

2015–16
TAXISERVICESCOMMISSION

ANNUAL
REPORT





Continuing to drive improvements
that enables accessible, safe and
customer responsive commercial
passenger vehicle services in Victoria

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LETTER TO THE MINISTER

The Hon. Jacinta Allan MP
Minister for Public Transport

1 Spring Street
Melbourne
VIC 3000

Dear Minister

Annual Report 2015–16

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 2016.



Yehudi Blacher
Chair
Taxi Services Commission
23 September 2016

ABBREVIATIONS

| | |
|--------|---|
| 4WD | Four-wheel drive (vehicle) |
| AAS | Australian Accounting Standards |
| AASB | Australian Accounting Standards Board |
| ARMC | Audit and Risk Management Committee |
| ATAC | Accessible Taxi Advisory Committee |
| CALD | Culturally and Linguistically Diverse |
| CEO | Chief Executive Officer |
| CPV | Commercial Passenger Vehicle |
| DTF | Department of Treasury and Finance |
| DEDJTR | Department of Economic Development, Jobs, Transport and Resources |
| FRD | Financial Reporting Direction |
| FTE | Full Time Equivalent |
| GST | Goods and Services Tax |
| ICT | Information and Communications Technology |
| iFACTS | In Field Acquisition of Compliance Trends and Statistics |
| MP | Member of Parliament |
| MPTP | Multi-Purpose Taxi Program |
| OH&S | Occupational Health and Safety |
| TII | Taxi Industry Inquiry |
| TSC | Taxi Services Commission |
| VEOHRC | Victorian Equal Opportunity & Human Rights Commission |
| VIPP | Victorian Industry Participation Policy |
| VPS | Victorian Public Sector |
| VTMS | Victorian Taxi Management System |
| WAT | Wheelchair Accessible Taxi |

Changes in terminology from 1 July 2015

| Terminology to 30 June 2015 | Terminology from 1 July 2015 |
|--|-------------------------------------|
| Disabled Persons Taxi Advisory Committee | Accessible Taxi Advisory Committee |

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COMMISSIONERS' FOREWORD

My fellow Commissioners, Monique Conheady and Janet Dore, and I are very pleased to have been recently appointed to the Taxi Services Commission (TSC) at this exciting time of change in the commercial passenger vehicle (CPV) industry.

The previous commissioners, Graeme Samuel, Merran Kelsall and Doug Shirrefs, have laid an impressive foundation in recent years in guiding the organisation through its first three years. An account of the third of these years is contained in this report.

Looking forward, the CPV industry in Victoria has entered a new and exciting period. Throughout the world, new technology and service models have combined to change forever the operating landscape of the industry. Recent policy announcements by the Government have been designed to accommodate these changes and create a safer, simpler and more flexible commercial passenger vehicle framework.

Over the coming years, the TSC will oversee the implementation of Australia's most far reaching and comprehensive reform to the regulatory environment in which the industry operates. These reforms include removing the requirement for taxi, hire car and rideshare licences, making Network Service Providers more accountable for the quality of their services and providing greater choice for customers using CPVs.

These complex reforms will require substantial legislative change, and so will be implemented over a two-year period. During this time, the TSC will continue to consult with industry to fully understand the impacts of the changes and assist with the transition.

I look forward to working with all industry and other stakeholders to facilitate a smooth implementation of these important reforms.



Yehudi Blacher
Chair

COMMISSIONERS' VALEDICTORY REFLECTIONS

The past three years has seen many changes to the commercial passenger vehicle industry.

Some of the key achievements were simplifying taxi zones, better working conditions and remuneration for taxi drivers and making taxi licenses available as-of-right. Fare flexibility was also implemented in regional Victoria, providing the opportunity for operators to set their own fares. But of greater consequence, the passenger vehicle industry is being challenged by new competitive innovations including smartphone apps and ride share services that focus on meeting consumer needs for service quality and price.

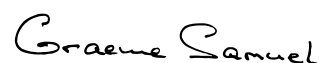
In summary, as I reflect on the last three years there has been a significant amount of work undertaken with our stakeholders to help improve service for the community, reduce regulatory burden for industry and create a more competitive marketplace. Much credit for underpinning this work goes to my fellow Commissioners, Merran Kelsall and Doug Shirrefs and their invaluable service during our term of office. Merran and Doug have contributed much time and a wealth of knowledge to deliberations and decisions, as we have steered the TSC through its foundation years.

Looking forward, there is still a lot of work to be done to create a more open, customer-centric and competitive marketplace. This marketplace is long overdue for the infusion of new technology and new business models which focus on consumer needs and preferences.

I'm sure that Merran and Doug would like to join me in thanking the whole TSC team for their dedication and hard work during our term. Much has been achieved and they have tackled the many challenges with an unswerving commitment to the public interest.

We would also like to take this opportunity to say farewell as we hand over to the new Commissioners Yehudi Blacher, Monique Conheady and Janet Dore.

While the foundations have been laid for a more flexible and adaptable commercial passenger vehicle industry, there are many challenges that lie ahead. I am confident that the new Commission and Leadership team will drive the TSC to further reform the regulatory environment so that the industry can provide the Victorian community with the choice and quality of service they deserve.



Graeme Samuel AC
Chair

CHIEF EXECUTIVE OFFICER'S REPORT

This year brings the substantial part of the Taxi Industry Inquiry (TII) reforms to an end. Twenty-nine recommendations were closed during 2015–16 bringing the total to 120.

However, the reform story does not give a full picture of the activity of the Taxi Services Commission for 2015–16. Much of the activity of the TSC was not focused on the reforms but on preparing the TSC for the future. The industry is growing and people are entering and exiting more frequently. Nowhere has this been more obvious than in the area of driver accreditation. Applications for accreditation have increased from 3957 in the previous year to 5956 this year (a 51 percent increase).

Significant increases in volume cannot be handled by continuing to work in the same way. It's a credit to the individuals involved in the accreditation of drivers that they changed their processes and work practices. In doing so, the number of applications being processed within our 14 day target almost doubled. These changes not only assisted the TSC in solving an immediate problem – it has also prepared the TSC to handle further increases in accreditation applications.

It is always easy for transaction-heavy organisations like the TSC to focus only on transactions, however regulators have a role in making it easy for regulated entities to understand and comply with their obligations. Making it easier was a key focus for the TSC and for much of 2015–16, it worked with the Department of Economic Development, Jobs, Transport and Resources (DEDJTR) to review regulations and remove unnecessary red tape and burden on the industry. Considerable work was also directed to the small things, like improving forms. While seemingly trivial, it is the sum of many small improvements that make life easier for industry.

Throughout the year we have engaged more with passengers who use accessible transport and focused on educating the industry on how to better service individuals with a disability. We participated in a range of accessible transport events, including the Disability Sport and Recreation Festival, and the launch of our Open Doors campaign highlighting the rights and responsibilities of drivers and passengers.

The Multi-Purpose Taxi Program continued to enable travel services for the members who require support. Over 4.66 million trips were taken throughout the year. The TSC also continued to support the National Disability Insurance Scheme, both with the Barwon trial site and in assisting the National Disability Insurance Agency prepare for rolling out the scheme in Victoria from 2016.

2015–16 also continued to see the growth of new services and continuing challenges to the existing regulatory framework. These challenges are not unique to the TSC; they are being faced by commercial passenger vehicle regulators across Australia and internationally. In recognising this common challenge, the TSC has continued to work closely with our interstate counterparts to share policy ideas and identify opportunities for best practice.

As the reforms from the TII come to a close, we farewell our Commissioners, Graeme Samuel, Merran Kelsall and Douglas Shirrefs and welcome our new Commissioners Yehudi Blacher (Chair), Monique Conheady and Janet Dore. I would like to take this opportunity to thank Graeme, Merran and Douglas for their contributions to the TSC over the last three years.

I would also like to thank our staff that made considerable contributions to the delivery of the reforms and setting up the future foundations of the TSC. I look forward to continuing our work in shaping the future of the TSC.



Aaron de Rozario
CEO

ACHIEVEMENTS



**STEADY CUSTOMER
SATISFACTION RESULTS**
RECORDED IN 2015-16 USING
THE NEW ONLINE METHODOLOGY.

313

**COMPLEX LICENSING
AND ACCREDITATION
APPLICATIONS PROCESSED**



**ACTIVE MEMBERSHIP
OF THE MULTI-PURPOSE
TAXI PROGRAM STABLE
AT JUST OVER**

93,000

20,373

**INSPECTIONS OF VEHICLES AND DRIVERS,
AND 2849 COMPLIANCE NOTICES ISSUED.**



400

**DISCIPLINARY
MATTERS PROCESSED**



**SUCCESSFUL
FRAUD PROSECUTIONS 32**

**SIX TAXI
RANK**

**SAFETY PROGRAM GRANTS
APPROVED BY MINISTER
FOR PUBLIC TRANSPORT**

MORE THAN

4.6M

**MPTP TRIPS SUBSIDISED,
INCLUDING MORE THAN**

970,000

**INVOLVING A WHEELCHAIR
OR MOBILITY SCOOTER**



456

DOWNLOADS OF
SAFETY CAMERA IMAGES

FOLLOWING A REQUEST
FROM VICTORIA POLICE

OVER **TWO MILLION**
VISITS TO
THE TSC
WEBSITE



5,504

DRIVERS HAVE ATTAINED
THE KNOWLEDGE

71%

EMPLOYEES PARTICIPATED
IN THE 2016 PEOPLE
MATTER SURVEY

93%



OF CONTESTED TSC DECISIONS
AFFIRMED ON REVIEW AT VCAT

MORE THAN

120,000 CALLS

TAKEN AT THE CALL CENTRE



29
REFORM

RECOMMENDATIONS CLOSED



109

PAYMENTS
TRANSACTIONED
ON THE AVERAGE
BUSINESS DAY

ABOUT THE TAXI SERVICES COMMISSION

The Taxi Services Commission 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.

VISION

The Victorian community and its visitors experience taxi and hire cars, that provide excellent service, safety and choice.

MISSION

The Taxi Services Commission enables safe taxi and hire car journeys for all people in Victoria.

VALUES

Our processes uphold the basic rights, freedoms and responsibilities of all people in Victoria as set out in the *Victorian Charter of Human Rights and Responsibilities Act 2006*.

The TSC 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.

Connectedness and open communication: being honest, open and transparent in our dealings; keeping people informed about things that matter.

Respect, openness and courage: treating people fairly and without bias; the agility and resilience to change and adapt in our dynamic environment.

Collaboration and cooperative relationships: assisting people willingly when they ask for help; thinking and behaving as one team showing respect for each other's point of view.

Behaving ethically: acknowledging people's contributions; handling sensitive information with the utmost care; respecting everybody for the contributions they make; avoiding any real or apparent conflicts of interest.

Enablement and inclusiveness: treating people fairly and ensuring that all people are listened to; clear accountabilities and the appropriate authority to act.

ORIGIN

The TSC was created in July 2011 under the *Transport Legislation Amendment (Taxi Services Reform and Other Matters) Act 2011*.

The TSC 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*
- 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 is governed by three appointed commissioners. The CEO leads day-to-day operations. Graeme Samuel AC (Chair), Merran Kelsall and Douglas Shirrefs completed their term on 31 July 2016 and the Governor-in-Council approved the appointment of new Commissioners – Yehudi Blacher (chair), Monique Conheady and Janet Dore effective for three years from 1 August 2016.

OBJECTIVES

The TSC is tasked with regulating the commercial passenger vehicle industry and implementing industry reform.

The objectives of the TSC in legislation are to increase public confidence in the safety of the CPV industry, and to pursue and promote major and enduring improvements in:

- the provision and accessibility of services offered by the industry
- competition in the industry
- innovation in the industry including in the business structures, service delivery models, policies and procedures in the industry
- the safety of passengers and drivers of commercial passenger vehicles.

STATUTORY OBLIGATIONS

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

- *Transport Integration Act 2010*
- *Transport (Compliance and Miscellaneous) Act 1983*
- *Road Safety Act 1986*
- *Transport (Buses, Taxi-Cabs and Other Commercial Passenger Vehicles) Regulations 2005*
- *Transport (Taxi-cab Industry Accreditation) Regulations 2007.*

FUNCTIONS

The TSC's focus is on a strong and vibrant CPV industry, which provides safe, inclusive, trustworthy, competitive and responsible services. In 2015–16, the key functions of the TSC included:

- administering licensing, accreditation and other requirements imposed on industry participants
- administering the Multi-Purpose Taxi Program (MPTP) and country and regional Wheelchair Accessible Taxi (WAT) subsidy scheme
- administering grants
- developing and implementing operational policy
- assisting the Department of Economic Development, Jobs, Transport and Resources in developing strategic policy and legislation
- receiving and dealing with complaints relating to the operation and performance of the industry
- monitoring the industry to ensure compliance with relevant legislation and regulations
- liaising and communicating with consumers and the industry
- implementing a broad range of CPV industry reforms
- working with DEDJTR to identify and reduce red tape impacting on the industry.

PROGRESS AGAINST REFORMS

The reform program transformed Victoria's taxi and hire car industry. Over the coming years, these reforms will continue to be built on, to deliver significant service improvements that benefit the Victorian community and industry alike.

The Taxi Industry Inquiry (TII) was announced in March 2011 as a first step towards realising reform of the commercial passenger vehicle industry. The TII's final report *Customers First – Service, Safety, Choice* was tabled in Parliament in December 2012. The government at the time supported 138 of 139 recommendations in full or in part.

In this third year (2015–16), 29 recommendations were closed. On 30 June 2016, the TII reform program formally concluded—with 120 of the original 138 supported recommendations closed. See Appendix 4 of this report for a final summary of the implementation of the 139 TII recommendations.

Overall, the program delivered significant reforms to the industry, reduced the regulatory burden on industry participants and improved services for consumers. Simplified zones, better conditions and remuneration for drivers and the availability of annual licences have all led to more flexibility in the industry. The fare notification arrangements in the country have allowed operators to price fares according to their local markets and conditions.

The lessons learnt during implementation of the recommendations from 2013 to 2016 support broader reform of the regulatory environment.

The TSC is tasked with further increasing competition, removing restrictions to entry, moving towards deregulation and increasing industry accountability so that the Victorian community is provided with the choice and quality of service they deserve.

TAXI LICENCES

During 2013–2016, the approach to taxi licensing was to remove the regulatory restriction on licence numbers, allowing those delivering taxi services the flexibility to meet passenger demand. The set annual taxi licence fee provided an effective way to constrain previously escalating licence values and subsequently, assignment fees faced by taxi operators.

By the end of 2014–15, the introduction of the 'as of right' licences saw the number of taxi licences in circulation increased by 617 to 5,869. As of 30 June 2016, the number of taxi licences fell to 5,663, down by 206, as fleet numbers adjusted to match consumer demand. While the total number of licences was down, the number of licences in some regions increased—with 24 more taxi licences in the Urban zone and new taxi licences issued to operators in parts of the Regional and Country zones.

The TSC made materials, including background information, research, case studies and eligibility requirements, available to people considering applying for an 'as of right' licence in order to help them make an informed decision.

FARES AND PRICE NOTIFICATION

As part of the 2013–16 reform program, a new fare structure was introduced that saw a substantial fare increase for short trips and peak period travel on Friday and Saturday nights in the Metropolitan zone. In all other zones, fares increased by a flat 12.5 per cent.

The changes also saw all regulated fares become 'maximum fares', allowing Metropolitan operators to offer discounted fares to passengers as a point of difference.

In Regional and Country zones, operators were able to set their own fares through price notification. There are now 46 operators who have adopted price notification during this period.

In 2015–16, the TSC made submissions to the Essential Services Commission (ESC) *Taxi Fare Review 2016* advocating for greater flexibility in fares. The submissions also encouraged the ESC to take into consideration the major changes occurring within the industry and any consequential impact or opportunities arising when setting fares.

While the ESC chose to maintain a level of control over prices for commercial passenger vehicle services, the Victorian Government has subsequently announced that fare structures will be progressively opened up to allow the industry to charge passengers differentiated prices that reflect the type of service they provide.

In a deregulated environment, service providers can be relied upon to keep fares as low as possible when accompanied by other consumer protections to enable passengers to make informed choices.

HIRE CARS

Since the TII, the pre-booked and on-demand market has changed dramatically with the emergence of smart phone and application based booking services. As a result, a number of the hire car recommendations were not implemented. In light of the changing environment, the future requirements for hire car licensing will be considered as part of a larger regulatory reform program.

BETTER QUALITY DRIVERS

The Knowledge test was a TII recommendation introduced as a way of setting a new standard for drivers entering the industry and assessing if drivers had the appropriate skills required to provide a high level of customer service. It was introduced to put customers first, and aimed to restore trust and confidence in the taxi industry at the time.

The Knowledge taxi modules included General Knowledge, Geographical (for Metropolitan zone), Driver Behaviour, and theoretical and practical assessments for Wheelchair Accessible Taxis.

The Knowledge Handbook helped to prepare applicants to sit the Knowledge modules. It was downloaded over 89,000 times.

By 30 June 2016, 5,504 applicants had attained the Knowledge. In an evolving commercial passenger vehicle industry, higher quality drivers and service performance is a point of difference.

A new, fairer Driver Agreement came into effect on 30 June 2014. It requires that drivers receive at least 55 per cent of gross fares and allows them to take up to four weeks' unpaid annual leave, provided they have regularly worked for the operator for 12 months or more. It also mandates that operators must cover all operational expenses and have an insurance policy in place that indemnifies the driver against vehicle damage.

The TSC has undertaken a post-implementation review of the Driver Agreement to ensure that the implied conditions, put in place for the protection of drivers, are having the intended effect. The results of the review will be released in 2016–17.

