity risk

Liquidity risk arises from being unable to meet financial obligations as they fall due. The TSC operates under the Government fair payments policy of settling financial obligations within 30 days and in the event of a dispute, making payments within 30 days from the date of resolution.

The TSC's exposure to liquidity risk is deemed insignificant based on prior period's data and current assessment of risk.

The carrying amount detailed in the tables "maturity analysis of payables" (Refer Note 6.2) and "maturity analysis of borrowings" (Refer Note 7.1) represents the TSC's maximum exposure to liquidity risk.

Market risk

The TSC's exposure to market risk is primarily through interest rate risk with no exposure to foreign currency and equity price risks. Objectives, policies and processes used to manage interest rate risk are disclosed below.

Interest rate risk

The TSC's exposure to interest rate risk is insignificant and arises primarily through the cash account which is at a variable interest rate. Minimisation of risk is achieved by the TSC participating as a party to Whole of Government banking contract which is administered by the DTF.

The carrying amounts of financial assets and financial liabilities that are exposed to interest rates and TSC's sensitivity to interest rate risk are set out in the table below.

Interest rate exposure of financial instruments

	Weighted average interest rate	Carrying amount	Fixed interest rate	Variable interest rate	Non-interest bearing
<i>2018</i>	Per Cent	\$'000	\$'000	\$'000	\$'000
Financial assets					
Cash and deposits	1.50%	4,133	-	4,132	1
<i>Receivables:</i>					
Amount owing from Victorian Government		8,926	-	-	8,926
Other receivables		66	-	-	66
Total financial assets		13,125	-	4,132	8,993
Financial liabilities					
<i>Payables:</i>					
Supplies and services		8,619	-	-	8,619
Other payables		269	-	-	269
<i>Borrowings:</i>					
Finance lease liabilities	3.36%	282	282	-	-
Total financial liabilities⁽ⁱ⁾		9,170	282	-	8,888
<i>2017</i>					
Total financial liabilities⁽ⁱ⁾					
Cash and deposits	1.63%	1,819	-	1,818	1
<i>Receivables:</i>					
Amount owing from Victorian Government		337,691	-	-	337,691
Other receivables		42	-	-	42
Total financial assets		339,552	-	1,818	337,734
Financial liabilities					
<i>Payables:</i>					
Supplies and services		4,833	-	-	4,833
Other payables		235	-	-	235
<i>Borrowings:</i>					
Finance lease liabilities	4.56%	283	283	-	-
Total financial liabilities⁽ⁱ⁾		5,351	283	-	5,068

Note:

(i) The total amounts disclosed exclude statutory amounts (e.g. GST input tax credit recoverable and taxes payable).

Sensitivity disclosure analysis

Considering past performance, future expectations and economic forecasts, the TSC believes the following movements are 'reasonably possible' over the next 12 months.

- A parallel shift of +1.0 per cent and -1.0 per cent in market interest rates from year-end rates (2016/17 had a parallel shift of +1.0 per cent and -1.0 per cent).

The table below shows the impact on TSC's net result for each category of financial instrument if the above movements were to occur.

Interest rate risk sensitivity

	Carrying amount	-100 basis points Net result	+100 basis points Net result
2018	\$'000	points	\$'000
Contractual financial assets			
Cash ⁽ⁱ⁾	4,133	(41)	41
Total impact	4,133	(41)	41
2017			
Contractual financial assets			
Cash ⁽ⁱ⁾	1,818	(18)	18
Total impact	1,818	(18)	18

	Carrying amount	-100 basis points	Total
2018	\$'000	\$'000	\$'000
Contractual financial liabilities			
Borrowings ⁽ⁱⁱ⁾	282	(3)	3
Total impact	282	(3)	3
2017			
Contractual financial assets			
Borrowings ⁽ⁱⁱ⁾	283	(3)	3
Total impact	283	(3)	3

Notes:

(i) Cash includes cash at bank of \$4,133 thousand (2017: \$1,818 thousand) that is exposed to floating rates movements.

Sensitivities to these movements are calculated as follows:

- 2018: \$4,133 thousand x -0.01 = -\$41 thousand; and \$4,133 thousand x 0.01 = \$41 thousand; and
- 2017: \$1,818 thousand x -0.01 = -\$18 thousand; and 1,818 thousand x 0.01 = \$18 thousand.

(ii) Borrowings include motor vehicles under finance of \$282 thousand (2017: \$283 thousand) that is exposed to fixed rates movements.

Sensitivities to these movements are calculated as follows:

- 2018: \$282 thousand x -0.01 = -\$3 thousand; and \$282 thousand x 0.01 = \$3 thousand; and
- 2017: \$283 thousand x -0.01 = -\$3 thousand; and \$283 thousand x 0.01 = \$3 thousand

8.2 Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed and if quantifiable are measured at nominal value.

Contingent assets and liabilities are presented inclusive of GST receivable or payable, respectively.

Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the TSC.

Contingent assets arise from guarantees, indemnities and other forms of support provided to the TSC and from legal disputes and other claims by the TSC arising from a past event. Contingent assets by definition are similar to an asset with the distinguishing feature being the uncertainty over the TSC's entitlement.

These are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

There are no contingent assets to report (2016/17: Nil).

Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence and non-occurrence of one or more uncertain future events not wholly within the control of the TSC; or
- Present obligations that arise from past events but are not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations; or
 - the amount of the obligations cannot be measured with sufficient reliabilityContingent liabilities are also classified as either quantifiable or non-quantifiable.

There are no contingent liabilities to report (2016/17-nil).

8.3 Fair value determination

This section sets out information on how TSC determined fair value for financial reporting purposes. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Property, plant and equipment are carried at fair value.

In addition, the fair values of other assets and liabilities which are carried at amortised cost, also need to be determined for disclosure purposes.

TSC determines the policies and procedures for determining fair values for both financial and non-financial assets and liabilities as required.

Fair value hierarchy

In determining fair values, several inputs are used. To increase consistency and comparability to the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy. The levels are as follows:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

TSC determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

How this section is structured

For those assets and liabilities for which fair values are determined, the following disclosures are provided:

- carrying amount and the fair value (which would be the same for those assets measured at fair value);
- which level of the fair value hierarchy was used to determine the fair value; and
- in respect of those assets and liabilities subject to fair value determination using Level 3 inputs:
 - a reconciliation of the movements in fair values from the beginning of the year to the end; and
 - details of significant unobservable inputs used in the fair value determination.

This section is divided between disclosures in connection with fair value determination for financial instruments (refer Note 8.3.1) and non-financial physical assets (refer Note 8.3.2).

8.3.1 Fair value determination of financial assets and liabilities

The TSC considers that the carrying amount of financial instrument assets and liabilities recorded in the financial statements to be a fair approximation of their fair values, because of the short-term nature of the financial instruments and the expectations that they will be paid in full.

8.3.2 Fair value determination: Non-financial physical assets

Fair value measurement hierarchy

	Carrying amount as at 30/6/18	Fair value measurement at 30/6/18 level 3 ⁽ⁱ⁾	Carrying amount as at 30/6/17	Fair value measurement at 30/6/17 level 3 ⁽ⁱ⁾
	\$'000	\$'000	\$'000	\$'000
Leasehold improvements at fair value	663	663	1,656	1,656
Plant and equipment at fair value	-	-	-	-
Leased vehicles at fair value ⁽ⁱⁱ⁾	279	279	280	280
Totals at fair value	942	942	1,936	1,936

Notes:

(i) Classified in accordance with the fair value hierarchy.

(ii) Non-financial physical assets are categorised to Level 3 assets because the depreciated replacement costs are used in estimating the fair values.

There have been no transfers between levels during the year.

Leased vehicles

Leased vehicles are valued using the depreciated replacement cost method. The TSC acquires new vehicles and at times disposes of them before the end of their economic life. The process of acquisition, use and disposal in the market is managed by experienced fleet managers, who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

Leasehold improvements and plant and equipment

Leasehold improvements and plant and equipment are held at fair value. When an item is specialised in use, such that it is rarely sold other than part of a going concern, fair value is determined using the depreciated replacement cost method.

There were no changes in valuation techniques throughout the period to 30 June 2018.

For all assets measured at fair value, the current use is considered the highest and best use.

Reconciliation of level 3 fair value movements

	Leasehold improvements	Plant and equipment	Leased vehicles
	\$'000	\$'000	\$'000
2018			
Opening balance	1,656	-	280
Purchases	-	-	167
Disposals	-	-	(86)
Gains and losses recognised in net result	-	-	-
Depreciation and amortisation	(993)	-	(82)
Closing balance	663	-	279
2017			
Opening balance	2,649	10	281
Purchases	-	-	115
Disposals	-	-	(37)
Gains and losses recognised in net result	-	-	-
Depreciation and amortisation	(993)	(10)	(79)
Closing balance	1,656	-	280

Description of significant unobservable inputs to level 3 valuations

	Valuation technique	Significant unobservable inputs
Leasehold improvements	Depreciated replacement cost	Direct cost per square metre Useful life of leasehold improvements
Leased vehicles	Depreciated replacement cost	Cost per unit Useful life of leased vehicles
Plant and equipment	Depreciated replacement cost	Cost per unit Useful life of plant and equipment

Depreciation rates for all asset categories remained the same for the current and prior year reporting periods

9. OTHER DISCLOSURES

INTRODUCTION

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial statements.

STRUCTURE

- 9.1 Ex-gratia expenses
- 9.2 Other economic flows included in net result
- 9.3 Responsible persons
- 9.4 Remuneration of executives and other personnel
- 9.5 Related parties
- 9.6 Remuneration of auditors
- 9.7 Subsequent events
- 9.8 Australian Accounting Standards issued that are not yet effective
- 9.9 Glossary of terms
- 9.10 Style conventions

9.1 EX-GRATIA PAYMENTS

	2018	2017
	\$'000	\$'000
Compensation for loss of fees ⁽ⁱ⁾	-	78-
Total ex-gratia expenses ⁽ⁱⁱ⁾	-	78-

Notes:

(i) Payment to compensate for costs incurred by one vendor because of a variation to the services agreement for the administration of the knowledge test. In consideration of receiving this payment, the vendor agreed to fully release the TSC from any and all claims, demands, actions or liabilities arising in relation to the service agreement, the Direction or the fees.

(ii) The total for ex-gratia expenses is a GST exclusive value and presented in the 'other operating expenses' section of Note 3 'The cost of delivering services'.

9.2 Other economic flows included in net result

Other economic flows measure the change in volume or value of assets or liabilities that do not result from transactions.

Net gain/ (loss) on non-financial assets and liabilities includes realised and unrealised gains and losses from disposal of non-financial assets.

Any gain or loss on the disposal of non-financial assets is recognised at the date of disposal and is determined after deducting from the proceeds the carrying value of the asset at that time.

Other gains/ (losses) from other economic flows include the gains or losses from the revaluations of the present value of the long service leave liability due to changes in the bond interest rates.