VEHICLES

On 28 September 2015, the TSC gazetted new specifications for taxis. The new vehicle specifications:

- removed requirements for boot releases, 'not for hire' signs and other items to align with the *Transport (Buses, Taxi-Cabs and Other Commercial Passenger Vehicles) Regulations 2015*
- removed requirements that were duplicated elsewhere in regulations and licence conditions
- amended specifications to support taxi reforms (i.e. customer information, livery and advertising).

EMPOWERING PASSENGERS

The Public Register is now an established part of the TSC website. It provides transparency for passengers by allowing them to search for who controls or operates vehicles, and their industry and accreditation status.

IMPROVED AND EFFECTIVE REGULATION

The TSC's Data Warehouse is being used to drive more accurate and timely business intelligence across the organisation.

This year the TSC reviewed its approach to delivering its safety objective. The review analysed safety related harms and risks, regulatory partners and current regulatory measures related to safety. It identified four pillars to underpin the TSC's future approach—outcomes, risk, shared responsibility and evidence and evaluation.

COMMUNITY AND STAKEHOLDER ENGAGEMENT

The TSC continued to communicate and engage with its stakeholders about the final year of implementation and closure of the reform program.

The TSC website was regularly reviewed and updated to provide information on the progress of reforms to stakeholders and passengers.

YEAR IN REVIEW

The commercial passenger vehicle industry continues to evolve rapidly in response to changing customer preferences and the operation of unlawful new services that are popular with the public. The TSC provided expert policy and operational advice to the Government about possible regulatory models and their impact on consumers and the CPV industry.

The TSC also supported DEDJTR in a major review of regulations to ensure public safety and consumer protections, while providing a regulatory environment that still fosters competition.

The TSC completed a number of internal reviews to evaluate the effectiveness of its regulatory activities, identify areas to improve its policy and practice and prepare for the future. This included reviews of:

- the effectiveness of the agreements between taxi drivers and operators, and whether they have improved driver remuneration and working conditions
- the TSC's delivery of its safety objective, with the organisation looking to take a more strategic, evidence-based approach to safety in the future
- the effectiveness of current measures and incentives to increase the taxi industry's willingness to provide services to people who use wheelchairs
- taxi vehicle specifications, focusing on reducing unnecessary or redundant regulatory requirements without compromising safety.

The TSC has a significant focus on increasing the safety and accessibility of CPV services.

Increasing safety and availability of services for people with disabilities was addressed through compliance operations and engagement with the disability community. The TSC is working to raise awareness among the industry on ways to better serve passengers through educational events.

The TSC launched its Open Doors campaign highlighting the industry's role in transporting passengers who use assistance animals. The campaign was developed in cooperation with the Victorian Equal Opportunity & Human Rights Commission (VEOHRC), Guide Dogs Victoria, Assistance Animals Australia, Victorian Taxi Association and Silver Top Taxis.

During 2015–16, several TSC compliance operations were undertaken to check that CPV operators and drivers were meeting the legal standards for safety and accessibility.

One operation focused on the availability of wheelchair accessible taxis for wheelchair passengers in collaboration with 13 CABS and Silver-Top Taxis. Under driver accreditation conditions, passengers who use a wheelchair have priority use of these taxis over others. During implementation, reports of failure to give wheelchair passengers priority dropped significantly from 141 (early May 2016) to 9 (end of June 2016). During the period, 75 infringement notices were issued.

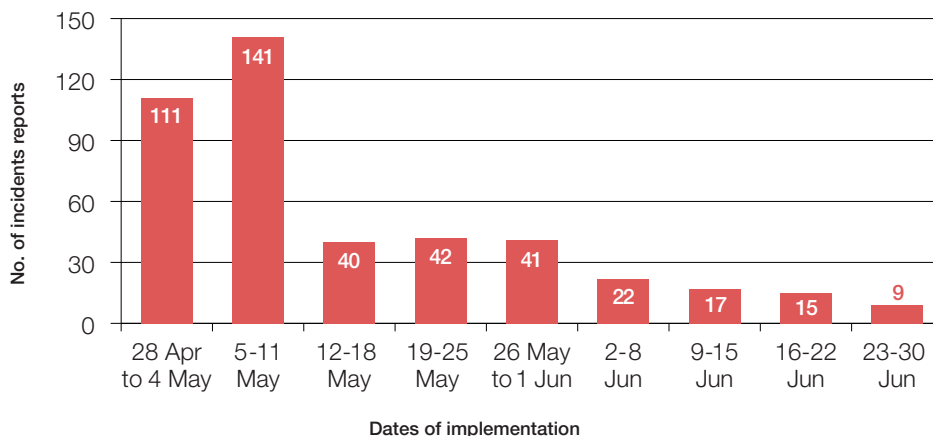
Under the *Transport (Buses, Taxi-cabs and Other Commercial Passenger Vehicle) Regulations 2005*, the TSC can require taxi operators or hire car licence holders to submit an identified vehicle for a safety inspection. The TSC maintains a Quality Assurance Centre at Melbourne Airport to conduct these inspections.

In May and June 2016, the same regulations were used to inspect 112 wheelchair accessible taxis to test whether they met the required standards for providing safe transport services for people with a disability. 64 rectification and seven infringement notices were issued.

Twenty four of these vehicles did not have the required wheelchair restraint systems fitted. A lack of knowledge amongst drivers and operators about the systems was uncovered, including: where they could be purchased, how to correctly fit them and the correct method of use. These important safety matters are being addressed through follow-up initiatives.

In addition, there was targeting of illegal operators that compete with taxis and hire cars to offer commercial passenger vehicle services. In 2015–16, the TSC concentrated its operation on high demand locations and events, such as Melbourne Airport, Crown Casino, the Spring Racing Carnival and the Melbourne Grand Prix. Most of 452 offences detected were for unauthorised operating (258) and driving a commercial passenger vehicle without accreditation (154).

Operation WAIT – Addressing failure to give wheelchair passengers priority



PERFORMANCE AGAINST OBJECTIVES

The TSC has four strategic objectives to achieve its vision and mission. These objectives are designed to address legislative requirements, policy challenges, the TSC's strategic risks and implementation of its mission.

The TSC is working towards a number of outcomes against these objectives and has realised a number of key achievements during the 2015–16 year. These achievements and their significance to the success of the TSC are summarised below.

Strategic objective 1: Direct regulation to ensure safe travel for passengers and safe working conditions for drivers

| Achievement | Significance |
|--|---|
| Contribution to the Government's consideration of policy options and new regulatory models to transform the CPV industry. | The TSC has significant accumulated knowledge and expertise to advise the Government on possible changes, the impacts on industry and the benefits for consumers. |
| Contribution to the remaking of the <i>Transport (Buses, Taxi-Cabs & Other Commercial Passenger Vehicles) Regulations 2016</i> . | These regulations provided a foundation for many of the TSC's safety related functions. |
| Contribution to the repeal of section 159 of the <i>Transport (Compliance and Miscellaneous) Act 1983</i> . | The repeal safeguarded the integrity of the licensing and accreditation schemes under the Act. |
| Completed a safety review and agreed on the key pillars of the new approach to delivering the safety objective. | Identifying key harms, risks, evidence and regulatory partners is consistent with good regulatory practice and will form the foundations of a new regulatory model. |
| Five high priority compliance operations conducted during the year. | Checking that CPV services to the public meet the required standards. |
| Efficient processing of accreditation during the year, despite a significant increase in applications. | Timely responses to industry applicants and maintenance of safety standards in the industry. |

Strategic objective 2: Provide information that encourages competition and high quality services

| Achievement | Significance |
|--|--|
| Increased in the number of CPV network service providers being accredited. | Suggested a positive response to the government's encouragement of increased competition in the CPV market. |
| Consumer interest test applied to 20 applications for taxi or hire car licences in the regional and country zones and results of the test published. | New licences issued resulted in no significant and lasting consumer detriment evident in country and regional areas. |
| Prepared a submission to the Essential Services Commission's 2016 taxi fare review. | Ensured that a regulatory implementation perspective was considered in reviewing fares. |
| Presented at regional meetings conducted by the Victorian Taxi Association in Warrnambool, Sale, Wodonga and Echuca in February and March. | Responsiveness to key industry partners and to opportunities to directly engage and inform the industry across Victoria. |

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

| Achievement | Significance |
|--|---|
| Streamlined the Knowledge module that informs drivers of requirements to drive wheelchair accessible taxis. | Commitment to review and improve communication of the requirements to provide high quality service to passengers with disabilities. |
| The number of wheelchair trips subsidised under the Multi-Purpose Taxi Program (MPTP) grew by 3.4 per cent in 2015–16. | Taxis continue to be a vital mode of transport for wheelchair users who have limited options to meet their on-demand transport needs. |
| Worked with other Victorian Government entities and the Australian Government to plan for the transition of some MPTP members to the new National Disability Insurance Scheme. | Contribution to a national approach to better service the social and economic needs of people with disabilities. |
| Sponsored the Disability Sport and Recreation Festival at Federation Square and participated in several Try Before You Ride events with other public transport entities. | Provided people with disability the opportunity to provide feedback and get comfortable with accessible transport options. |

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

| Achievement | Significance |
|--|--|
| Established risk registers in all TSC divisions. | Full implementation of the TSC Risk Management Framework and alignment with government requirements. |
| Conducted a review and targeted realignment of the TSC structure. | Three-year funded positions to implement the taxi and hire car reforms finished and the TSC needed to be ready for further changes in its operating environment. |
| Improved business processes for reviewing and progressing accreditation and licensing applications, taxi and hire car service complaints and legal matters being pursued by the TSC. | Committed to improve the timeliness, effectiveness and efficiency of the TSC's service to Victorians. |
| Prepared a business case for an online service portal. | Demonstration that the TSC is committed to the government direction that a greater proportion of future services are available online. |
| Developed and introduced new monthly financial management reports. | Improved the transparency of financial performance. |
| Improved selection and support for TSC employees undertaking occupational health and safety roles. | Strengthened commitment to ensuring the safety and well-being of TSC employees. |

STATEMENT OF EXPECTATIONS

The former Minister for Public Transport issued the TSC with a statement of expectations for 2014–15 and 2015–16. The statement directed the TSC where to focus its efforts to improve the efficiency and effectiveness of its regulatory activities and to reduce red tape for the taxi and hire car industry. Achievements this year against the key performance areas of the statement are detailed below.

1. Benchmarking the performance of the TSC as a regulator

This year, the TSC participated in DEDJTR's development of a consistent regulatory model for the regulators in its portfolio. The model includes a regulator performance monitoring framework, which the TSC will consider as it develops its future regulatory model.

2. Modernising measurement and monitoring processes

A major achievement was the implementation of a data warehouse for the TSC. The warehouse brought disparate sources of data together and provided the tools to drive more accurate and timely business intelligence across the organisation. It also enabled the TSC to effectively monitor the commercial passenger vehicle market.

The TSC regularly surveys taxi and hire car users to assess their satisfaction across a number of variables such as safety, comfort, driver behaviour and price. This survey is now conducted online—rather than through computer-aided telephone interviews with reliance on landlines—capturing the views of a more representative sample of Victorians.

The TSC implemented its compliance system, which is accessed in the field using tablets. The system enabled real time recording of compliance activities and gives compliance officers immediate access to driver and vehicle history, assisting them to make informed enforcement decisions. Comparative and trend data is used to inform compliance planning, sector targeting and safety and standards benchmarking of vehicles.

3. Embedding a risk-based approach to compliance and enforcement

The TSC continued to evolve its compliance and enforcement approach, using benchmarking and data from its compliance system to target its vehicle related activities. For example, it:

- identified the poorest performing taxi operators and conducted more than ten targeted fleet inspections as a result
- used a consistent seven point 'taxi quality rating' benchmarking approach to identify and target unsafe and poor quality metropolitan taxis—this approach yielded strong results with the overall quality rating improving across the fleet and fewer taxis rated as unsafe or of poor quality
- identified and targeted particular sectors, such as wheelchair accessible taxis, for sector specific interventions.

4. Providing greater transparency to the industry and the wider public

As reported last year, the TSC met the Minister's specific expectations by publishing the TSC's *Monitoring, Compliance Policy and Enforcement Policy, Performance Complaints Handling Policy and Procedure* and monthly assessments of the consumer interest and excessive entry tests.

In the future, the TSC intends to publish more data to inform commercial passenger vehicle users and industry participants. In 2015–16, it commenced a pilot project to share data with network service providers to help them to understand customer experiences and improve their performance.

5. Streamlining administrative processes for industry to reduce red tape (including payment options)

As reported last year, the TSC met the Minister's specific expectations by introducing EFTPOS facilities for credit card payments at the TSC customer service centre and for telephone payments. The TSC also streamlined processes by conducting criminal history checks on an applicant's behalf.

The TSC continually improves its administrative and regulatory processes to reduce red tape. For example, the TSC:

- removed redundant or duplicate specifications that apply to taxi vehicles
- made key applications such as for driver accreditation easier and clearer by simplifying forms and processes, and publishing estimated processing times
- mapped its accreditation and licensing processes to identify areas for future improvements.

6. Working collaboratively with the department in the continued regulatory reform process

The CPV industry continues to evolve rapidly in response to changing customer preferences and the operation of smart phone and application based booking services.

The TSC supported the Government to consider and prepare for transformation of the regulatory environment. Support included providing expert policy and operational advice about possible regulatory models and their impact on consumers and the CPV industry.

PERFORMANCE OF THE INDUSTRY

Section 115SB of the Transport Integration Act 2010 requires the TSC (for the first five years of its operation) to include a report on the performance of the taxi and hire car industry in the TSC Annual Report. The following addresses the legislative requirement based on findings drawn from the TSC's regulatory activities.

SAFETY AND COMPLIANCE

The TSC is tasked with improving the safety of drivers and passengers of commercial passenger vehicles and promoting public confidence in the safety of the CPV industry. This is addressed through monitoring and enforcing regulations and legislation, as well as implementing initiatives that lead to greater safety in commercial passenger services.

The TSC monitors and enforces safety requirements through accreditation processes, inspections and investigations. The TSC employs a tablet-based inspection application – iFACTS – for recording data on safety inspections for analysis and reporting quickly, thus producing a benchmarked Taxi Quality Rating for individual vehicles. The TSC uses these ratings to monitor the quality of the commercial passenger vehicle fleet on an ongoing basis.

Over 2015–16, the targeted inspection approach has included taxis that were not inspected by the TSC in the previous 12 months, wheel chair taxis, and an older category of taxis licensed to operate only in periods of peak demand. Fleet inspections were also conducted for operators identified through the iFACTS system as being high risk with regards to safety.

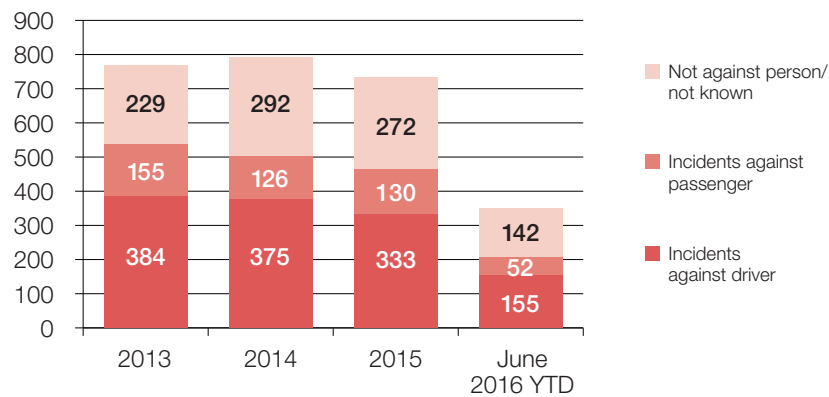
Issue specific inspections were undertaken with taxi drivers to ensure that each was operating with the correct accreditation endorsements, including the completion of the Knowledge test where required.

Part of the TSC's regulatory role is to issue notices to industry participants when regulations are breached. Total inspection and intervention numbers for the year were 20,373 with a strong focus on vehicle safety and driver accreditation.

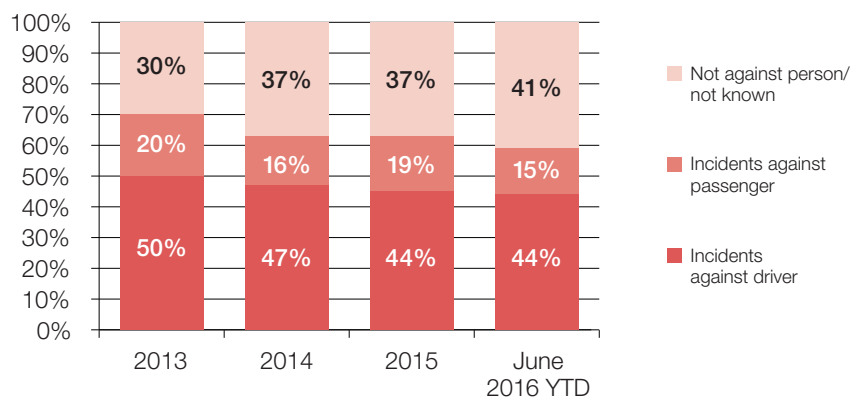
| Transport safety and compliance | 2015–16 | 2014–15 |
|---|---------------|---------------|
| Number of infringement notices | 748 | 927 |
| Number of official warning notices | 77 | 244 |
| Number of rectification notices | 1750 | 2,933 |
| Number of defect notices | 0 | 33 |
| Number of other notices | 59 | 0 |
| Total notices issued | 2,634 | 4,137 |
| Directed vehicle inspections | 1,703 | 0 |
| Total inspections | 20,373 | 12,944 |
| Notices as a percentage of vehicle inspections | 12.9% | 32.0% |

A key function for the TSC is the downloading of images from the safety cameras installed in taxis, when incidents occur that require investigation by the Victoria Police or the TSC. In 2015–16, 726 camera downloads were completed. It is important to recognise that this represents just 0.003 per cent of the 26 million trips taken annually in Victoria indicating that a tiny proportion of taxi trips result in an incident requiring a camera download. Of these, 460 were related to the CPV industry and 266 were related to other matters.