	2018	2017
	\$'000	\$'000
(a) Net (loss)/gain on non-financial assets		
Net (loss)/gain on disposal of leased vehicles	17	-
(b) Other (loss)/gain from other economic flows		
Net (loss)/gain arising from revaluation of long service leave liability ⁽ⁱ⁾	1	(48)
(c) Other (loss)/gain from unwinding of other provisions		
Transition assistance provision	2,051	
Make good provision	664	
Total other (loss)/gain from unwinding of other provisions	2,715	(48)

Note:

(i) Revaluation gain/(loss) due to changes in bond rates.

9.3 Responsible persons

In accordance with the Ministerial Directions of the Minister for Finance under the *Financial Management Act 1994*, the following disclosures are made regarding responsible persons for the reporting period.

Names

The persons who held the positions of Ministers, Accountable Officers and members of the governing boards in the TSC are as follows:

Minister for Public Transport	The Hon. Jacinta Allan MP	1 July 2017 to 30 June 2018
Chair of the Taxi Services Commission	Yehudi Blacher	1 July 2017 to 30 June 2018
Commissioner for Taxi Services Commission	Monique Conheady	1 July 2017 to 30 June 2018
Commissioner for Taxi Services Commission	Janet Dore	1 July 2017 to 30 June 2018
Commissioner for Taxi Services Commission	Colleen Furlanetto	1 January 2018 to 30 June 2018
Chief Executive Officer	Aaron de Rozario	1 July 2017 to 30 June 2018

Remuneration

Remuneration received or receivable by the Accountable Officer and Commissioners in connection with the management of the TSC during the reporting period are shown in the table below in their relevant income bands.

	Total Remuneration	
	2018	2017
	No.	No.
Less than \$100,000	-	3
\$20,000 - 29,999	1	-
\$50,000 - 59,999	2	2
\$90,000 - 99,999	1	1
\$260,000 - 269,999	1	-
\$280,000 – 289,999	-	1
Total numbers	5	7
Total amount (\$'000)	515	509

Amounts relating to Ministers are reported in the financial statements of the Department of Premier and Cabinet. For information regarding related party transactions of ministers, the register of members' interest is publicly available from: www.parliament.vic.gov.au/publications/register-of-interests.

9.4 Remuneration of executives and other personnel

9.4.1 Remuneration of executives

The number of executive officers, other than Ministers and the Accountable Officer, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalents provide a measure of full time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for service rendered, and is disclosed in the following categories.

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free subsidised goods or services.

Post-employment benefits include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Other long-term benefits include long-service leave, other long-service benefit or deferred compensation.

Termination benefits include termination of employment payments, such as severance packages.

	Total Remuneration	
	2018	2017 ⁽ⁱ⁾
	000's	000's
Short-term employee benefits	555	919
Post-employment benefits	52	86
Other long-term benefits	14	16
Termination benefits	-	-
Total remuneration⁽ⁱ⁾	621	1,021
Total number of executives	3	7
Total annualised employee equivalents⁽ⁱⁱ⁾	3	5

Notes:

(i) The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the entity under AASB 124 Related Party Disclosures and are also reported within the related parties note disclosure (Note 9.5).

(ii) Annualised employee equivalent is based on the time fraction worked over the reporting period.

9.5 Related parties

Related parties of the TSC include:

- all key management personnel and their close family members; and
- portfolio minister and her close family members

All related party transactions have been entered into on an arm's length basis.

Significant transactions with government-related entities

Related party	Nature of transaction	2018 \$	
		Receipts	Outstanding receivables
DEDJTR	Provides grant revenue, services received free of charge and reimbursement of other expenses	103,230,002	8,926,325
		Payments	Outstanding payables
DEDJTR	Remittance of administered licence revenue for payment back to Consolidated Fund and other expense reimbursements	4,736,975	2,164,848
GenITex	Provision of workplace information	1,361,952	1,487
Department of Treasury & Finance	Provision of shared services provider accommodation charges and other miscellaneous expense reimbursements	1,029,656	445

Key management personnel of the TSC include the Commissioners and Chief Executive Officer.

The compensation detailed below excludes the salaries and benefits the Portfolio Minister receives. The Minister's remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported within the Department of Parliamentary Services' Financial Report.

	2018	2017
	\$'000	\$'000
Compensation of KMPs		
Short-term employee benefits	468	464
Post-employment benefits	41	39
Other long-term benefits	6	6
Termination benefits	-	-
Total	515	509

Transactions and balances with key management personnel and other related parties

Given the breadth and depth of State government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g. stamp duty and other government fees and charges. Further employment of processes within the Victorian public sector occur on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements.

Outside of normal citizen type transactions with the TSC, there were no related party transactions that involved key management personnel, their close family members and their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

9.6 Remuneration of auditors

Victorian Auditor-General's Office

	2018	2017
	\$'000	\$'000
Audit of the financial statements	58	57
Total remuneration of auditors	58	57

The Victorian Auditor-General's Office is not allowed to provide non-audit services.

9.7 Subsequent events

9.7.1 Name change

The TSC, established under section 115B of the *Transport Integration Act 2010*, became a statutory authority responsible for regulating the commercial passenger vehicle industry on 1 July 2013. On 2 July 2018 the TSC became Commercial Passenger Vehicle Commission, under section 115B and 203B of the *Transport Integration Act 2010*, which means that the Taxi Services Commission and the Commercial Passenger Vehicle Commission are the same entity at law. The trading name for the Commission will be Commercial Passenger Vehicles Victoria. The new name better reflects the rapidly growing and evolving industry.

9.7.2 New Chair

Post balance date, Yehudi Blacher, Chair of the Commission resigned, and Megan Bourke-O'Neil commenced her term on 21 August 2018 as the new Chair.

9.8 Australian Accounting Standards issued that are not yet effective

Certain new AASs have been published that are not mandatory for the 30 June 2018 reporting period. TSC assessed the impact of these new standards and applicability of early adoptions as follows.

Standard/ interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 15 <i>Revenue from Contracts with Customers</i>	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by trans-ferring a promised good or service to a customer. Note that amend-ing standard AASB 2015 8 Amendments to Australian Accounting Standards – Effective Date of AASB 15 has deferred the effective date of AASB 15 to an-nual reporting periods beginning on or after 1 January 2018, instead of 1 January 2017.	1 Jan 2018	The assessment has indicated that there will be no significant impact for the TSC.

Standard/ interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 16 <i>Leases</i>	The key changes introduced by AASB 16 include the recognition of operating leases (which are currently not recognised) on balance sheet.	1 Jan 2019	The assessment has indicated that most operating leases, except for short term and low value leases will come on to the balance sheet and will be recognised as right of use assets with a corresponding lease liability. In the operating statement, the operating lease expense will be replaced by depreciation expense of the asset and an interest charge.
AASB 1058 <i>Income of Not-for-Profit Entities</i>	AASB 1058 standard will replace the majority of income recognition in relation to government grants and other types of contributions requirements relating to public sector not-for-profit entities, previously in AASB 1004 Contributions. The restructure of administrative arrangement will remain under AASB 1004 and will be restricted to government entities and contributions by owners in a public-sector context. AASB 1058 establishes principles for transactions that are not within the scope of AASB 15, where the consideration to acquire an asset is significantly less than fair value to enable not.	1 Jan 2019	The assessment has indicated that there will be no significant impact for the TSC.

9.9 Glossary of technical terms

Administered item

Administered item generally refers to TSC lacking the capacity to benefit from that item in the pursuit of the entity's objectives and to deny or regulate the access of others to that benefit.

Amortisation

Amortisation is the expense which results from the consumption, extraction or use over time of a non-produced physical or intangible asset.

Borrowings

Borrowings refer to interest bearing liabilities raised from finance leases and other interest-bearing arrangements.

Capital asset charge

A charge levied on the written-down value of controlled non-current physical assets in a department's balance sheet which aims to: attribute to agency outputs the opportunity cost of capital used in service delivery; and provide incentives to departments to identify and dispose of underutilised or surplus assets in a timely manner.

Commitments

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources.

Contributed capital

Contributed capital include capital contributions received for additions to net assets and is treated as an equity transaction in the balance sheet.

Controlled item

Controlled item generally refers to the capacity of an entity to benefit from that item in the pursuit of the entity's objectives and to deny or regulate the access of others to that benefit.

Current grants

Current grants include amounts payable or receivable for current purposes for which no economic benefits of equal value are receivable or payable in return.

Depreciation

Depreciation is an expense that arises from the consumption through wear or time of a produced physical or intangible asset. This expense is classified as a 'transaction' and so reduces the 'net result from transactions'.

Effective interest method

The effective interest method is used to calculate the amortised cost of a financial asset or liability and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument, or, where appropriate, a shorter period.

Employee benefits expenses

Employee benefits expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments, defined benefits superannuation plans, and defined contribution superannuation plans.

Ex gratia expenses

Ex gratia expenses mean the voluntary payment of money or other non-monetary benefit (e.g. a write off) that is not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability or claim against the entity.

Financial asset

A financial asset is any asset that is:

- a) cash; or
- b) a contractual right or statutory right
 - to receive cash or another financial asset from another entity; or
 - to exchange financial assets or financial liabilities with another entity under conditions that is potentially favourable to the entity.

Financial instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets or liabilities that are not contractual (such as statutory receivables or payables that arise as a result of statutory requirements imposed by governments) are not financial instruments.

Financial liability

A financial liability is any liability that is:

- a) a contractual obligation:
 - to deliver cash or another financial asset to another entity; or
 - to exchange financial assets or financial liabilities with another entity under conditions that is potentially unfavourable to the entity.

Financial statements

- a) a balance sheet as at the end of the period;
- b) a comprehensive operating statement for the period;
- c) a statement of changes in equity for the period;
- d) a cash flow statement for the period;
- e) notes, comprising a summary of significant accounting policies and other explanatory information;
- f) comparative information in respect of the preceding period as specified in paragraphs 38 of AASB 101 Presentation of Financial Statements; and

- g) a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraphs 41 of AASB 101.

Grants and other transfers

Transactions in which one unit provides goods, services, assets (or extinguishes a liability) or labour to another unit without receiving approximately equal value in return. Grants can either be operating or capital in nature.

While grants to governments may result in the provision of some goods or services to the transferor, they do not give the transferor a claim to directly receive benefits of approximately equal value. Receipt and sacrifice of approximately equal value may occur, but only by coincidence. For example, governments are not obliged to provide commensurate benefits, in the form of goods or services, to particular taxpayers in return for their taxes. For this reason, grants are referred to by the AASB as involuntary transfers and are termed non-reciprocal transfers.

Grants can be paid as general-purpose grants which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use.

General government sector

The general government sector comprises all government departments, offices and other bodies engaged in providing services free of charge or at prices significantly below their cost of production. General government services include those which are mainly non-market in nature, those which are largely for collective consumption by the community and those which involve the transfer or redistribution of income. These services are financed mainly through taxes, or other compulsory levies and user charges.

Interest expense

Costs incurred in connection with the borrowing of funds. Interest expenses include the interest component of finance lease repayments, and the increase in financial liabilities and non-employee provisions due to the unwinding of discounts to reflect the passage of time.

Interest income

Interest income includes unwinding over time of discounts on financial assets.