Camera download incidents—number breakdown (calendar year)



Camera download incidents—% breakdown (calendar year)



DRIVERS AND OPERATORS

Drivers of all commercial passenger vehicles are regulated via a common accreditation scheme. The 2015–16 financial year saw an increase in the number of accredited drivers (six per cent more) and a decrease in active taxi drivers who undertook at least one shift within the last 12 months (five per cent fewer) compared with the previous year. The increase in driver accreditations may be due to ride share drivers who are opting to obtain driver accreditation. The decrease in active drivers can be attributed to the overall reduced market share in commercial passenger vehicle trips by the taxi industry.

The number of accredited licence operators and network service providers has increased over the last 12 months (seven per cent more). This reflects the implementation of industry reforms encouraging competition and new entrants to the taxi and hire car industry.

| Accredited parties on 30 June | 2015–16 | 2014–15 |
|---|---------|---------|
| Total accredited drivers (taxi, hire car, bus driver) | 46,325 | 43,898 |
| Total active taxi drivers* | 14,771 | 15,532 |
| Total accredited industry participants (<i>licence operators, network service provider</i>) | 10,692 | 9,996 |
| Total driving instructor authorities | 2,212 | 2,198 |

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

The Knowledge test was introduced as part of the program of industry reforms in mid-2014 to increase taxi and hire car drivers' local geographical expertise, disability knowledge and general customer service skills—and set a new standard of endorsement for drivers entering the industry.

At the end of June 2016, 5504 drivers attained the Knowledge – a significant increase over the previous year (1,758 drivers). Attaining the Knowledge requires successful completion of specified modules to be endorsed to drive in the Metropolitan or Urban and Large Regional zones. At the module level, 12,652 modules were successfully completed at the end of June 2016. The overall module pass rate was 45 per cent – an improvement over the previous year.

| | 2015–16 | | 2014–15 | |
|---|---------------|------------------|--------------|------------------|
| Number of people that have attained the Knowledge | 5,504 | | 1,758 | |
| Module | Pass | Pass rate | Pass | Pass rate |
| Driver Behaviour | 4,940 | 45% | 1,764 | 41.5% |
| General Assessment | 1,898 | 40% | 327 | 25.9% |
| Geographical Assessment | 3,869 | 49% | 1,490 | 47.4% |
| Metropolitan Hire Car | 1,906 | 48% | 586 | 44.8% |
| Wheelchair Accessible Taxi (WAT) Theory | 39 | 15% | 9 | 12.3% |
| Total | 12,652 | 45.0% | 4,176 | 41.6% |

LICENCES

At the end of 2015–16, the total number of taxi licences in Victoria was 5,663. This is a 3.5 per cent reduction in licences compared with a year earlier, mostly in the Metropolitan zone in the annual, fixed term and peak service licence categories. However, it should be noted that conversion of fixed term conventional licences into new annual taxi licences explains some of the overall decrease in licence numbers.

The average price paid for a perpetual Metropolitan taxi licence at the end of June 2016 was \$158,688. This is a decrease of 45 per cent compared with a year earlier when licences were trading at just over \$286,000.

The average fee charged for assigning metropolitan taxi licences has trended down over 2015–16 to \$1,716 per month at the end of June 2016. This fee when annualised equates to \$20,592 per annum and represents a \$2,400 per annum discount on the price for an annual licence.

| Number of taxi licences | 2015–16 | | | 2014–15 | | |
|---|--------------|------------|--------------|--------------|------------|--------------|
| | Conventional | WAT | Total | Conventional | WAT | Total |
| Metropolitan zone | 4,217 | 443 | 4,660 | 4,399 | 492 | 4,891 |
| Urban and Large Regional zone | 420 | 85 | 505 | 400 | 79 | 479 |
| Regional zone | 264 | 72 | 336 | 261 | 77 | 338 |
| Country zone | 127 | 35 | 162 | 126 | 34 | 160 |
| Total | 5,028 | 635 | 5,663 | 5,186 | 682 | 5,868 |
| Licence transfers (Metropolitan taxis) | | | | | | |
| Average Metropolitan taxi licence market value for all transfers in the rolling quarter | | | \$158,688 | | | \$286,583 |
| Number of market-based transfers | | | 96 | | | 112 |
| Average monthly assignment fee charged | | | \$1,716 | | | \$1,940 |
| Number of assignments | | | 1,442 | | | 1,419 |
| Number of hire car licences* | | | 1,199 | | | 1,134 |
| Number of restricted hire licences* (4WDs, tour cars, hire cars 25+ years old) | | | 610 | | | 616 |
| Number of special purpose vehicle licences* | | | 966 | | | 956 |

*Note: Figures quoted are the total number of licences in operation for each licence type as at 30 June 2016.

ACCESSIBILITY

The TSC administers the Multi-Purpose Taxi Program, which assists the travel needs of people with severe and permanent disabilities. Subsidised taxi fares are offered to its members. Access to the program is subject to meeting specific eligibility criteria.

The total number of trips subsidised under the MPTP scheme has increased 1 per cent in 2015–16 compared with last year. The demand for subsidised wheel chair trips has significantly increased by 3.4 per cent compared with the previous year.

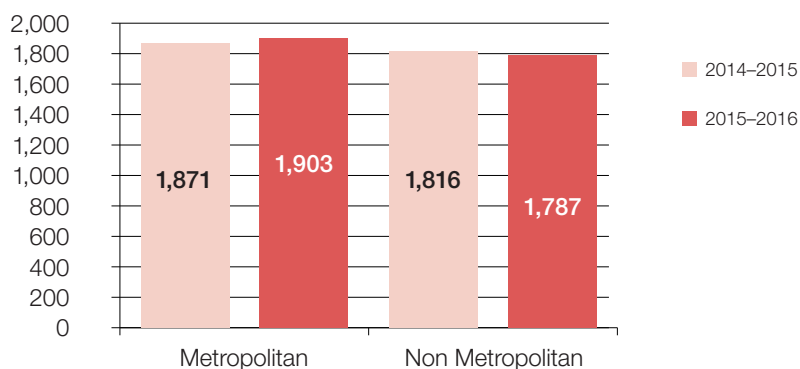
| Average number of trips per MPTP member | 2015–16 | 2014–15 |
|---|---------|---------|
| Conventional trips per active* members | 45.5 | 45.7 |
| Wheelchair trips per active* members | 72.3 | 71.5 |

*Note: active MPTP members are those who have taken at least one trip within the last 12 months.

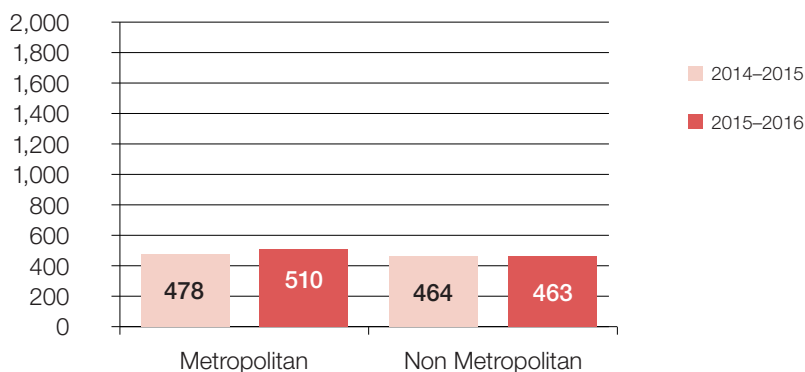
The average number of conventional taxi trips taken per MPTP member (46.1) in 2015–16 was marginally above the figure in the previous year (45.5). The result for wheelchair members also increased (74.5 per member) with wheelchair trips taken per member up by 3 per cent in the past financial year – reflecting the overall increase in wheel chair trips over 2015–16.

MPTP membership grew by 8,735 members (4.4 per cent) in 2015–16 over the previous year. At the end of June 2016, there were more than 208,000 MPTP members. Of these, 93,153 (45 per cent) are active, having taken at least one trip under the program over the financial year. At the end of June 2016, 34,546 MPTP members were wheelchair users (16.6 per cent of the total membership).

MPTP Number of conventional trips 2015–16 ('000)



MPTP Number of wheelchair trips 2015–16 ('000)



TAXI OCCUPANCY RATE

The taxi occupancy rate is the percentage of time that a taxi spends carrying a paying passenger, relative to the total time it is available for hire. It is calculated using taxi network trip and driver shift data.

There are a number of factors relating to the supply and demand of taxi services that affect occupancy rates such as:

- the operator and booking service's efficiency in conducting their business (supplying taxis at times and to places which meet passenger demand)
- variability in passenger requirements and consumer demand
- impact of other transport options – both interconnecting and competing
- demand in entertainment precincts which peaks at certain times of the day or week
- the unpredictability of the weather.

Fare increases can lead to a short-term reduction in occupancy, whereas population growth and growth in tourism to Victoria increase demand over the longer term.

The TSC is particularly interested in occupancy rates at times of highest and lowest service demand in the Metropolitan zone in Melbourne. October to December is a period of the year when service demand and occupancy are highest due to public events held in the Spring and celebrations associated with the holiday season such as Christmas, Boxing Day and New Year's Eve. In December 2015, the average Metropolitan taxi occupancy rate was 29.5 per cent – lower than the December 2014 rate. This can be attributed in part due to changes in broader market circumstances and the availability of alternative service types.

The occupancy rate for April to June (28.3 per cent) tends to be lower than for the October to December quarter due to the easing of demand for taxi services in the colder months.

| Average occupancy rate | 2015–16 | 2014–15 |
|---|---------|---------|
| October to December quarter (high demand) | 29.5% | 32.0% |
| April to June quarter (low demand) | 28.3% | 28.4% |

**Note: Occupancy is defined as the percentage of hours that Metropolitan taxis are occupied by passengers.*

Occupancy rates also vary greatly throughout the average week. The highest occupancy rate (55 per cent) occurs during peak business hours and generally between 11pm and 1am on Saturday nights. Lowest occupancy rates of approximately 10 per cent typically occur between 2am to 5am on Mondays to Thursdays. At these times, even though demand is low, there is a relatively high proportion of the working taxi fleet on the road and available for service.

The TSC will continue to monitor occupancy rates, along with other measures such as the ratio of drivers to vehicles, fleet size and population growth to inform policy decisions for regulating the industry.

COMPLAINTS

The TSC can investigate complaints from the public or industry participants about services provided by taxis, hire cars, bus and driving instructors. Complaints received by the TSC are recorded in a secure case management system.

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 Passenger Vehicles) Regulations 2005*.

In 2015–16, the total number of issues received by the TSC was 23 per cent lower than for 2014–15. This reflects the positive outcomes from implementing industry reforms over the past three years and a subsequent greater awareness regarding responsibilities and accountabilities for services.

| | 2015–16 | 2014–15 |
|---|--------------|--------------|
| Total number of complaints received by the TSC ^{(i) (ii)} | 2,642 | 3,265 |
| Number of issues relating to taxi and hire car services | | |
| Conduct of driver | 1,192 | 830 |
| Fare charging and payment | 349 | 453 |
| Compliance with general road rules | 310 | 323 |
| Concerns with operator | 274 | 136 |
| Vehicle condition and appearance | 93 | 89 |
| Hiring and trip experience | 49 | 728 |
| Authorisation – driver and/or vehicle | 36 | 324 |
| Adequacy of vehicle equipment | 19 | 15 |
| Presentation of driver | 16 | 35 |
| Number of issues relating to other transport services | | |
| Relating to driving instructors | 17 | 39 |
| Relating to buses | 7 | 16 |
| Number of other issues recorded | | |
| Relating to the Knowledge test | 89 | 212 |
| Referred to other government authority | 21 | 72 |
| Other issues that do not fall into above categories | 259 | 287 |
| Total number of issues recorded | 2,731 | 3,559 |

⁽ⁱ⁾ The case management system for complaints is also used for recording feedback, suggestions, queries and compliments provided to the TSC. These categories raise the total entries into the system for 2015–16 to 2933.

⁽ⁱⁱ⁾ The TSC also received 35 additional complaints about its own operations. These complaints related to service delivery (18), application processes (9), a condition or regulation (4), the complaints process (2) and an individual employee (2).

Following the introduction of the driver agreement, the TSC introduced a dispute resolution process in 2014–15 to manage disputes between drivers and operators. Disputes are now recorded separately to complaints. The number of disputes received by the TSC in 2015–16 declined significantly compared with last year. The decline is likely to be due to the driver agreement, which sets requirements in relation to many of the matters below, being more widely understood by industry in its second year of implementation.

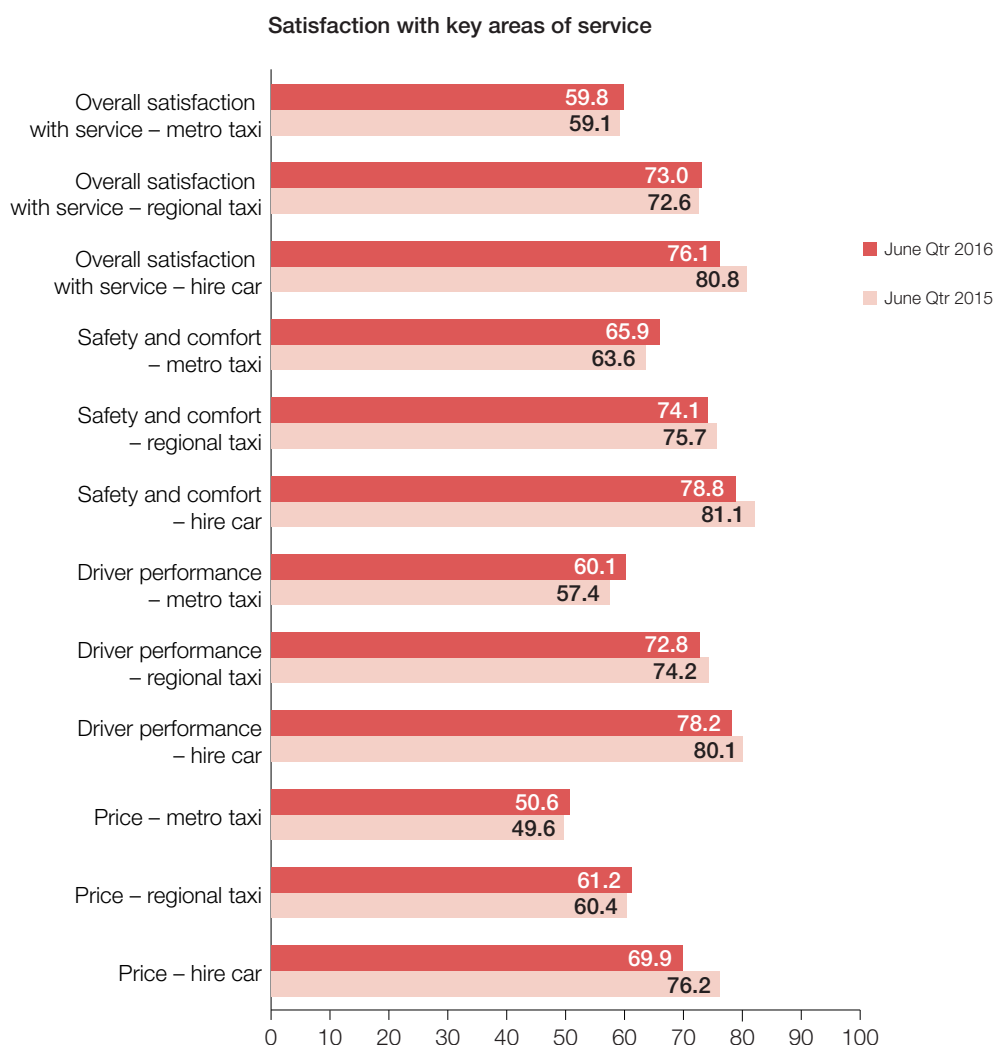
| Issue in dispute | 2015–16 | 2014–15 |
|---|----------------|----------------|
| Insurance and indemnity | 29 | 69 |
| Bond | 25 | 65 |
| Fare box (55 per cent) | 20 | 33 |
| General / other | 12 | 76 |
| Termination of employment | 3 | 7 |
| Fees and charges | 0 | 38 |
| Leave entitlements | 0 | 2 |
| Maintenance and cost | 0 | 4 |
| Total number of disputes received by the TSC | 89 | 294 |

TAXI AND HIRE CAR CUSTOMER SATISFACTION

The TSC contracts an independent market research company to survey and report on taxi and hire car customer satisfaction. In July 2014, the TSC commenced measuring satisfaction of metropolitan Melbourne and regional taxi customers separately. It also commenced measuring hire car customer satisfaction across Victoria. In July 2014, an online survey methodology for collecting customer satisfaction data was introduced in parallel to the existing telephone landlines methodology, and from July 2015, the landlines methodology was discontinued. The online methodology demonstrated an ability to more effectively reach a cross-section of all taxi and hire car users. All results below are based on using the online methodology.

Overall satisfaction scores for metropolitan taxi and regional taxi services in the June 2016 quarter are broadly in line with the same quarter in 2015. In comparison, overall customer satisfaction with hire car services has shown a decrease, from a score of 80.8 per cent to 76.1 per cent. It should be noted that customer satisfaction among hire car customers is consistently higher than satisfaction with both Metropolitan and Regional taxi services across a range of measures.