Net result

Net result is a measure of financial performance of the operations for the period. It is the net result of items of income, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other economic flows - other comprehensive income'.

Net result from transactions/net operating balance

Net result from transactions or net operating balance is a key fiscal aggregate and is income from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets. It is the component of the change in net worth that is due to transactions and can be attributed directly to government policies.

Net worth

Net worth represents assets less liabilities, which is an economic measure of wealth.

Non-financial assets

Non-financial assets are all assets that are not 'financial assets', including prepayments, leasehold improvements, leased vehicles and intangible assets.

Other economic flows included in net result

Other economic flows included in the net result are changes in the volume or value of an asset or liability that do not result from transactions. It includes gains and losses from disposals, revaluations and impairments of non-financial physical and intangible assets.

Payables

Payables include short and long-term trade debt and accounts payable, grants and taxes payable.

Produced assets

Produced assets include plant and equipment and certain intangible assets. Intangible assets mainly constitute the Victorian Taxi Management System (VTMS) and the TSC Data Warehouse solution.

Receivables

Receivables include amounts owing from government through appropriation receivable, short and long-term credit and accounts receivable, grants, taxes and interest receivable.

Sales of goods and service

Refers to income from the direct provision of goods and services and includes fees and charges for services rendered, sales of goods and services, fees from regulatory services, work done as an agent for private enterprises. It also includes rental income under operating leases and on produced assets such as buildings and entertainment but excludes rent income from the use of non-produced assets such as land. User charges includes sale of goods and services revenue.

Supplies and services

Supplies and services generally represent cost of goods sold and the day-to-day running costs, including maintenance costs, incurred in the normal operations of the TSC.

Transactions

Transactions are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. They also include flows within an entity such as depreciation where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset. Taxation is regarded as mutually agreed interactions between the government and taxpayers. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash. In simple terms, transactions arise from the policy decisions of the government.

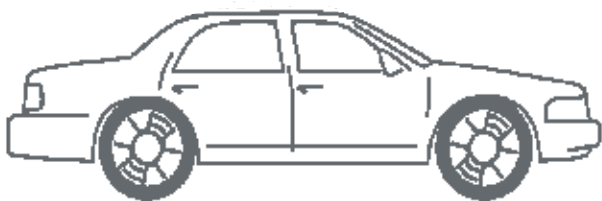
9.10 Style conventions

Figures in the tables and in the text, have been rounded. Discrepancies in tables between totals and sums of components reflect rounding. Percentage variations in all tables are based on the underlying unrounded amounts.

The notation used in the tables is as follows:

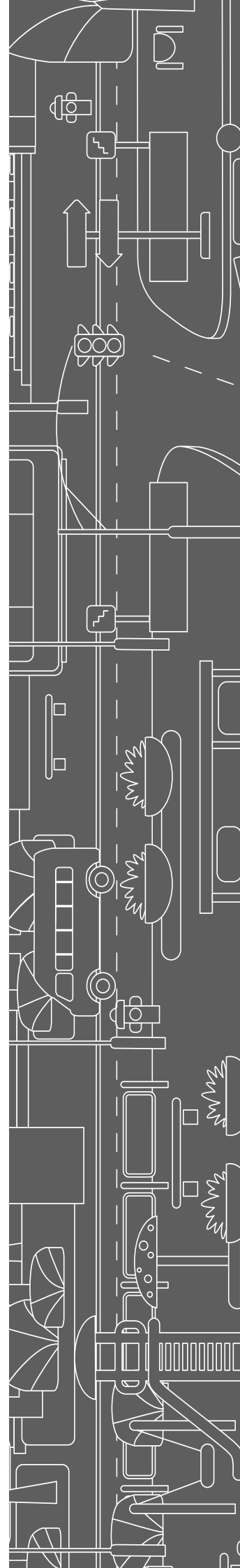
-	zero, or rounded to zero
(xxx.x)	negative numbers
201x	year period
201x/1x	year period





CONTENTS

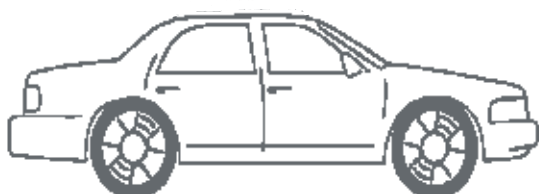
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IMPLEMENTATION OF THE VICTORIAN INDUSTRY PARTICIPATION POLICY

The *Victorian Industry Participation Policy Act 2003* requires departments and public sector bodies to report on the implementation of the Victorian Industry Participation Policy (VIPPP). Departments and public sector bodies are required to apply VIPPP in all procurement activities valued at \$3 million or more in metropolitan Melbourne and for state-wide projects, or \$1 million or more for procurement activities in regional Victoria.

During 2017-18, the TSC had no contracts to which the VIPPP applied.



GOVERNMENT ADVERTISING, INFORMATION AND COMMUNICATION TECHNOLOGY EXPENDITURE, CONSULTANCIES, AND MAJOR CONTRACTS

GOVERNMENT ADVERTISING

There were no government advertising campaigns relating to the TSC that had a total media spend of \$150,000 or greater during 2017-18 (2016-17: nil).

CONSULTANCIES

Details of consultancies over \$10,000

In 2017-18, there were no consultancies where the total fees payable to the consultants was \$10,000 or greater (2016-17: one). No expenditure was incurred during 2017-18 relating to these consultancies compared with 2016-17 (\$0.3 million).

Details of Information and Communication Technology expenditure

For the 2017-18 reporting period, the TSC had a total Information and Communication Technology expenditure of \$4,481,000, with the details shown below.

Business As Usual ICT expenditure	Non Business As Usual ICT expenditure(i) <i>Operating and capital expenditure</i>	Operational expenditure	Capital expenditure
\$'000	\$'000	\$'000	\$'000
2,950	1,531	297	1,234

Note:

(i) Total equals operational plus capital expenditure

ICT expenditure refers to the TSC's costs in providing business-enabling ICT services. It comprises Business as Usual ICT expenditure and Non-Business as Usual ICT expenditure. Non-Business as Usual ICT expenditure relates to extending or enhancing the TSC's current ICT capabilities. Business as Usual ICT expenditure is all remaining ICT expenditure which primarily relates to ongoing activities to operate and maintain the current ICT capability.

Disclosure of major contracts

The TSC did not enter into contracts greater than \$10 million in value during 2017-18 (2016-17: nil).



COMPLIANCE STATEMENTS

FREEDOM OF INFORMATION

The *Freedom of Information Act 1982* (FOI Act) allows the public a right of access to documents held by the TSC. For the 12 months ending 30 June 2018, the TSC received 14 Freedom of Information applications. All requests were received from the general public. Of the total requests received by the TSC, four were granted in full, seven were granted in part and two were withdrawn. The remaining one request has not yet been fully processed. No requests have proceeded to the review stage with the Victorian Information Commissioner.

Requests for access to documents held by the TSC under the FOI Act may be made in writing to:

Freedom of Information Officer
Commercial Passenger Vehicles Victoria
PO Box 1716
Melbourne, VIC, 3000
Email: foi@taxi.vic.gov.au

Requests to access TSC documents can also be made online through the Freedom of Information web site at: www.ovic.vic.gov.au.

Requests should be made in writing and should identify as clearly as possible which documents are being requested. Requests should be accompanied by the appropriate application fee (which is currently \$28.90). The fee may be waived in certain circumstances.

Access charges, such as photocopying and retrieval charges, may also apply once documents have been processed and a decision on access has been made.

Visit www.ovic.vic.gov.au for further information regarding freedom of information.

COMPLIANCE WITH THE BUILDING ACT

The TSC did not own or control any government buildings and consequently is exempt from notifying its compliance with the building and maintenance provisions of the *Building Act 1993*.

NATIONAL COMPETITION POLICY

Under the National Competition Policy, the guiding principle is that legislation, including future legislative proposals, should not restrict competition unless it can be demonstrated that:

- the benefits of the restriction to the community, as a whole, outweigh the costs
- the objectives of the legislation can only be achieved by restricting competition.

The TSC continues to comply with the requirements of the National Competition Policy.

Competitive neutrality seeks to enable fair competition between government and private sector businesses. Any advantages or disadvantages that government businesses may experience that arise solely from their government ownership must be removed if they are not in the public interest.

Government businesses are required to cost and price these services as if they were privately owned and thus be fully cost-reflective. This policy does not override other policy objectives of government and focuses on efficiency in the provision of service.

COMPLIANCE WITH THE PROTECTED DISCLOSURE ACT

The *Protected Disclosure Act 2012* (PD Act) encourages and assists people in making disclosures of improper conduct by public officers and public bodies. The PD Act provides protection to people who make disclosures in accordance with the PD Act and establishes a system for the matters disclosed to be investigated and any rectifying action to be taken.

The TSC did not tolerate improper conduct by employees, or the taking of reprisals against those who come forward to disclose such conduct.

It is committed to ensuring transparency and accountability in its administrative and management practices and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.

The TSC took all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. It will also afford natural justice to the person who was the subject of the disclosure to the extent it is legally possible.

Reporting procedures

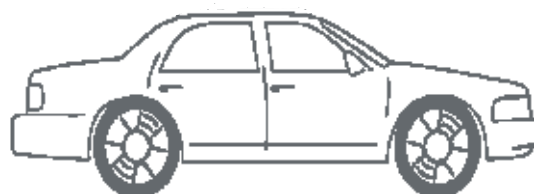
The TSC was not an entity that can either receive or notify protected disclosures. Disclosures of improper conduct or detrimental action by the TSC or any of its employees or officers should be made directly to the Independent Broad-based Anti-corruption Commission:

Level 1, North Tower
459 Collins Street
Melbourne, VIC, 3000
Phone: 1300 735 135

Internet: www.ibac.vic.gov.au

Refer to the Independent Broad-based Anti-corruption Commission website at www.ibac.vic.gov.au for the secure email disclosure process, which also provides for anonymous disclosures.

In accordance with section 58 of the *PD Act*, the TSC has prepared written procedures for the protection of persons making disclosures from detrimental actions by any employee or officer of the TSC.



OFFICE BASED ENVIRONMENTAL IMPACTS

Public sector entities are encouraged to adopt the requirements of Financial Reporting Direction 24C (FRD 24C) Reporting of office-based environmental data by government entities. This environmental performance report has been prepared in accordance with the requirements set out in FRD24C to the extent possible.

The data incorporates data from the TSC head office facilities located at 1 Spring Street, Melbourne and the TSC secondary site located at 10 Mareno Rd, Tullamarine. The data relates to the TSC's office-based activities only.

This and previous years' data will be used to set targets and actions for improving the environmental performance of the CPVV in 2018-19.

ENERGY

In 2017-18, details of the energy consumed by the TSC was obtained from energy retailer billing information, relating to use by all TSC employees, contractors and others.