Satisfaction with driver performance, safety and comfort, and price of the trip are the major contributors to overall satisfaction. Results for these measures are shown in the chart below.



FINANCIAL SUMMARY AND REVIEW

The table below shows the financial results for 2015–16 and the three preceding financial years.

| Financial result for the year ended 30 June extract | 2015–16 \$'000 | 2014–15 \$'000 | 2013–14 \$'000 | 2012–13 \$'000 |
|--|-------------------|-------------------|-------------------|-------------------|
| Income from government | 87,110 | 87,130 | 79,783 | 1,475 |
| Total income from transactions | 87,931 | 87,655 | 80,018 | 1,572 |
| Total expenses from operations | (92,255) | (91,723) | (83,535) | (1,577) |
| Net result from transactions | (4,324) | (4,069) | (3,517) | (5) |
| Net cash flow from operating activities | (1,304) | 529 | 1,844 | 168 |
| Total assets | 20,702 | 22,873 | 21,860 | 187 |
| Total liabilities | 9,646 | 11,321 | 10,647 | 155 |
| Net assets | 11,056 | 11,552 | 11,213 | 32 |

The 2015–16 TSC Annual Report includes the TSC's full-year financial statements from 1 July 2015 to 30 June 2016. This is the third reporting period that has ended since the responsibility for the regulation of commercial passenger vehicles was transferred from the departmental Secretary to the TSC, effective on 1 July 2013.

The comparative for the 2012–13 financial year covers the inquiry phase of the TSC, when the main objective was to review the structure, conduct, performance and regulation of the commercial passenger vehicle industry.

Financial result

In 2015–16, the net result from transactions was a deficit of \$4.5 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 they are considered to be non-controllable transactions. This will have a cumulative impact on the accumulated deficit in future financial years.

Income

TSC's income is predominantly sourced from government grants.

Expenses

TSC's operating expenses in 2015–16 totalled \$92.3 million. Of this expenditure, \$60.0 million (2015: \$57.2 million) was for grant payments for the MPTP and \$32.3 million (2015: \$34.6 million) was for implementing the Taxi Industry Inquiry and administration of regulatory services.

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

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 TSC's income but are paid to the Victorian Government's Consolidated Fund or other government agencies. During 2015–16, revenue on behalf of the Victorian Government and other government agencies totalled \$40.2 million (2015: \$36.5 million).

Financial position—balance sheet

During 2015–16 total financial assets decreased by \$2.6 million to \$7.3 million. This result is mainly due to a decrease of \$2.7 million in the amounts owing from the Victorian Government as a result of higher cash proceeds received for grants to cover normal operations and lower capital funding required.

Total non-financial assets increased by \$0.5 million to \$13.4 million due to an increase in prepayments of \$1.6 million for workplace services and the addition of new leasehold improvements of \$3.5 million, offset by the reduction to property, plant and equipment and intangible assets by additional depreciation of \$4.7 million.

Total liabilities decreased by \$1.7 million to \$9.6 million mainly due to a decrease in level of capital spending, resulting in decrease in contractual payables of \$2.3 million, offset by a marginal increase of \$0.6 million to employee provisions.

As a result of the above changes, net assets decreased by \$0.6 million to \$11.0 million as at 30 June 2016.

Cash flows

Net cash outflow from operating activities was \$1.3 million in 2015–16. This represents a \$1.8 million decrease compared to 2014–15, where drawdown of funding from DEDJTR was more closely aligned to the operating cash payment activities in 2015–16 compared to the prior financial year.

The overall cash surplus of \$2.4 million for the 2015–16 financial year represented a net decrease of \$0.4 million compared to the previous year. Of this, \$1.0 million net cash flow was from financing activities, such as decreased capital grant contributions.

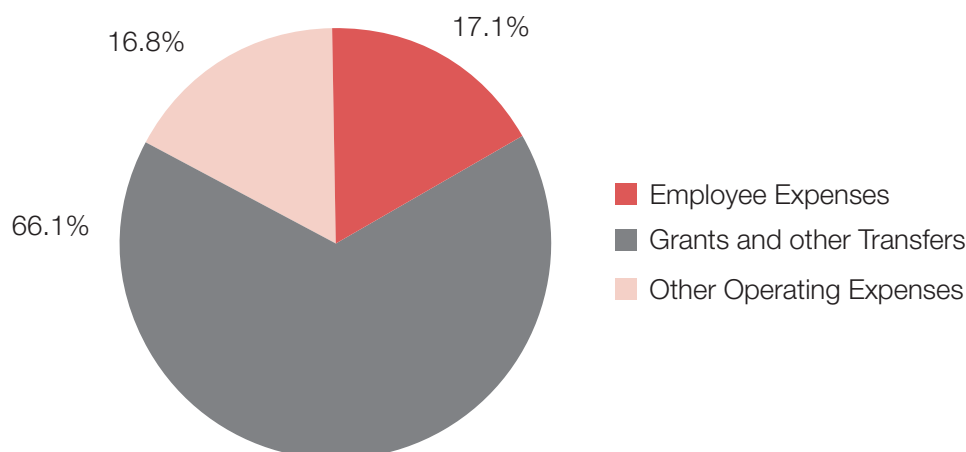
Financial Summary

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

Subsequent events

There were no material events occurring subsequent to the balance sheet date, 30 June 2016 that needed to be disclosed or accounted for by the TSC.

Operating Expenses in 2015–16



GRANTS PROGRAMS

The TSC has a number of grants programs that provide assistance to organisations that meet predetermined criteria.

Taxi Rank Safety Program

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

Infrastructure that may be funded by this program includes (but is not limited to):

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

Projects are assessed by the TSC to ensure that funding is awarded to councils who demonstrate that the requested infrastructure will provide the greatest benefit for both passengers and drivers.

In line with the government commitment to increase safety on Victorian streets, priority will be given to infrastructure projects that further enhance Safe Taxi Ranks.

In 2015–16, the following payments were made towards council infrastructure projects.

| Organisation | Payment \$ (GST exclusive) |
|-----------------------|---------------------------------------|
| Ballarat City Council | 55,132 |
| City of Melton | 66,500 |
| City of Wodonga | 15,909 |
| City of Stonnington | 43,976 |
| Total | 181,517 |

In addition, the following new grant allocations were announced in 2015–16 for payment in subsequent financial years².

| Organisation | Allocation \$ (GST exclusive) |
|---------------------|--|
| To be announced | 454,546 |
| Total | 454,546 |

² Recommendation approved by Minister. Letter of offer being prepared waiting announcement.

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 2015–16.

| Organisation | Payment \$ (GST exclusive) |
|-------------------------------|---------------------------------------|
| Amalgamated Taxis Co Op Ltd | 93,569 |
| Geelong Radio Cabs Ltd | 38,303 |
| J M & S F Zonneveldt Pty Ltd | 40,000 |
| Riviera Taxis & Hire Cars | 65,316 |
| Swan Hill Taxi Cabs Pty Ltd | 76,106 |
| Wh & Je Uebergang | 40,000 |
| G. Abbott Engineering Pty Ltd | 28,569 |
| Jeanette Keiller | 28,569 |
| Apimor | 28,569 |
| Mahavirsingh Sapra | 80 |
| Total | 439,001 |

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

The following grants were approved for payment in 2015–16.

| Organisation | Payment \$ (GST exclusive) |
|--|---------------------------------------|
| CWY Transport Training | 2,159 |
| Driver Education Centre of Australia | 716 |
| Individual Registered Training Organisations | 22,123 |
| Total | 24,999 |

Community Legal Centres funding project

In 2015–16, the TSC made grants to community legal centres to enable them to provide legal advice and representation to disadvantaged taxi drivers in various areas including issues relating to driver agreements, driver accreditation disciplinary actions, motor vehicle accidents and damage claims and leasing and purchasing taxi licences.

The Expression of Interest process was announced on 15 May 2015, and three applications were received prior to the closing date of 29 June 2015. The applications were assessed against a set of criteria in accordance with the Expression of Interest process. The CEO approved funding grants for legal centres as listed in the table below.

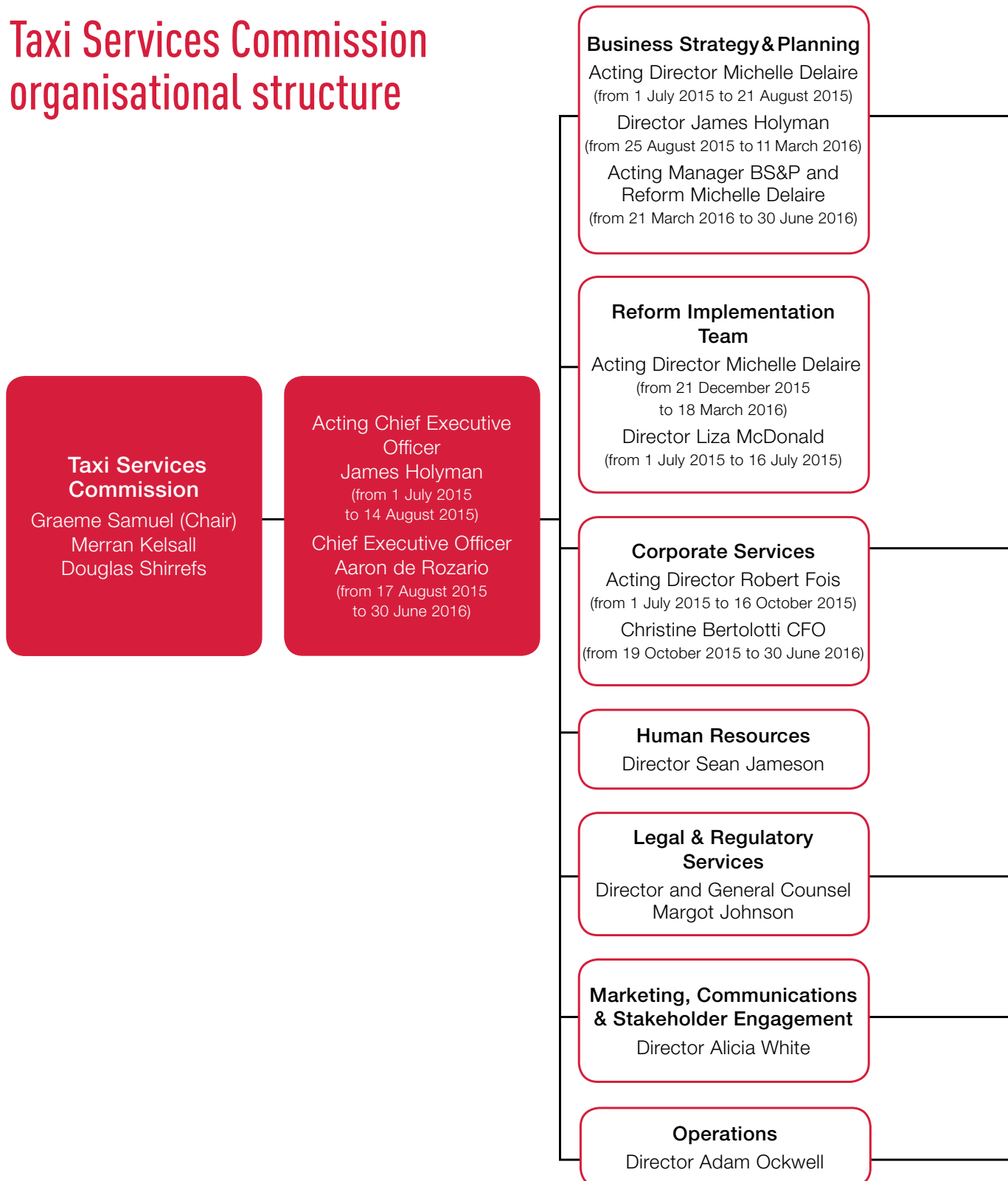
The Western Community Legal Centre and Fitzroy Legal Service proposed to use the funding jointly for the purpose of delivering efficient and specialised service to address both the legal advice and education needs of taxi drivers. They provided reports to demonstrate the positive outcomes achieved for taxi drivers through their cooperation in running the service the previous year. The Casey Cardinia Community Legal Service expressed a strong desire and willingness to provide legal advice and representation service to the taxi driver community in the South Eastern suburbs who are not currently within the geographical catchment of the other two funded legal centres.

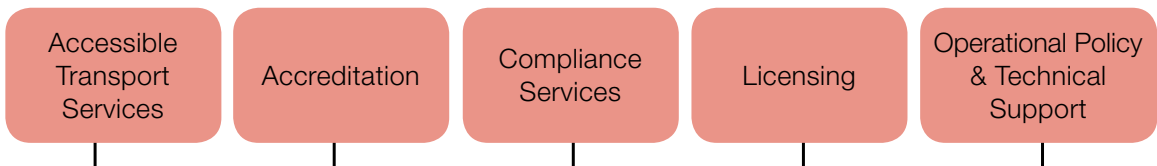
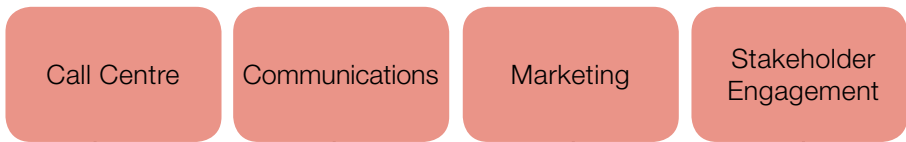
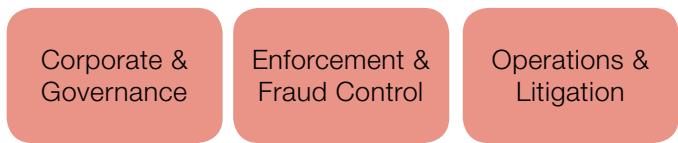
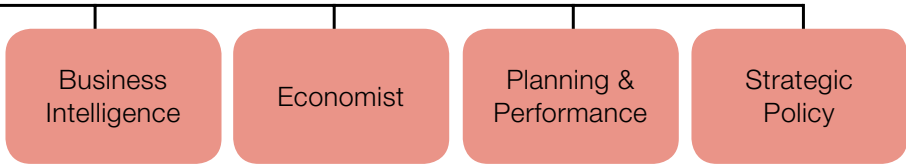
The following grants were approved for services provided in 2015–16.

| Organisation | Payment \$ (GST exclusive) |
|---|---------------------------------------|
| Casey Cardinia Community Legal Service Inc. | 10,606 |
| Fitzroy Legal Service | 12,500 |
| Western Community Legal Centre | 26,894 |
| Total | 50,000 |

GOVERNANCE AND ORGANISATIONAL STRUCTURE IN 2015–16

Taxi Services Commission organisational structure





COMMISSIONERS

Commissioners were appointed to the TSC on 26 May 2013 under the Transport Integration Act 2010. The Commissioners' role is to ensure that the objectives and performance targets of the TSC are met.

They govern the way the TSC operates, setting the strategic directions, governance, and risk management activities on behalf of the Minister.

The Commissioners Graeme Samuel, Doug Shirrefs and Merran Kelsall all finish their terms on 31 July 2016.



**GRAEME SAMUEL AC
(CHAIR)**

*LLB (Melb),
LLM (Monash), FAICD*

Graeme Samuel is a Vice Chancellor's Professorial Fellow in the Monash Business School at Monash University. He is a Commissioner of the National Rugby League,

a Councillor of the Australian National University, President of Alzheimer's Australia, Chair of the South Eastern Melbourne Primary Health Network, Council member of the National Health and Medical Research Council and Chair of its Health Innovation Advisory Committee and the National Institute for Dementia Research. He was Chair of the Commonwealth Government's Panel of Review of Australia's Independent Medical Research Institutes.

His professional career has spanned senior roles in law, investment banking and the public service, covering sport, health, the arts, business and public policy in economic reform and regulation.

His previous appointments include:

- President of the National Competition Council (1997–2003)
- Chairman of the Australian Competition & Consumer Commission (2003–2011)
- Associate Member of the Australian Communications and Media Authority (2007–2011).

He was appointed an Officer of the Order of Australia in 1998. In 2010, he was elevated to a Companion in the General Division of the Order of Australia. This was awarded for eminent service to public administration through contributions in the area of economic reform and competition law, and to the community, through his leadership roles with sporting and cultural organisations.



MERRAN KELSALL

*B Com (Hons),
FCPA, MBA,
FAICD*

Merran Kelsall originally qualified as a chartered accountant and she practised in the profession for 20 years, including 10 years as a partner at BDO. She has considerable directorship and corporate

governance experience, including working in audit, risk and compliance committees.

She was the inaugural Chairman of the Public Transport Ombudsman Victoria Ltd for eight years, establishing the governance structure and overseeing the work of the Ombudsman in implementing a fair and equitable regime for resolving customer complaints against public transport operators.

Her other industry experience encompasses health, education, insurance, and financial and professional services, including contract management and government utilities.

Her other appointments include:

- Chairman of the Auditing and Assurance Standards Board and member of the International Auditing and Assurance Standards Board
- Chairman, Australian Health Service Alliance Ltd
- Director, RACV Ltd and subsidiaries.



DOUGLAS SHIRREFS

*LLB (Hons) Melbourne,
B Agric and Resource Eco
(Hons) La Trobe, GAICD*

Douglas Shirrefs is a barrister and economist who practises commercial law – with a particular interest in competition and regulatory law. He is also a professional company director.

Before commencing practice as a lawyer he held senior positions as a regulatory economist for both the Commonwealth and Victorian Governments, including as senior transport economist at the Australian Competition and Consumer Commission and as Director of Infrastructure Economics and Transport Policy at the then Department of Infrastructure.

Commission meeting attendance

| | |
|-----------------------|----------|
| Graeme Samuel (Chair) | 11 of 11 |
| Merran Kelsall | 9 of 11 |
| Douglas Shirrefs | 8 of 11 |

EXECUTIVE



AARON DE ROZARIO, CHIEF EXECUTIVE OFFICER

Aaron de Rozario joined the TSC as Chief Executive Officer in August 2015.

Prior to the TSC, Aaron was responsible for regulating the Western Australian On-Demand Transport sector (including taxis, limousines and charter vehicles) and

providing the WA Government with strategic policy advice on industry reform and regulatory issues.

Aaron was a key driver of the WA Government's Green Paper 'On-demand Transport' which analysed changing technology, new market entrants, changes to the economy and consumer expectations in an increasingly pressurised and changing transport environment.

Aaron has a strong public policy background having held multiple executive positions in state government and a Master in Public Policy from Murdoch University.

LEADERSHIP TEAM

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

Each member of the TSC Leadership Team manages one of the seven divisions that work together to support the TSC's role as regulator of the commercial passenger vehicle industry.

Director Business Strategy and Planning

James Holyman (1 July 2015 to February 2016)

Acting Director

Michelle Delaire (from February 2016)

Chief Finance Officer

Christine Bertolotti

Director Human Resources

Sean Jameson

Director Legal and Regulatory Services, General Counsel

Margot Johnson

Director Marketing, Communications and Stakeholder Engagement

Alicia White

Director Operations

Adam Ockwell

Acting Director Reform Implementation

Michelle Delaire

DIVISIONS OF THE TSC

BUSINESS STRATEGY AND PLANNING

Business Strategy and Planning was accountable for driving strategy, business planning and reporting for the TSC. Its whole-of-business focus covered the provision of research, strategic policy, data analysis to support evidence-based decision making.

The division ensured that business plans and projects were aligned with strategic directions, and monitored and reported on the organisation's progress against defined objectives. It provided specialist economic advice and led strategic policy for the TSC with a focus on regulatory reform and market analysis.

Business Strategy and Planning delivered business intelligence and data analysis relating to the CPV industry for the whole organisation.

The division coordinated the Strategic Risk Management framework and undertook environmental scanning to monitor future changes in the operating environment.

CORPORATE SERVICES

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

Corporate Services did this by providing assistance in the areas of finance, IT systems, procurement, record management and workplace services.

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

HUMAN RESOURCES

Human Resources was responsible for providing people policies, procedures and processes to support the development of a fair, respectful, engaged and high-performing workforce.

Key strategic priorities included workforce planning, occupational health and safety, 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.

The division collaborated with organisation leaders and employees to implement effective workplace change initiatives and to build a culture that values high performance and professional development.

LEGAL AND REGULATORY SERVICES

This division had three teams providing a broad range of legal and regulatory services to the TSC. This division also provided the secretariat function for the TSC Commission meetings and worked closely with DEDJTR on legislative issues.

Operations and Litigation

- made administrative decisions on complex licensing and accreditation applications
- managed disciplinary and interim suspension processes against industry participants
- managed and represented the TSC in all VCAT and general litigation
- provided general legal advice
- managed requests relating to the Public Register.

Corporate and Governance

- managed compliance with privacy legislation
- made administrative decisions on internal review applications
- managed compliance with Freedom of Information legislation
- provided contract and commercial drafting and advice
- provided general legal advice.

Enforcement and Fraud Control

- investigated fraud involving the MPTP subsidy scheme
- investigated breaches of taxi and hire car legislation and regulations
- prosecuted for fraud or for offences against taxi and hire car legislation and regulations
- managed applications for review of infringement notices issued by Compliance Services.

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 its internal and external stakeholders.

This division was responsible for communicating with stakeholders, the public and media regarding regulation, government initiatives and other taxi and hire car related issues.

The division also managed campaigns, branding, sponsorship and events that aimed to educate, modify behaviour and improve services within the commercial passenger vehicle industry.

The division has four branches:

- Call Centre
- Communications
- Marketing
- Stakeholder Engagement

OPERATIONS

This 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 CPV industry.

Accessible Transport Services

- administered and provided advice on the MPTP
- administered the Performance Based Booking System, an incentive scheme designed to improve the level of service for Victorians using wheelchair accessible taxis (WATs)
- Chaired the Accessible Taxi Advisory Committee (ATAC).

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 CPV licences to suitable applicants
- provided ongoing management of licences including transfers (sales), assignments and replacement of vehicles
- managed the Country WAT vehicle subsidy scheme.

Compliance Services

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

Operational Policy and Technical Support

- assessed and made recommendations on statutory approvals
- developed standards that related to vehicles and equipment
- provided guidance and direction on how regulatory discretion was exercised in the construction of operational policy and procedures
- provided operational policy advice and support to other divisions.

REFORM IMPLEMENTATION

Reform Implementation was responsible for the oversight and coordination of the implementation of the taxi industry reform agenda, in partnership with other TSC divisions. The division was dissolved with the closure of the reform implementation program on 30 June 2016.

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 with regard to financial and risk management. As such, it assists the TSC in fulfilling its corporate governance and oversight responsibilities with regard to:

- 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. The committee was chaired by TSC Commissioner Merran Kelsall and comprised two independent members. Committee meetings were held on five occasions.

Attendance at committee meetings

| | |
|---|--------|
| Merran Kelsall (Chair) | 5 of 5 |
| Mary Anne Hartley QC (independent member) | 5 of 5 |
| 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 TSC 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 as required within the year to consider the annual and any out-of-cycle Total Remuneration Package changes. All end-of-year remuneration decisions were finalised by the committee in line with whole of government processes.

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

TAXI AND HIRE CAR MINISTERIAL FORUM

The Minister for Public Transport, the Hon. Jacinta Allan MP, established the Taxi and Hire Car Ministerial Forum to allow representatives from across the industry to come together and discuss a range of topics affecting the industry.

The TSC provided support to DEDJTR who were responsible for the secretariat function. The forum met quarterly during the year.

ACCESSIBLE TAXI ADVISORY COMMITTEE

The Accessible Taxi Advisory Committee (ATAC) gave taxi users with a disability, advocacy groups and others interested in taxi services for people with a disability, an opportunity to engage with the TSC, and provided advice and feedback on initiatives, policies and service performance.

The role of ATAC was to:

- provide the TSC with valuable contributions, suggestions and advice on taxi accessibility, regulatory change, government initiatives, and taxi-related issues for people with a disability
- provide advice and information to the disability community in relation to the issues addressed by the ATAC meetings
- continue to improve taxi services with respect to accessibility for people with disabilities
- inform the disability community on TSC services, projects and programs.

Chaired by the Manager of Accessible Transport Services, the committee met three times in 2015–16. Membership was drawn from MPTP members, WAT users, disability advocacy organisations and peak bodies.

STAKEHOLDER REFERENCE GROUP

The TSC established the Stakeholder Reference Group to provide input into the implementation of the government reform agenda. Its brief was extended to consider emerging technologies and business models. Membership included representatives of the taxi and hire car industry across Victoria, social and community legal services, City of Melbourne, Melbourne Airport, and booking platform and technology providers.

The reference group was not considered to be a decision-making body, but was designed to assist the TSC in delivering and implementing the reforms effectively.

The key functions of the reference group were to:

- provide feedback that reflects the views of the industry, members or representative body in relation to the taxi and hire car industry
- test assumptions and proposals
- refine approaches to implementation
- promote and continue discussion on the taxi and hire car reforms
- provide information to the TSC in relation to industry reform.

The group met five times during 2015–16.

STAKEHOLDER ENGAGEMENT

Stakeholder survey

The TSC is reviewing its surveying of stakeholders and no independent stakeholder surveying was conducted in 2015–16.

Taxi and Hire Car Customer Satisfaction Monitor

The TSC surveys 1500 customers of taxi and hire car services each year through an independent market research provider with results reported every three months. The survey is designed to give the TSC a reliable view of satisfaction with taxi and hire car services in metropolitan Melbourne and regional areas.

From 2015–16, the TSC ceased surveying based on contact with commercial passenger vehicle customers via landlines. All surveying now uses the more effective online methodology.

OUR PEOPLE

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.

PUBLIC ADMINISTRATION VALUES AND EMPLOYMENT PRINCIPLES

The TSC promoted high standards of ethical behaviour as modelled by our people leaders and in line with government policies and the recently revised *Victorian Public Sector (VPS) Code of Conduct 2015*, *VPS Enterprise Agreement 2016*. Behaviour was supported by specific awareness and compliance programs in areas such as equal employment opportunity.

The TSC complied with the *Public Administration Act 2004*. Employees were selected on merit, and an equal employment opportunity and diversity strategic focus provided principles that employees adhere to in support of the right of all people to work in an environment free from discrimination, harassment and bullying. The TSC provided its leaders with recruitment and selection tools and guidance to lead them through the selection process.

WORKFORCE STRATEGY

The workforce strategy for 2015–16 focussed on rationalising and prioritising resourcing to deliver both ‘business as usual’ and concluding project work related to the three-year reform implementation program.

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

DEVELOPING OUR PEOPLE

The TSC continued to demonstrate a commitment to building a high performing and highly engaged workforce that achieves outcomes. This was supported by a workplace environment that valued individual and team performance and professional development.

A number of organisation wide professional development strategies were implemented to individuals and across teams. The most prominent activity was the continuing implementation of ‘whole brain thinking’ profile assessments, which have now been completed by the majority of the workforce.

Our Performance Management system was again reviewed and revised to provide greater focus on quality performance discussions and individual professional development.

DEVELOPING OUR LEADERS

The ongoing development of our people managers continued to be a strategic priority this year. This focus recognised the importance of upskilling our people to lead and manage during a time of significant change. A number of learning opportunities were developed both internally and in partnership with other organisations to grow our current and future leaders.

Leadership development highlights included:

- Active participation in Institute of Public Administration Australia suite of learning and development programs, seminars and networking opportunities. This included three TSC future leaders participating in the Young Institute of Public Administration Australia program.
- Development of a strategic partnership with Leadership Victoria. TSC leaders enrolled in the Folio Community Leadership Program and Igniting Leadership Program.
- Continued leader participation in Juno Consulting's Mock Interview program and enrolment in the Business Community Mentoring 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 that applicants were assessed and evaluated fairly and equitably, 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 allow all employees to achieve a balance between meeting their position requirements and managing their personal and family responsibilities.

Allowable flexible working arrangements included (but were not restricted to) 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. Workplace diversity was actively promoted through TSC policies, employee support and the creation of a TSC Diversity and Health Awareness Calendar. The calendar was launched on Harmony Day, and recognised the diversity of our workforce's varied cultures, beliefs and celebrated festivities along with major community health programs.

Other activities for the TSC in relation 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 Institute of Public Administration Australia 2016 International Women's Day dinner.

The CPV industry has a high representation of members of Cultural and Linguistically Diverse (CALD) communities. In recognising the TSC's role in working with the industry, the TSC was committed to better representation of these communities within our workforce. This representation provided greater understanding of and communication with CALD community members.

ABORIGINAL AFFAIRS

The TSC continued to support the aim of the Victorian Government's Karreeta Yirramboi – Aboriginal Public Sector Employment and Career Development Action Plan 2010–2015.

OCCUPATIONAL HEALTH AND SAFETY (OH&S)

Every employee, contractor and visitor to a TSC workplace was protected from any physical, psychological or potential harm or injury, as far as practicable. The health, safety and wellbeing of every employee were an integral consideration in all TSC activities. The TSC achieved this by:

- 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 contractor service providers to brief their employees on OH&S obligations and share their organisational policies with the TSC.

OH&S policies and procedures were developed 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 TSC OH&S Committee met every two months and was the central forum for discussing and managing OH&S issues within the organisation. The Committee was chaired by the CEO and consisted of managers, OH&S representatives and other employees from across the organisation.

The committee ensured that our different work accountabilities and workplaces were equally represented. The committee was active in OH&S reporting and decision-making, and followed the appropriate resolution procedures when required.

During 2015–16, OH&S highlights included:

- continued technical development for Human Resources division hosted volunteers including all First Aid Officers, Health and Safety representatives, Floor Wardens and employees trained in conducting ergonomic assessments
- floor Warden training
- review and promotion of intranet content
- continued development of ergonomic assessment training for some employees to develop our internal capability for ergonomic assessments (and equipment as required)
- pilot *Mental Health Matters* training in partnership with Australia Red Cross
- inspections to identify workplace hazards
- provision of flu vaccinations
- refresher Advanced First Aid Training for Compliance Services team members.

The hosted meetings for volunteers provided networking and relationship building opportunities across the organisation. Guest speakers include experts from WorkSafe and the Red Cross.

Following the relocation of the TSC to 1 Spring Street in August 2015, a review of OH&S coverage was conducted. As a result, some new volunteers were recruited and all undertook the necessary training.

The *Victorian Public Service Enterprise Agreement 2016* saw the introduction of Family Violence Leave. TSC policy appropriately supported employees experiencing family violence.

The TSC continued to provide a DEDJTR managed Employee Assistance Program (EAP) service throughout the year. A new provider was appointed in early 2016. The TSC drew on these support services for employees during the Organisational Design Review in 2016.

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

- One active historical claim was carried over from 2014–15
- During 2015–16 there were seven new claims lodged by TSC employees.

**Three claims were minor claims and all were accepted by the insurer*

**There were four standard claims (see table overleaf). Three of the four standard claims were accepted.*

OH&S was reported in the monthly CEO Report to the TSC Commissioners.

Performance against OH&S management measures

| Measure | KPI | 2015-16 | 2014-15 | 2013-14 |
|--------------------------------|---|------------|------------|------------|
| Incidents | Number of incidents | 28 | 24 | 10 |
| | Rate per 100 FTE | 20% | 15.2% | 10.0% |
| Claims | Number of standard claims | 4 | 1 | 1 |
| | Rate per 100 FTE | 2.5% | 0.6% | 1.0% |
| | Number of lost time claims | 1 | 0 | 0 |
| | Rate per 100 FTE | 0.6% | 0.0% | 0.0% |
| | 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 | \$4,823.60 | \$5,442.19 | \$3,889.12 |
| Return to work | Percentage of claims with Return To Work plan <30 days | 100.0% | 100.0% | 100.0% |
| 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 | 100.0% | 100.0% | 100.0% |
| | Percentage of issues actioned as identified in an internal audit/inspection | 100.0% | 100.0% | 100.0% |
| Training | Percentage of health and safety representatives trained | 100.0% | 100.0% | 100.0% |

COMPARATIVE WORKFORCE DATA

All figures reflect active employees during the last full pay period in June of each year. Excluded are those on leave without pay or absent on secondment, external contractors /consultants and temporary staff employed by employment agencies.

| | 2016 | 2015 |
|--------------------------------------|-------|-------|
| Average age of employees | 43 | 41 |
| Proportion of women in workforce (%) | 58.7% | 49.2% |

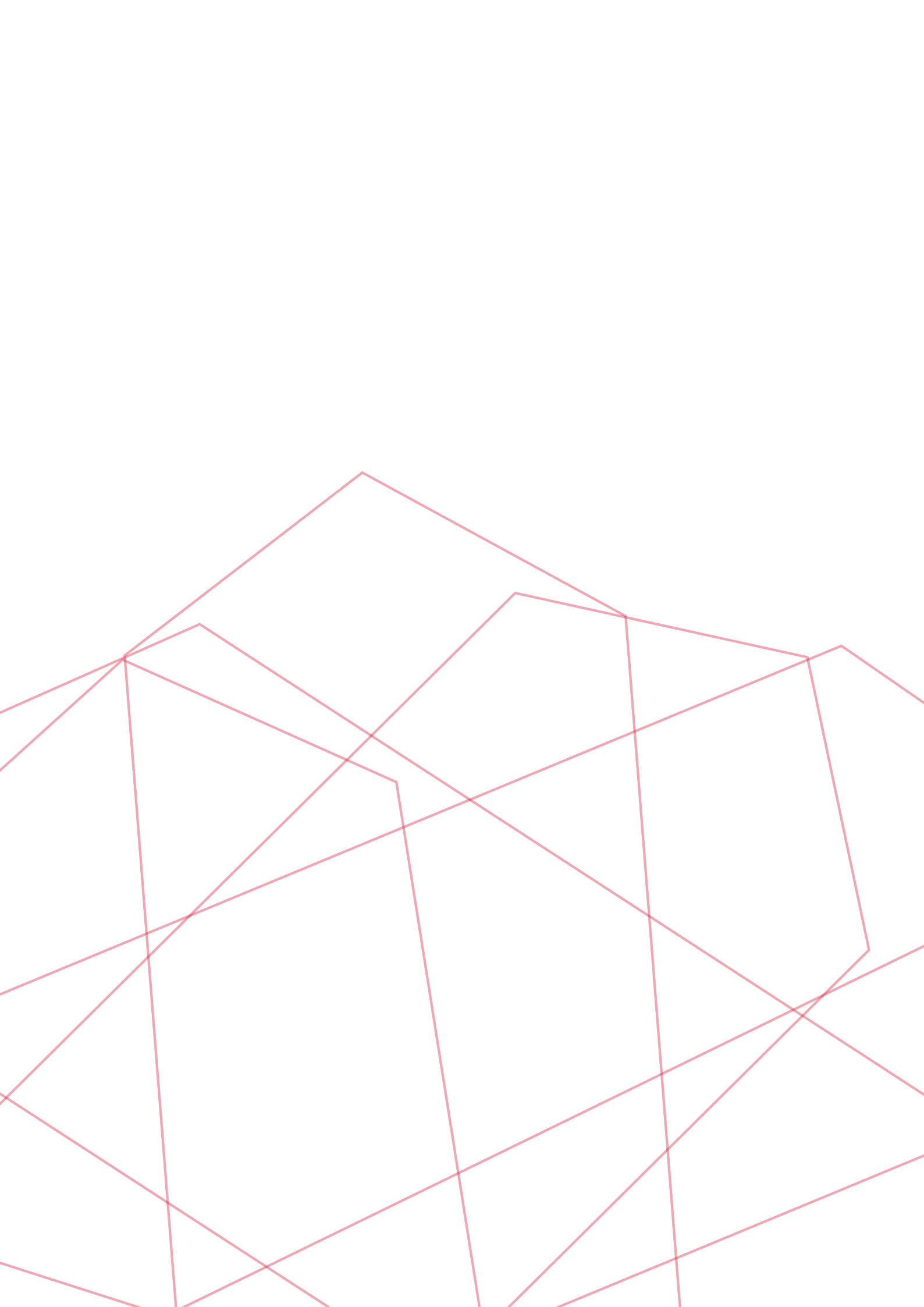
| | 2016 | | 2015 | |
|------------|------|--------|------|--------|
| | Male | Female | Male | Female |
| Executives | 2 | 2 | 2 | 2 |
| Other | 56 | 79 | 76 | 81 |