Indicator	2017-18			2016-17		
	Green Power	Electricity	Natural Gas	Green Power	Electricity	Natural Gas
Total energy usage segmented by primary source (KWH, GJ)	0	237,151	n/a	n/a	168,150	585.93
Greenhouse gas emissions associated with energy use, segmented by primary source (tCO ₂ e) ⁽¹⁾	0	277.47	n/a	n/a	n/a	n/a
Percentage of electricity purchased as green power (per cent)	n/a	0	n/a	n/a	n/a	n/a
Units of energy used per FTE (KWH /FTE)	0	1,481	n/a	n/a	1,001	3.4
Units of energy used per unit of office area (KWH, GJ/ m ²)	0	63.01	n/a	n/a	224.6	0.22

Notes

(1) Greenhouse gas emissions are based on the updated Australian Government, National Greenhouse Accounts Factors July 2011.

Definitions

KWH kilowatt-hours
tCO₂e tonnes of carbon dioxide equivalent
GJ giga joules

Actions undertaken

No actions

WASTE

The waste generated by the TSC's processes is divided into three general classes: landfill; paper and cardboard recycling and co-mingled recycling; and compost. Secure document waste is also separated. The waste management program facilitates the easy segregation of waste materials for recycling, composting or landfill.

The data below derives from a two-day waste audit (2) conducted independently at 1 Spring Street, where 100 per cent of TSC employees including contractors and others are normally accommodated. Data on secure document disposal was included in the audit.

2017-18					
Indicator	Landfill	Co-mingled recycling	Compost	Secure Docs	Contamination in recycling
Percentage of total units of waste disposed of by destination	30.5	32.4	12.2	24.9	7.7
Units of waste disposed of per FTE by destination (kg/FTE) ⁽²⁾	15.07	15.98	6.0	12.3	n/a
Recycling rate as a percentage of total waste	69.5				
Greenhouse gas emissions associated with waste disposal (tCO ₂ e)	1.54	1.18	0.76	n/a	0.32

2016-17					
Indicator	Landfill	Co-mingled recycling	Compost	Secure Docs	Contamination in recycling
Percentage of total units of waste disposed of by destination	36.10	27.20	11.80	24.80	6.50
Units of waste disposed of per FTE by destination (kg/FTE) ⁽²⁾	20.42	15.36	6.69	14.03	n/a
Recycling rate as a percentage of total waste	63.9				
Greenhouse gas emissions associated with waste disposal (tCO ₂ e)	1.98	3.53	0.71	n/a	0.27

Notes

(2) This waste audit was conducted in 9-10 August 2018. Although after the financial year, staff numbers and conditions are comparable to the end of June 2018, so the result is considered representative of 2017-18.

(3) FTE has been defined by the independent waste audit report.

Actions undertaken

Bulletins	Environmental representatives have erected signage to remind staff of appropriate waste disposal and recycling practices.
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PAPER

The data below was collected through paper retailer billing information and represents all paper used at the TSC's work sites, including all paper use by the TSC's employees, contractors and others while working at those sites.

Indicator	2017-18	2016-17
Total units of copy paper used (reams)	1,700	1,928
Units of copy paper used per FTE (reams/FTE)	10.62	11.48
Percentage 76–100 per cent recycled content A4 copy paper purchased	0	100
Percentage 51–75 per cent recycled content A4 copy paper purchased	0	0
Percentage 0–50 per cent recycled content A4 copy paper purchased	0	0
Percentage A3 paper and coloured paper purchased	4.82	13.12

Actions undertaken

Printer settings	All printers were set to print double sided by default.
iPad trial	Commission and Leadership Team meeting papers were circulated via iPad (not printed).
Secure Print introduced across TSC	This reduced volume of uncollected and unnecessary printing.

WATER

Water consumption figures are unavailable.

Indicator	2017-18	2016-17
Water consumption 1 Spring St Melbourne–TSC (KL)	2,205	n/a
Water consumption 10 Mareno Rd Tullamarine (KL)	55	n/a
Total water consumption (KL)	2,260	n/a

Actions undertaken

No actions.



TRANSPORT (OPERATIONAL VEHICLES)

The TSC's car fleet comprised of 10 vehicles, excluding executive vehicles. Eight of these were six-cylinder vehicles and two were four-cylinder vehicles. The TSC's employees did not as a matter of course use vehicles from the State Government vehicle pool and no data from pool usage is incorporated into the table below.

Indicator	2017-18			2016-17		
	4-cylinder	6-cylinder	4WD	4-cylinder	6-cylinder	4WD
Total energy consumption by vehicles (GJ)	42.10	304.4	0	21.79	527.10	0
Total vehicle travel associated with entity operations (km)	11,305	124,676	0	10,804	139,668	0
Total greenhouse gas emissions from vehicle fleet (tCO ₂ e)	2.56	18.50	0	1.32	32.03	0
Greenhouse gas emissions from vehicle fleet per 1,000km travelled (tCO ₂ e)	0.23	0.15	0	0.12	0.23	0

Total distance travelled by aeroplane (km) ⁽⁵⁾	2017-18	2016-17
	6,714	8,835

Notes

(5) Figures obtained from reports supplied by Corporate Travel Management.

2017-18	Train	Tram	Cycle	Car	Walk / Run	Other
Percentage of employees regularly using public transport, cycling, walking to and from work or working from home (>75 per cent of work attendance days)	62.0	14.0	0.0	10.0	4.0	10.0

2016-17	Train	Tram	Cycle	Car	Walk / Run	Other
Percentage of employees regularly using public transport, cycling, walking to and from work or working from home (>75 per cent of work attendance days)	60.0	22.0	0.0	7.0	7.0	5.0

Notes

(6) Collection of employee travel data was through an annual voluntary survey and the results received were analysed. Percentages shown in the above table are indicative of employee travel choices for journeys to and from work but are not conclusive of choices made by all employees.