Note: the following definitions are applied to workforce classifications:

| Classification | Definition |
|----------------|--|
| Executives | Leaders employed on a State of Government Executive Contract of Employment |
| Other | Other employees who are not classified as Executives |

| Summary employment levels | Ongoing employees | | | Fixed term and casual employees | | |
|---------------------------|-----------------------|-----------------------|-----------------------|---------------------------------|-----------|-------|
| | Employees (headcount) | Full-time (headcount) | Part-time (headcount) | FTE | Headcount | FTE |
| June 2016 | 121 | 107 | 14 | 116.60 | 18 | 17.4 |
| June 2015 | 128 | 111 | 17 | 122.10 | 33 | 32.80 |

| Employment levels | June 2016 | | | | June 2015 | | | |
|-----------------------|-----------------------|------|-----------------------|------|-----------------------|------|-----------------------|------|
| | Ongoing | | Fixed term & casual | | Ongoing | | Fixed term & casual | |
| | Employees (headcount) | FTE | Employees (headcount) | FTE | Employees (headcount) | FTE | Employees (headcount) | FTE |
| Gender | | | | | | | | |
| Male | 51 | 51.0 | 8 | 7.8 | 65 | 65.0 | 13 | 13.0 |
| Female | 66 | 61.6 | 14 | 13.6 | 63 | 57.1 | 20 | 19.8 |
| Age | | | | | | | | |
| Under 25 | 1 | 1.0 | 0 | 0 | 1 | 1.0 | 1 | 1.0 |
| 25–34 | 25 | 22.8 | 7 | 6.6 | 36 | 31.8 | 11 | 11.0 |
| 35–44 | 36 | 35.9 | 11 | 10.8 | 35 | 34.0 | 14 | 14.0 |
| 45–54 | 38 | 38.0 | 4 | 4.0 | 42 | 41.4 | 6 | 6.0 |
| 55–64 | 16 | 16.0 | 0 | 0 | 14 | 14.0 | 1 | 1.0 |
| Over 64 | 1 | 1.0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Classification | | | | | | | | |
| VPS 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| VPS 2 | 13 | 12.8 | 0 | 0 | 12 | 11.4 | 2 | 2.0 |
| VPS 3 | 45 | 42.9 | 7 | 7.0 | 45 | 42.7 | 10 | 10.0 |
| VPS 4 | 27 | 26.2 | 6 | 6.0 | 34 | 32.7 | 7 | 7.0 |
| VPS 5 | 21 | 20.4 | 3 | 2.6 | 22 | 21.4 | 6 | 6.0 |
| VPS 6 | 10 | 9.4 | 2 | 1.8 | 15 | 13.9 | 4 | 3.8 |
| STS | 1 | 1.0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Executives | 0 | 0 | 4 | 4.0 | 0 | 0 | 4 | 4.0 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |



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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 4.2 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 2016 and financial position of the Taxi Services Commission as at 30 June 2016.

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 23 September 2016.



Yehudi Blacher
Chair

*Taxi Services Commission
Melbourne*



Aaron de Rozario
Chief Executive Officer

*Taxi Services Commission
Melbourne*



Christine Bertolotti
Chief Finance Officer

*Taxi Services Commission
Melbourne*

VICTORIAN AUDITOR-GENERAL'S REPORT

VAGO

Victorian Auditor-General's Office

Level 24, 35 Collins Street
Melbourne VIC 3000

Telephone 61 3 8601 7000
Facsimile 61 3 8601 7010

Website www.audit.vic.gov.au

INDEPENDENT AUDITOR'S REPORT

To the Board Members, Taxi Services Commission

The Financial Report

I have audited the accompanying financial report for the year ended 30 June 2016 of the Taxi Services Commission which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the chair, chief executive officer and chief finance officer's declaration.

The Board Members' Responsibility for the Financial Report

The Board members of the Taxi Services Commission are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*, and for such internal control as the Board members determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Board members, as well as evaluating the overall presentation of the financial report.

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

VICTORIAN AUDITOR-GENERAL'S REPORT

Independent Auditor's Report (continued)

Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, I and my staff and delegates complied with all applicable independence requirements of the Australian Auditing Standards and relevant ethical pronouncements.

Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Taxi Services Commission as at 30 June 2016 and its financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.

MELBOURNE
26 September 2016


for Andrew Greaves
Auditor-General

COMPREHENSIVE OPERATING STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

| | Note | 2016 \$'000 | 2015 \$'000 |
|---|------|-----------------|-----------------|
| Income from transactions | | | |
| Government grants | | 87,110 | 87,130 |
| Fair value of services received free of charge or for nominal consideration | 2 | 608 | 451 |
| Interest | | 213 | 74 |
| Total income from transactions | | 87,931 | 87,655 |
| Expenses from transactions | | | |
| Employee expenses | 3(a) | (15,885) | (15,687) |
| Depreciation and amortisation | 3(b) | (4,711) | (4,170) |
| Interest expense | | (8) | – |
| Grants and other transfers | 3(c) | (61,594) | (59,686) |
| Capital asset charge | | (1,100) | (1,100) |
| Other operating expenses | 3(d) | (8,957) | (11,080) |
| Total expenses from transactions | | (92,255) | (91,723) |
| Net result from transactions (net operating balance) | | (4,324) | (4,068) |
| Other economic flows included in net result | | | |
| Net (loss) / gain on non-financial assets | 4(a) | (67) | 22 |
| Other (loss) / gain from other economic flows | 4(b) | (107) | (56) |
| Total other economic flows included in net result | | (174) | (34) |
| Net result | | (4,498) | (4,102) |
| Comprehensive Result | | (4,498) | (4,102) |

The above comprehensive operating statement should be read in conjunction with the accompanying notes.

BALANCE SHEET AS AT 30 JUNE 2016

| | Note | 2016 \$'000 | 2015 \$'000 |
|-----------------------------------|--------|----------------|----------------|
| Assets | | | |
| Financial assets | | | |
| Cash | 16 (a) | 2,359 | 2,768 |
| Receivables | 5 | 4,897 | 7,167 |
| Total financial assets | | 7,256 | 9,935 |
| Non-financial assets | | | |
| Prepayments | | 1,828 | 168 |
| Property, plant and equipment | 6 | 2,940 | 482 |
| Intangible assets | 7 | 8,678 | 12,288 |
| Total non-financial assets | | 13,446 | 12,938 |
| Total assets | | 20,702 | 22,873 |
| Liabilities | | | |
| Payables | 8 | 5,301 | 7,540 |
| Borrowings | 9 | 284 | 278 |
| Provisions | 10 | 4,061 | 3,503 |
| Total liabilities | | 9,646 | 11,321 |
| Net assets | | 11,056 | 11,552 |
| Equity ⁽ⁱ⁾ | | | |
| Contributed capital | | 23,685 | 19,683 |
| Accumulated deficit | | (12,629) | (8,131) |
| Net worth | | 11,056 | 11,552 |
| Commitments for expenditure | 13 | | |
| Contingent assets | 14 | | |
| Contingent liabilities | 14 | | |

The above balance sheet should be read in conjunction with the accompanying notes.

Note:

⁽ⁱ⁾ Refer to 'statement of changes in equity' for details on movements.

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

| | | Contributions by Owner | Accumulated Deficit | Total |
|--------------------------------|------|---------------------------|------------------------|---------|
| 2014–15 | Note | \$'000 | \$'000 | \$'000 |
| Balance at 1 July 2014 | | 15,242 | (4,029) | 11,213 |
| Net result for the year | | – | (4,102) | (4,102) |
| Capital contributions | | 4,441 | – | 4,441 |
| Balance at 30 June 2015 | | 19,683 | (8,131) | 11,552 |

| | | Contributions by Owner | Accumulated Deficit | Total |
|--------------------------------|------|---------------------------|------------------------|---------|
| 2015–16 | Note | \$'000 | \$'000 | \$'000 |
| Balance at 1 July 2015 | | 19,683 | (8,131) | 11,552 |
| Net result for the year | | – | (4,498) | (4,498) |
| Capital contributions | | 4,002 | – | 4,002 |
| Balance at 30 June 2016 | | 23,685 | (12,629) | 11,056 |

The above statement of changes in equity should be read in conjunction with the accompanying notes.

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

| | Note | 2016 \$'000 | 2015 \$'000 |
|---|---------------|-----------------|-----------------|
| Cash flows from operating activities | | | |
| Receipts | | | |
| Proceeds from grant contributions by Victorian Government | | 87,600 | 85,820 |
| Goods and Services Tax recovered from the ATO ⁽ⁱ⁾ | | 6,466 | 7,331 |
| Interest received | | 213 | 74 |
| Total receipts | | 94,279 | 93,225 |
| Payments | | | |
| Payments to suppliers and employees | | (95,575) | (92,696) |
| Interest paid | | (8) | – |
| Total payments | | (95,583) | (92,696) |
| Net cash flows (used in) / from operating activities | 16 (b) | (1,304) | 529 |
| Cash flows from investing activities | | | |
| Payments for intangible assets | | (128) | (3,923) |
| Proceeds from disposals of property, plant and equipment | | 36 | 117 |
| Net cash flows used in investing activities | | (92) | (3,806) |
| Cash flows from financing activities | | | |
| Proceeds from capital grant contributions by Victorian Government | | 1,100 | 3,800 |
| Repayments of finance lease liabilities | | (113) | (199) |
| Net cash flows from financing activities | | 987 | 3,601 |
| Net (decrease) / increase in cash and cash equivalents | | (409) | 324 |
| Cash and cash equivalents at the beginning of the financial year | | 2,768 | 2,444 |
| Cash and cash equivalents at the end of the financial year | 16 (a) | 2,359 | 2,768 |

The above cash flow statement should be read in conjunction with the accompanying notes.

Note:

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

These annual financial statements represent the audited general purpose financial statements for the Taxi Services Commission for the year ended 30 June 2016. 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.

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

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.

(a) Statement of compliance

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), 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 AAS 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.

A glossary of terms in this report can be found in Note 23.

The annual financial statements were authorised for issue by the Chair of the Taxi Services Commission, Chief Executive Officer and the Chief Finance Officer on 23 September 2016.

(b) 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 2017. The TSC is not funded for depreciation and amortisation. Accordingly these financial statements have been prepared on a going concern basis.

(c) Basis of accounting preparation and measurement

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.

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

In accordance with the requirements of AASB 13 *Fair Value Measurement* and the relevant Financial Reporting Directions, the TSC determines the policies and procedures for recurring fair value measurements of property, plant and equipment.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- 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
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the TSC has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

The 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.

In addition, the TSC monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2016, and the comparative information presented for the year ended 30 June 2015.

(d) Reporting entity

Objectives and funding

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 DEDJTR and on-forwarded to the TSC in the form of operating government grants and capital contributions.

Administered 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.

Disclosures related to administered items can be found in Note 17.

(e) Scope and presentation of financial statements

Comprehensive operating statement

The comprehensive operating statement comprises of 'net result from transactions' (or termed as 'net operating balance') and 'other economic flows included in net result'. The sum of these represents the net result.

The net result is equivalent to profit or loss derived in accordance with AASs.

'Other economic flows' are changes arising from market re-measurements. They include:

- gains and losses from disposals of non-financial assets
- other loss from other economic flows.

This classification is consistent with the whole of government reporting format and is allowed under AASB 101 *Presentation of Financial Statements*.

Balance sheet

Assets and liabilities are presented in liquidity order with assets aggregated into financial assets and non-financial assets.

Current and non-current assets and liabilities (non-current being those assets or liabilities expected to be recovered or settled over more than 12 months) are disclosed in the notes, where relevant.

Cash flow statement

Cash flows are classified according to whether or not they arise from operating activities, investing activities, or financing activities. This classification is consistent with the requirements of AASB 107 *Statement of Cash Flows*.

Statement of changes in equity

The statement of changes in equity presents a reconciliation of non-owner and owner changes in equity from opening balance at the beginning of the reporting period to the closing balance at the end of the reporting period.

Rounding

Amounts in the financial statements (including the notes) have been rounded to the nearest \$1,000, unless otherwise stated. Figures in the financial statements may not equate due to rounding. Please refer to the style convention at the end of Note 23 for explanations of minor discrepancies resulting from rounding.

(f) Changes in accounting policies

There have been no changes in the accounting policies arising from the new and revised accounting standards.

(g) Income from transactions

Income is recognised to the extent that it is probable that the economic benefits will flow to the entity and the income can be reliably measured at fair value.

Interest

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.

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 and capital contributions as equity.

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

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.

(h) Expenses from transactions

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

Employee expenses

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

Superannuation expenses recognised in the comprehensive operating statement are the employer contributions for members of both defined benefit and defined contribution plans that are paid or payable during the reporting period.

The Department of Treasury and Finance (DTF) recognises, on behalf of the State as the sponsoring employer, the net defined benefit cost related to the members of these plans as an administered liability.

Depreciation and amortisation

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 | 2016 Useful life | 2015 Useful life |
|---|---|-----------------------------|
| Leasehold improvements at fair value | Lease period or 5–15 years whichever is shorter | 5–15 years |
| 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 |
| Intangible produced assets: | | |
| – Capitalised software development | 4 years | 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.

Interest expense

Interest expense is recognised in the period in which it is incurred. Refer to the glossary of terms in Note 23 for an explanation of interest expense items.

Grants and other transfers

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 programs and subsidies for Wheelchair Accessible Taxis to the Commonwealth Government, local government, private sector businesses, legal centres and non-profit organisations. Refer to Note 23 for an explanation of grants and other transfers.

The Multi-Purpose Taxi Program 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.

Capital asset charge

The capital asset charge is calculated on the budgeted carrying amount of applicable non-financial physical assets.

Other operating expenses

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

The TSC engages specialist contractors and consultants 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.

(i) 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 (loss) / gain on non-financial assets

Net gain / (loss) on non-financial assets and liabilities includes realised and unrealised gains and losses as follows:

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 of the carrying value of the asset at that time.

Impairment of non-financial assets

All non-financial assets are assessed annually for indications of impairment.

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their possible recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off as an other economic flow, except to the extent that the write-down can be debited to an asset revaluation surplus amount applicable to that class of asset.

It is deemed that, in the event of the loss of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made. The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. The recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

Other (loss) / gain from other economic flows

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.

(j) Administered income

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 fees on MPTP cards, annual licence fees, issuance fees on new taxi licences; special purpose vehicle, metropolitan and country hire licences. Accordingly, the amounts are disclosed as income in the schedule of Administered Items (see Note 17).

(k) Financial Instruments

The following refers to financial instruments unless otherwise stated. Refer to Note 23 for an explanation of financial instruments.

Categories of non-derivative financial instruments

Loans and receivables

Loans and receivables are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

The loans and receivables category includes cash and receivables, but not statutory receivables.

Financial liabilities at amortised cost

Financial instrument liabilities 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.

Financial instrument liabilities measured at amortised cost include finance lease liabilities.

(l) *Financial assets*

Cash

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

Receivables

Receivables consist of:

- Contractual receivables, which include debtors in relation to goods and services
- Statutory receivables, which include amounts owing from the Victorian Government and Goods and Services Tax (GST) input tax credits recoverable.

Receivables that are contractual are classified as financial instruments. Statutory receivables are not classified as financial instruments.

Contractual receivables are classified as financial instruments and categorised as loans and receivables. 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.

Receivables are subject to impairment testing as described below. A provision for doubtful receivables is recognised when there is objective evidence that the debts may not be collected, and bad debts are written off when identified.

Impairment of financial assets

At the end of each reporting period, the TSC assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. All financial instrument assets are subject to an annual review for impairment.

Receivables are assessed for bad and doubtful debts on a regular basis. Those bad debts considered as written off by mutual consent are classified as a transaction expense. Bad debts not written off by mutual consent and the allowance for doubtful receivables are classified as other economic flows in the net result.

The amount of the allowance is the difference between the financial asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

In assessing impairment of statutory (non-contractual) financial assets which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with AASB 136 *Impairment of assets*.

(m) *Non-financial assets*

Property, plant and equipment

All non-financial physical assets are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment.

The initial cost for non-financial physical assets under a finance lease (refer to Note 1(o) Leases) 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.

Leasehold improvements

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.

Intangible assets

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 subsequent to 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.

Other non-financial assets

Prepayments

Other non-financial assets include prepayments which represent payments in advance of the receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

(n) Liabilities

Payables

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
- Statutory payables, such as goods and services tax and fringe benefits tax payables.

Contractual payables are classified as financial instruments and categorised as financial liabilities at amortised cost. Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from a contract.

Borrowings

Borrowings are initially recognised at the fair value, being the cost of the borrowings, net of transaction costs (refer also to Note 1(o) Leases). Subsequent to initial recognition, TSC has categorised its interest-bearing liabilities as financial liabilities at amortised cost. Any difference between the initial recognised amount and the redemption value is recognised in the net result over the period of the borrowing using the effective interest method.

Provisions

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 the end of the reporting period, taking into account the risks 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.

Employee benefits

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

(i) 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.

(ii) 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
- 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 an other economic flow (refer to Note 1 (i) Other economic flows included in net result).

(iii) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee decides to accept an offer of benefits in exchange for the termination of employment. The TSC recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

On-costs

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

(o) Leases

A lease is a right to use an asset for an agreed period of time in exchange for payment.

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership from the lessor to the lessee. All other leases are classified as operating leases.

Finance Leases

TSC as lessee

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.

(p) Equity

Contributions by owners

Additions to net assets, which have been designated as contributions by owners, are recognised as contributed capital. Other transfers that are in the nature of capital contributions or distributions have also been designated as contributions by owners.

Transfers of net assets or liabilities arising from administrative restructures are treated as distributions to or contributions by owners.

(q) Commitments

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of note (refer to Note 13) 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.

(r) Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed (by way of Note 14) and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

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

Income, expenses and assets are recognised net of the amount of associated GST, except where GST incurred is not recoverable from the taxation authority. In this case, the GST payable is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

Commitments and contingent assets and liabilities are also stated inclusive of GST (refer to Note 1(q) and Note 1(r)).

(t) Events after the reporting period

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement between the TSC and other parties, the transactions are only recognised when the agreement is irrevocable at or before the end of the reporting period. Adjustments are made to amounts recognised in the financial statements for events that occur after the reporting period, and before the date the financial statements are authorised for issue, where those events provide information about conditions which existed in the reporting period. Disclosure by way of note is made about events between the end of the reporting period and the date the financial statements are authorised for issue where the events relate to conditions that arose after the end of the reporting period that are considered to be of material interest.

(u) New accounting standards and interpretations

Certain new AASs have been published that are not mandatory for the 30 June 2016 reporting period. DTF assesses the impact of these new standards and advises the TSC of their applicability and early adoption.

TSC has early adopted *AASB 2015–7 Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector*.

This is operative from 1 July 2016 and provides an exemption for not-for-profit public sector entities from certain fair value disclosures.

As at 30 June 2016, the following standards and interpretations applicable to the TSC had been issued but are not yet effective for the financial year ending 30 June 2016. The TSC has not early adopted these standards.

| Standard / Interpretation | Summary | Applicable for annual reporting periods beginning on | Impact on public sector entity financial statements |
|---|--|--|---|
| AASB 9 <i>Financial Instruments</i> | The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred. | 1 Jan 2018 | <p>The assessment has identified that the financial impact of available for sale (AFS) assets will now be reported through other comprehensive income (OCI) and no longer recycled to the profit and loss.</p> <p>While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.</p> |
| AASB 2010–7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) | <p>The requirements for classifying and measuring financial liabilities were added to AASB 9. The existing requirements for the classification of financial liabilities and the ability to use the fair value option have been retained. However, where the fair value option is used for financial liabilities the change in fair value is accounted for as follows:</p> <ul style="list-style-type: none"> • The change in fair value attributable to changes in credit risk is presented in other comprehensive income (OCI) • Other fair value changes are presented in profit and loss. If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss. | 1 Jan 2018 | <p>The assessment has identified that the amendments are likely to result in earlier recognition of impairment losses and at more regular intervals.</p> <p>Changes in own credit risk in respect of liabilities designated at fair value through profit and loss will now be presented within other comprehensive income (OCI).</p> <p>Hedge accounting will be more closely aligned with common risk management practices making it easier to have an effective hedge.</p> <p>For entities with significant lending activities, an overhaul of related systems and processes may be needed.</p> |
| AASB 2014–1 Amendments to Australian Accounting Standards [Part E Financial Instruments] | Amends various AASs to reflect the AASB's decision to defer the mandatory application date of AASB 9 to annual reporting periods beginning on or after 1 January 2018 as a consequence of Chapter 6 Hedge Accounting, and to amend reduced disclosure requirements. | 1 Jan 2018 | This amending standard will defer the application period of AASB 9 to the 2018–19 reporting period in accordance with the transition requirements. |

| 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 most operating leases (which are currently not recognised) on the balance sheet. | 1 Jan 2019 | <p>The assessment has indicated that as most operating leases will come on the balance sheet, recognition of lease assets and lease liabilities will cause net debt to increase.</p> <p>Depreciation of lease assets and interest on lease liabilities will be recognised in the income statement with marginal impact on the operating surplus.</p> <p>The amounts of cash paid for the principal portion of the lease liability will be presented within financing activities and the amounts paid for the interest portion will be presented within operating activities in the cash flow statement.</p> <p>No change for lessors.</p> |
| AASB 2014–4 <i>Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation</i> [AASB 116 & AASB 138] | <p>Amends AASB 116 Property, Plant and Equipment and AASB 138 Intangible Assets to:</p> <ul style="list-style-type: none"> • establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset • prohibit the use of revenue based methods to calculate the depreciation or amortisation of an asset, tangible or intangible, because revenue generally reflects the pattern of economic benefits that are generated from operating the business, rather than the consumption through the use of the asset. | 1 Jan 2016 | The assessment has indicated that there is no expected impact as the revenue-based method is not used for depreciation and amortisation. |

| Standard / Interpretation | Summary | Applicable for annual reporting periods beginning on | Impact on public sector entity financial statements |
|---|--|--|---|
| AASB 2015–6 <i>Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities</i> [AASB 10, AASB 124 & AASB 1049] | The Amendments extend the scope of AASB 124 Related Party Disclosures to not-for-profit public sector entities. A guidance has been included to assist the application of the Standard by not-for-profit public sector entities. | 1 Jan 2016 | The amending standard will result in extended disclosures on the entity's key management personnel (KMP), and the related party transactions. |

In addition to the new standards and amendments above, the AASB has issued a list of other amending standards that are not effective for the 2015–16 reporting period (as listed below). In general, these amending standards include editorial and references changes that are expected to have insignificant impacts on public sector reporting.

- AASB 1056 *Superannuation Entities*
- AASB 1057 *Application of Australian Accounting Standards*

NOTE 2. INCOME

| | Note | 2016 \$'000 | 2015 \$'000 |
|---|------|----------------|----------------|
| Fair value of services received free of charge or for nominal consideration | | | |
| Services received free of charge classified by expense categories: | | | |
| Employee expenses incurred by DEDJTR for services provided as per Service Level Agreement (SLA) | | 608 | 451 |
| Total services received free of charge or for nominal consideration | | 608 | 451 |

NOTE 3. EXPENSES

| | Note | 2016 \$'000 | 2015 \$'000 |
|---|-------------|----------------|----------------|
| (a) Employee expenses | | | |
| Salaries and wages | | 12,420 | 12,199 |
| Annual leave and long services leave expense | | 1,315 | 1,434 |
| Superannuation (excluding salary sacrifice) | | 1,142 | 1,111 |
| Termination benefits | | 59 | – |
| Other on-costs (fringe benefits tax, payroll tax and work cover levy) | | 949 | 943 |
| Total employee expenses | | 15,885 | 15,687 |
| (b) Depreciation and amortisation | | | |
| Depreciation: | | | |
| Plant and equipment | 6 | 21 | 21 |
| Leasehold improvements | 6 | 932 | 632 |
| Leased vehicles | 6 | 80 | 103 |
| Total depreciation | | 1,033 | 756 |
| Amortisation: | | | |
| Software | 7 | 3,678 | 3,414 |
| Total amortisation | | 3,678 | 3,414 |
| Total depreciation and amortisation | 1(b) | 4,711 | 4,170 |
| (c) Grants and other transfers | | | |
| Grants and transfers – Multi-Purpose Taxi Program | | 60,013 | 57,198 |
| Transfers to the Commonwealth – disability care | | 1,070 | 1,090 |
| Grants to the local government – taxi ranks | | – | 1,101 |
| Other grants to private sector businesses, legal centres and non-profit organisations | | 511 | 297 |
| Total grants and other transfers | | 61,594 | 59,686 |
| (d) Other operating expenses | | | |
| Administration and information technology | | 5,493 | 7,499 |
| Contractors and consultants | | 1,220 | 1,265 |
| Accommodation | | 1,922 | 1,972 |
| Insurance, legal and audit fees | | 322 | 344 |
| Total other operating expenses | | 8,957 | 11,080 |

NOTE 4. OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT

| | Note | 2016 \$'000 | 2015 \$'000 |
|---|------|----------------|----------------|
| (a) Net (loss) / gain on non-financial assets | | | |
| Net (loss) / gain on disposal of leased vehicles | | (67) | 22 |
| Total net (loss) / gain on non-financial assets | | (67) | 22 |
| (b) Other (loss) / gain from other economic flows | | | |
| Net (loss) / gain arising from revaluation of long service leave liability ⁽ⁱ⁾ | | (107) | (56) |
| Total other (loss) / gain from other economic flows | | (107) | (56) |

Note:

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

NOTE 5. RECEIVABLES

| | | 2016 | 2015 |
|---|------|--------------|--------------|
| | Note | \$'000 | \$'000 |
| Current receivables | | | |
| Statutory | | | |
| Amounts owing from Victorian Government | | 3,905 | 6,068 |
| GST input tax credit recoverable from the ATO | | 967 | 1,091 |
| Other receivables | | 25 | 8 |
| Total current receivables | | 4,897 | 7,167 |
| Total receivables | | 4,897 | 7,167 |

NOTE 6. PROPERTY, PLANT AND EQUIPMENT

Table 6.1 Classification by 'Purpose Groups' – Carrying amounts ⁽ⁱ⁾

| | | Transport and Communications | |
|------------------------|------|------------------------------|------------|
| | | 2016 | 2015 |
| | Note | \$'000 | \$'000 |
| Leasehold improvements | | 2,649 | 176 |
| Plant and equipment | | 10 | 31 |
| Leased vehicles | | 281 | 275 |
| | | 2,940 | 482 |

Note:

⁽ⁱ⁾ Property, plant and equipment are classified primarily by the 'purpose' for which the assets are used, according to one of six purpose groups based upon government purpose classifications. All assets in a purpose group are further sub categorised according to the asset's 'nature' (i.e. buildings, plant and equipment, etc.), with each sub category being classified as a separate class of asset for financial reporting purposes.

Table 6.2 Gross carrying amount and accumulated depreciation

| | 2016 \$'000 | 2015 \$'000 |
|---|----------------|----------------|
| Leasehold improvements at fair value | | |
| At cost of acquisition | 3,476 | 1,440 |
| Less: accumulated depreciation | (827) | (1,264) |
| Total leasehold improvements | 2,649 | 176 |
| Plant and equipment at fair value | | |
| At cost of acquisition | 83 | 83 |
| Less: accumulated depreciation | (73) | (52) |
| Total plant and equipment | 10 | 31 |
| Leased vehicles at fair value | | |
| At cost of acquisition | 406 | 378 |
| Less: accumulated amortisation | (125) | (103) |
| Total leased vehicles | 281 | 275 |
| Net carrying amount of property, plant and equipment | 2,940 | 482 |

Table 6.3 Classification by 'Transportation and Communications' purpose group – movements in carrying amounts

| | | \$'000 | | | |
|------------------------|-------|---------------------------|------------------------|--------------------|--------------|
| | Note | Leasehold improvements | Plant and equipment | Leased vehicles | Total |
| 2016 | | | | | |
| Opening balance | | 176 | 31 | 275 | 482 |
| Additions | | 3,476 | – | 119 | 3,595 |
| Depreciation expense | 3 (b) | (932) | (21) | (80) | (1,033) |
| Disposals / write-offs | | (71) | – | (33) | (104) |
| Closing balance | | 2,649 | 10 | 281 | 2,940 |
| 2015 | | | | | |
| Opening balance | | 808 | 52 | 220 | 1,080 |
| Additions | | – | – | 253 | 253 |
| Depreciation expense | 3 (b) | (632) | (21) | (103) | (756) |
| Disposals / write-offs | | – | – | (95) | (95) |
| Closing balance | | 176 | 31 | 275 | 482 |

Table 6.4 Fair value measurement hierarchy for assets as at 30 June 2016

| \$'000 | | | | |
|------------------------|--|--|--|--|
| | Carrying amount as at 30 June 2016 | Carrying amount as at 30 June 2015 | Fair value measurement at 30 June 2016 using: | Fair value measurement at 30 June 2015 using: |
| | | | Level 3 ^{(i) (ii)} | Level 3 ^{(i) (ii)} |
| Leasehold improvements | 2,649 | 176 | 2,649 | 176 |
| Plant and equipment | 10 | 31 | 10 | 31 |
| Leased vehicles | 281 | 275 | 281 | 275 |
| Total | 2,940 | 482 | 2,940 | 482 |

Note:

⁽ⁱ⁾ Classified in accordance with the fair value hierarchy, see Note 1(c).

⁽ⁱⁱ⁾ Assets are categorised to Level 3 assets since the depreciated replacement cost is used in estimating the fair value.

There have been no transfers between levels during the period.

Vehicles

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.

Plant and equipment

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

There were no changes in valuation techniques throughout the year to 30 June 2016.

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

Table 6.5 Reconciliation of Level 3 fair value

| | \$'000 | | |
|--|------------------------|---------------------|-----------------|
| 2016 | Leasehold improvements | Plant and equipment | Leased vehicles |
| Opening balance | 176 | 31 | 275 |
| Purchases | 3,476 | – | 119 |
| Disposals | (71) | – | (33) |
| Gains or losses recognised in net result: | | | |
| Depreciation and amortisation | (932) | (21) | (80) |
| Closing balance | 2,649 | 10 | 281 |
| 2015 | | | |
| Opening balance | 808 | 52 | 220 |
| Purchases | – | – | 253 |
| Disposals | – | – | (95) |
| Gains or losses recognised in net result: | | | |
| Depreciation and amortisation | (632) | (21) | (103) |
| Closing balance | 176 | 31 | 275 |

Table 6.6 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 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 period.

NOTE 7. INTANGIBLE ASSETS

| | Note | Capitalised software development | | Work in progress (software) | | Total | |
|---|------|----------------------------------|----------------|-----------------------------|----------------|----------------|----------------|
| | | 2016 \$'000 | 2015 \$'000 | 2016 \$'000 | 2015 \$'000 | 2016 \$'000 | 2015 \$'000 |
| Gross carrying amount | | | | | | | |
| Opening balance | | 13,410 | 10,763 | 5,100 | 3,850 | 18,510 | 14,613 |
| Additions | | – | – | 68 | 3,897 | 68 | 3,897 |
| Transfers between classes | | 1,000 | 2,647 | (1,000) | (2,647) | – | – |
| Closing balance | | 14,410 | 13,410 | 4,168 | 5,100 | 18,578 | 18,510 |
| Accumulated amortisation and impairment | | | | | | | |
| Opening balance | | (6,222) | (2,808) | – | – | (6,222) | (2,808) |
| Amortisation expense | 3(b) | (3,678) | (3,414) | – | – | (3,678) | (3,414) |
| Closing balance | | (9,900) | (6,222) | – | – | (9,900) | (6,222) |
| Net book value at the end of the financial year | | 4,510 | 7,188 | 4,168 | 5,100 | 8,678 | 12,288 |

Significant intangible assets

The TSC has capitalised software development expenditure for the development of the Victorian Taxi Management System (VTMS). The carrying amount of the capitalised software development expenditure is \$4.51 million (2015: \$7.19 million). Its estimated useful life is four years based on a normal life of IT systems and will be fully amortised in 2017.

NOTE 8. PAYABLES

| | 2016 | 2015 |
|---|--------------|--------------|
| | \$'000 | \$'000 |
| Current payables | | |
| Contractual | | |
| Supplies and services | 5,045 | 7,175 |
| Other payables | 170 | 286 |
| Total current contractual payables | 5,215 | 7,461 |
| Statutory | | |
| Fringe Benefits Tax (FBT) Payable | 21 | 9 |
| GST payable | 4 | 4 |
| Other taxes payable | 61 | 66 |
| Total current statutory payables | 86 | 79 |
| Total payables ⁽ⁱ⁾ | 5,301 | 7,540 |

Note:

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

(a) Maturity analysis of contractual payables

Please refer to Note 15 for the maturity analysis of contractual payables.

(b) Nature and extent of risk arising from contractual payables

Please refer to Note 15 for the nature and extent of risks arising from contractual payables.

NOTE 9. BORROWINGS

| | | 2016 | 2015 |
|--|------|------------|------------|
| | Note | \$'000 | \$'000 |
| Current borrowings | | | |
| Motor vehicle lease liability ⁽ⁱ⁾ | 12 | 112 | 87 |
| Total current borrowings | | 112 | 87 |
| Non-current borrowings | | | |
| Motor vehicle lease liability ⁽ⁱ⁾ | 12 | 172 | 191 |
| Total non-current borrowings | | 172 | 191 |
| Total borrowings | | 284 | 278 |

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.

(a) Maturity analysis of borrowings

Please refer to Note 15 for the maturity analysis of borrowings.

(b) Nature and extent of risk arising from borrowings

Please refer to Note 15 for the nature and extent of risks arising from borrowings.