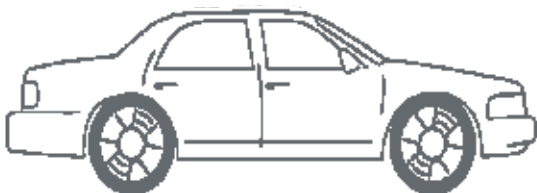
Actions undertaken

No actions

GREENHOUSE GAS EMISSIONS

The greenhouse gas emissions detailed below combine from the previous sections to show the TSC's total greenhouse gas emissions footprint.

Indicator	2017-18	2016-17 ⁽⁵⁾
Total greenhouse gas emissions associated with energy use (tCO ² e)	To be provided	226.75
Total greenhouse gas emissions associated with vehicle fleet (tCO ² e)	21.06	33.35
Total greenhouse gas emissions associated with air travel (tCO ² e)	1.18	1.60
Total greenhouse gas emissions associated with waste production (tCO ² e)	3.80	6.48
Total greenhouse gas emissions offsets purchased (tCO ² e)	0	0



ADDITIONAL INFORMATION AVAILABLE ON REQUEST

In compliance with the requirements of the Standing Directions of the Minister for Finance, the information detailed below was held at the TSC's head office at 1 Spring Street, Melbourne in 2017-18:

- A statement that declarations of pecuniary interests have been duly completed by all relevant officers of the entity.
- Details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary.
- Details of publications produced by the entity about itself and how these can be obtained.
- Details of changes in prices, fees, charges and rates levied by the entity.
- Details of any major external reviews carried out on the entity.
- Details of major research and development activities undertaken by the entity.
- Details of overseas visits undertaken, including a summary of each visit's objectives and outcomes.

The information is available on request subject to the provisions of the FOI Act, by contacting the Chief Finance Officer.

Chief Finance Officer
Commercial Passenger Vehicles Victoria
GPO Box 1716
Melbourne VIC 3001
Phone: 1800 638 802
Email: corporateservices@cpv.vic.gov.au



ATTESTATION FOR RISK AND INSURANCE COMPLIANCE

Annual attestation against all applicable Standing Directions of the Minister for Finance pursuant to section 8 of the *Financial Management Act 1994*

I, Megan Bourke-O'Neil, certify that the Taxi Services Commission (now the Commercial Passenger Vehicle Commission) has complied with the applicable Standing Directions of the Minister for Finance under the *Financial Management Act 1994* and Instructions.

The Taxi Services Commission Audit and Risk Management Committee verifies this attestation.



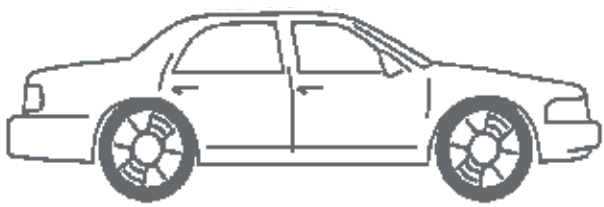
Megan Bourke-O'Neil

Chair
Commercial Passenger Vehicles Victoria
17 September 2018

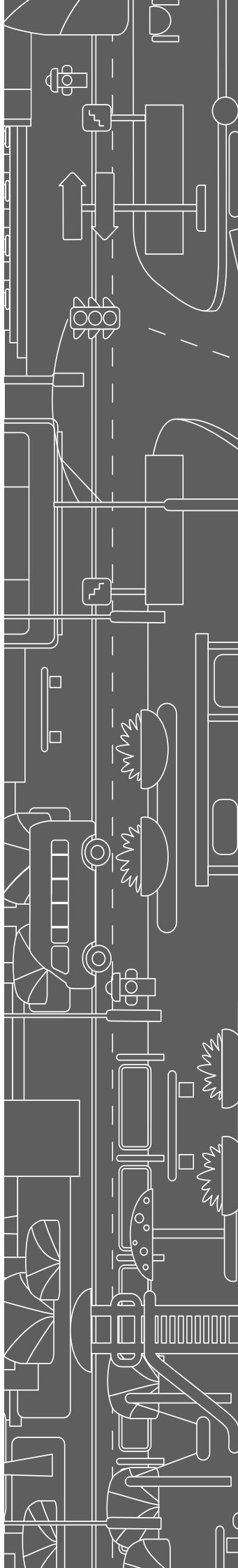
DATAVIC ACCESS POLICY

Consistent with the *DataVic Access Policy* issued by the Victorian Government in 2012, the information included in this Annual Report will be available via the link below.

<www.data.vic.gov.au>







APPENDICES

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APPENDIX 1 - DISCLOSURE INDEX

The Taxi Services Commission's Annual Report 2017-18 was prepared in accordance with all relevant Victorian legislations and pronouncements. This index was prepared to facilitate identification of the TSC's compliance with statutory disclosure requirements.

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Report of operations		
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FRD 22H	Purpose, functions, powers and duties	16
FRD 22H	Nature and range of services provided	17
<i>Management and structure</i>		
FRD 22H	Organisational structure	40
<i>Financial and other information</i>		
FRD 8D	Performance against output performance measures	20
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FRD 22H	Details of consultancies over \$10 000	102
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Legislation	Requirement	Page reference
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SD 5.2.1 (a)	Compliance with Ministerial Directions	61
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FRD 9B	Departmental Disclosure of Administered Assets and Liabilities by Activity	n/a
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<i>Protected Disclosure Act 2012</i>		103
<i>Carers Recognition Act 2012</i>		n/a
<i>Victorian Industry Participation Policy Act 2003</i>		101
<i>Financial Management Act 1994</i>		61

(a) References to FRDs have been removed from the Disclosure Index if the specific FRDs do not contain requirements