NOTE 10. PROVISIONS

| | Note | 2016 \$'000 | 2015 \$'000 |
|--|--------------|----------------|----------------|
| Current provisions | | | |
| Employee benefits – annual leave ⁽ⁱ⁾ | | | |
| Unconditional and expected to settle within 12 months ⁽ⁱⁱ⁾ | | 483 | 511 |
| Unconditional and expected to settle after 12 months ⁽ⁱⁱⁱ⁾ | | 386 | 412 |
| Employee benefits – long service leave ⁽ⁱ⁾ | | | |
| Unconditional and expected to settle within 12 months ⁽ⁱⁱ⁾ | | 236 | 186 |
| Unconditional and expected to settle after 12 months ⁽ⁱⁱⁱ⁾ | | 1,039 | 823 |
| Employee benefits – bonus provision ⁽ⁱ⁾ | | | |
| | | 35 | 27 |
| | 10(a) | 2,179 | 1,959 |
| Provisions for on-costs | | | |
| Unconditional and expected to settle within 12 months ⁽ⁱⁱ⁾ | | 115 | 111 |
| Unconditional and expected to settle after 12 months ⁽ⁱⁱⁱ⁾ | | 228 | 196 |
| | 10(a) | 343 | 307 |
| Total current provisions | | 2,522 | 2,266 |
| Non-current provisions | | | |
| Employee benefits and related on-costs | | | |
| Employee benefits ⁽ⁱ⁾ | 10(a) | 501 | 495 |
| On-costs | 10(a) | 79 | 79 |
| | | 580 | 574 |
| Other provisions ^(iv) | | | |
| Provision for dismantling, removal and restoration of building leasehold | 10(b) | 959 | 663 |
| | | 959 | 663 |
| Total non-current and other provisions | | 1,539 | 1,237 |
| Total provisions | | 4,061 | 3,503 |

Note:

⁽ⁱ⁾ Employee benefits consist of annual leave and long service leave accrued for /on behalf of employees. On-costs such as payroll tax and workers' compensation insurance are not employee benefits and are reflected as a separate provision.

⁽ⁱⁱ⁾ The amounts disclosed are nominal amounts.

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

^(iv) Other provisions are assessed by Management at each reporting date, and any changes to the provision is adjusted to reflect the current best estimate.

(a) Employee benefits and on-costs ⁽ⁱ⁾

| | Note | 2016 \$'000 | 2015 \$'000 |
|---|------|----------------|----------------|
| Current employee benefits | | | |
| Annual leave entitlements | | 869 | 923 |
| Long service leave | | 1,275 | 1,009 |
| Accrued performance incentive | | 35 | 27 |
| Total current employee benefits | | 2,179 | 1,959 |
| Non-current employee benefits | | | |
| Long service leave | | 501 | 495 |
| Total non-current employee benefits | | 501 | 495 |
| Total employee benefits | | 2,680 | 2,454 |
| On-costs | | | |
| Current on-costs | | 343 | 307 |
| Non-current on-costs | | 79 | 79 |
| Total on-costs | | 422 | 386 |
| Total employee benefits and on-costs | | 3,102 | 2,840 |

Note:

⁽ⁱ⁾ Employee benefits consist of annual leave and long service leave accrued by employees. On-costs such as payroll tax and workers' compensation insurance are not employee benefits and are reflected as a separate provision.

b) Movement in provisions other than employee benefits

| | 2016 \$'000 |
|---|----------------|
| Provision for dismantling, removal and restoration of building leasehold | |
| Opening balance at 1 July 2015 | 663 |
| Additional provision ⁽ⁱ⁾ | 296 |
| Closing balance at 30 June 2016 | 959 |
| Current | – |
| Non-current | 959 |
| Total | 959 |

Note:

⁽ⁱ⁾ This constitutes a make good provision for 1 Spring Street accommodation upon expiry of lease.

NOTE 11. SUPERANNUATION

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:

| Fund | Contributions paid or payable at year end | |
|---|---|----------------|
| | 2016 \$'000 | 2015 \$'000 |
| Defined benefit plans ⁽ⁱ⁾ | | |
| State Superannuation Fund – revised and new | 88 | 116 |
| Transport Superannuation Fund | 15 | 16 |
| Total defined benefit plans | 103 | 132 |
| Defined contribution plans | | |
| VicSuper | 949 | 979 |
| Other | 434 | 353 |
| Total defined contribution plans | 1,383 | 1,332 |
| Total superannuation plans | 1,486 | 1,464 |

Note:

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

NOTE 12. LEASES

Leasing arrangements

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.

| | Note | Minimum future lease payments ⁽ⁱ⁾ | | Present value of minimum future lease payments | |
|---|------|--|----------------|--|----------------|
| | | 2016 \$'000 | 2015 \$'000 | 2016 \$'000 | 2015 \$'000 |
| Finance lease liabilities payable | | | | | |
| Not longer than one year | | 121 | 98 | 112 | 87 |
| Longer than one year but not longer than five years | | 177 | 199 | 172 | 191 |
| Minimum lease payments ⁽ⁱ⁾ | | 298 | 297 | 284 | 278 |
| Less future finance charges | | (14) | (19) | – | – |
| Present value of minimum lease payments | | 284 | 278 | 284 | 278 |
| Included in the financial statements as: | | | | | |
| Current borrowings | 9 | | – | 112 | 87 |
| Non-current borrowings | 9 | | – | 172 | 191 |
| Total interest bearing liabilities | | | – | 284 | 278 |

Notes:

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

NOTE 13. COMMITMENTS FOR EXPENDITURE

(a) Commitments

| Nominal values | 2016 \$'000 | 2015 \$'000 |
|--|----------------|----------------|
| Intangible asset commitments | | |
| Software | 869 | 1,383 |
| Total intangible asset commitments | 869 | 1,383 |
| Operating and lease commitments | | |
| Accommodation | 4,025 | 6,884 |
| Total operating and lease commitments | 4,025 | 6,884 |
| Other commitments | | |
| Taxi terminal and data collection agency services ⁽ⁱ⁾ | 3,172 | 4,736 |
| Performance Based Booking System ⁽ⁱⁱ⁾ | 858 | 1,238 |
| Other ⁽ⁱⁱⁱ⁾ | 9,468 | 13,703 |
| Total other commitments | 13,498 | 19,677 |
| Total commitments | 18,392 | 27,944 |

Notes:

⁽ⁱ⁾ The in-taxi solution for transaction data collection related to MPTP.

⁽ⁱⁱ⁾ An incentive scheme designed to improve the level of services for Victorians using a WAT.

⁽ⁱⁱⁱ⁾ Includes contractors, internal audit services and other operating expense commitments.

NOTE 13. COMMITMENTS FOR EXPENDITURE (CONTINUED)

(b) Commitments payable

| Nominal values | 2016 | 2015 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Intangible asset commitments payable | | |
| Less than one year | 869 | 1,383 |
| Total intangible asset commitments | 869 | 1,383 |
| Operating and lease commitments payable | | |
| Less than one year | 1,427 | 2,034 |
| Longer than one year but not longer than five years | 2,598 | 4,850 |
| Total operating and lease commitments | 4,025 | 6,884 |
| Other commitments payable | | |
| Less than one year | 6,187 | 6,942 |
| Longer than one year but not longer than five years | 7,311 | 12,735 |
| Total other commitments | 13,498 | 19,677 |
| Total commitments (inclusive of GST) | 18,392 | 27,944 |
| Less GST recoverable from the ATO | (1,672) | (2,540) |
| Total commitments (exclusive of GST) | 16,720 | 25,404 |

NOTE 14. CONTINGENT ASSETS AND LIABILITIES

(a) Contingent assets

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.

There are no contingent assets to report (2014–15-nil).

(b) Contingent liabilities

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

There are no contingent liabilities to report (2014–15-nil).

NOTE 15. FINANCIAL INSTRUMENTS

(a) Significant accounting policies

The TSC's principal financial instruments comprise:

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

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 1 to the financial statements.

The carrying amounts of the TSC's contractual financial assets and liabilities by category are disclosed in Table 15.1 below.

Table 15.1: Categorisation of financial instruments ⁽ⁱ⁾

| 2015–16 | | Contractual financial assets – loans and receivables | Contractual financial liabilities at amortised cost | Total |
|--|-------|--|---|--------------|
| | Note | \$'000 | \$'000 | \$'000 |
| Contractual financial assets | | | | |
| Cash | 16(a) | 2,359 | – | 2,359 |
| Total contractual financial assets | | 2,359 | – | 2,359 |
| Contractual financial liabilities | | | | |
| Payables | | | | |
| Supplies and services | 8 | – | 5,045 | 5,045 |
| Other Payables | 8 | – | 170 | 170 |
| Borrowings | | | | |
| Finance lease liabilities | 9 | – | 284 | 284 |
| Total contractual financial liabilities ⁽ⁱⁱ⁾ | | – | 5,499 | 5,499 |
| 2014–15 | | Contractual financial assets– loans and receivables | Contractual financial liabilities at amortised cost | Total |
| | Note | \$'000 | \$'000 | \$'000 |
| Contractual financial assets | | | | |
| Cash | 16(a) | 2,768 | – | 2,768 |
| Total contractual financial assets | | 2,768 | – | 2,768 |
| Contractual financial liabilities | | | | |
| Payables | | | | |
| Supplies and services | 8 | – | 7,175 | 7,175 |
| Other Payables | 8 | – | 286 | 286 |
| Borrowings | | | | |
| Finance lease liabilities | 9 | – | 278 | 278 |
| Total contractual financial liabilities ⁽ⁱⁱ⁾ | | – | 7,739 | 7,739 |

Notes:

⁽ⁱ⁾ The amount disclosed represents the carrying amount for the reporting period.

⁽ⁱⁱ⁾ The amount of payables disclosed excludes statutory payables (i.e. GST output tax payable).

Table 15.2: Net holding gain / (loss) on financial instruments by category

| 2015-16 | | Total interest income / (expense) |
|--|------|-----------------------------------|
| | Note | \$'000 |
| Contractual financial liabilities | | |
| Financial liabilities at amortised cost | | (8) |
| Total contractual financial liabilities | | (8) |
| 2014-15 | | Total interest income / (expense) |
| | Note | \$'000 |
| Contractual financial liabilities | | |
| Financial liabilities at amortised cost | | 4 |
| Total contractual financial liabilities | | 4 |

The net holding gains or losses disclosed above for financial liabilities is calculated by taking the interest expense of financial liabilities measured at amortised cost.

(b) Credit risk exposures

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 account of the value of any collateral obtained.

Table 15.3 Credit quality of contractual financial assets that are neither past due nor impaired ⁽ⁱ⁾

| 2015-16 | | Other (min BBB credit rating) ⁽ⁱⁱ⁾ | Total |
|---|--|---|--------------|
| | | \$'000 | \$'000 |
| Contractual financial assets | | | |
| Cash | | 2,359 | 2,359 |
| Total contractual financial assets | | 2,359 | 2,359 |
| 2014-15 | | Other (min BBB credit rating) | Total |
| | | \$'000 | \$'000 |
| Contractual financial assets | | | |
| Cash | | 2,768 | 2,768 |
| Total contractual financial assets | | 2,768 | 2,768 |

Note:

⁽ⁱ⁾ The carrying amounts disclosed here exclude statutory amounts (e.g. amount owing from Victorian Government and GST input tax credit recoverable).

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

Table 15.4 Ageing analysis of contractual financial assets ⁽ⁱ⁾

| 2015–16 | Carrying amount \$'000 | Not past due and not impaired \$'000 |
|---|---------------------------|---|
| Contractual financial assets | | |
| Cash | 2,359 | 2,359 |
| Total contractual financial assets | 2,359 | 2,359 |
| 2014–15 | Carrying amount \$'000 | Not past due and not impaired \$'000 |
| Contractual financial assets | | |
| Cash | 2,768 | 2,768 |
| Total contractual financial assets | 2,768 | 2,768 |

Note:

⁽ⁱ⁾ The carrying amounts disclosed here exclude statutory amounts (e.g. amount owing from Victorian Government and GST input tax credit recoverable).

(c) Liquidity risk

Liquidity risk is the risk that the TSC would be unable to meet its financial obligations as and when 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 periods' data and current assessment of risk. The carrying amount detailed in the following table of contractual financial liabilities recorded in the financial statements represents the TSC's maximum exposure to liquidity risk.

The following table discloses the contractual maturity analysis for the TSC's contractual financial liabilities.

Table 15.5 Maturity analysis of contractual financial liabilities ⁽ⁱ⁾

| 2015-16 | Maturity dates | | | | | |
|--|-----------------|----------------|-------------------|------------|------------------|------------|
| | Carrying amount | Nominal amount | Less than 1 month | 1-3 months | 3 months -1 year | 1-5 years |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Contractual financial liabilities | | | | | | |
| Payables ⁽ⁱⁱ⁾ | | | | | | |
| Supplies and Services | 5,045 | 5,045 | 5,045 | - | - | - |
| Other Payables | 170 | 170 | 170 | - | - | - |
| Borrowings | | | | | | |
| Finance lease liabilities | 284 | 298 | 30 | 24 | 67 | 177 |
| Total contractual financial liabilities | 5,499 | 5,513 | 5,245 | 24 | 67 | 177 |

| 2014-15 | Maturity dates | | | | | |
|--|-----------------|----------------|-------------------|------------|------------------|------------|
| | Carrying amount | Nominal amount | Less than 1 month | 1-3 months | 3 months -1 year | 1-5 years |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Contractual financial liabilities | | | | | | |
| Payables ⁽ⁱⁱ⁾ | | | | | | |
| Supplies and Services | 7,175 | 7,175 | 7,175 | - | - | - |
| Other Payables | 286 | 286 | 286 | - | - | - |
| Borrowings | | | | | | |
| Finance lease liabilities | 278 | 297 | 28 | 13 | 57 | 199 |
| Total contractual financial liabilities | 7,739 | 7,758 | 7,489 | 13 | 57 | 199 |

Note:

⁽ⁱ⁾ Maturity analysis is presented using the contractual undiscounted cash flows.

⁽ⁱⁱ⁾ The amount of payables disclosed excludes statutory payables (i.e. GST output tax payable).

(d) 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 Victorian Department of Treasury and Finance.

The carrying amounts of financial assets and financial liabilities that are exposed to interest rates are set out in the table 15.6.

Table 15.6 Interest rate exposure of financial instruments

| 2015-16 | Weighted average effective interest rate | Carrying amount | Interest rate exposure | | |
|--|--|-----------------|------------------------|------------------------|----------------------|
| | | | Fixed interest rate | Variable interest rate | Non-interest bearing |
| | % | \$'000 | \$'000 | \$'000 | \$'000 |
| Contractual financial assets | | | | | |
| Cash | 1.88 | 2,359 | - | 2,358 | 1 |
| Total contractual financial assets | | 2,359 | - | 2,358 | 1 |
| Contractual financial liabilities | | | | | |
| Payables | | | | | |
| Supplies and Services | | 5,045 | - | - | 5,045 |
| Other Payables | | 170 | - | - | 170 |
| Borrowings | | | | | |
| Finance lease liabilities | 4.56 | 284 | 284 | - | - |
| Total contractual financial liabilities | | 5,499 | 284 | - | 5,215 |

| 2014-15 | Weighted average effective interest rate | Carrying amount | Interest rate exposure | | |
|--|--|-----------------|------------------------|------------------------|----------------------|
| | | | Fixed interest rate | Variable interest rate | Non-interest bearing |
| | % | \$'000 | \$'000 | \$'000 | \$'000 |
| Contractual financial assets | | | | | |
| Cash | 2.25 | 2,768 | - | 2,767 | 1 |
| Total contractual financial assets | | 2,768 | - | 2,767 | 1 |
| Contractual financial liabilities | | | | | |
| Payables | | | | | |
| Supplies and Services | | 7,175 | - | - | 7,175 |
| Other Payables | | 286 | - | - | 286 |
| Borrowings | | | | | |
| Finance lease liabilities | 4.98 | 278 | 278 | - | - |
| Total contractual financial liabilities | | 7,739 | 278 | - | 7,461 |

Sensitivity disclosure analysis

Taking into account 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 (2014-15 had a parallel shift of +2.0 per cent and -2.0 per cent).

Table 15.7 shows the impact on TSC's net result for each category of financial instrument if the above movements were to occur.

Table 15.7 Interest rate risk sensitivity

| 2015–16 | Carrying amount \$'000 | Interest rate | |
|--|---------------------------|---------------------------------------|---------------------------------------|
| | | -1.0 per cent Net result \$'000 | +1.0 per cent Net result \$'000 |
| Contractual financial assets | | | |
| Cash ⁽ⁱ⁾ | 2,358 | (24) | 24 |
| Total impact | | (24) | 24 |
| Contractual financial liabilities | | | |
| Borrowings ⁽ⁱⁱ⁾ | 284 | (3) | 3 |
| Total impact | | (3) | 3 |
| 2014–15 | Carrying amount \$'000 | Interest rate | |
| | | -2.0 per cent Net result \$'000 | +2.0 per cent Net result \$'000 |
| Contractual financial assets | | | |
| Cash ⁽ⁱ⁾ | 2,767 | (55) | 55 |
| Total impact | | (55) | 55 |
| Contractual financial liabilities | | | |
| Borrowings ⁽ⁱⁱ⁾ | 278 | (6) | 6 |
| Total impact | | (6) | 6 |

Notes:

⁽ⁱ⁾ Cash includes cash at bank of \$2,358 thousand (2015: \$2,767 thousand) that is exposed to floating rates movements. Sensitivities to these movements are calculated as follows:

- 2016: \$2,358 thousand x -0.01 = -\$24 thousand; and \$2,358 thousand x 0.01 = \$24 thousand; and
- 2015: \$2,767 thousand x -0.02 = -\$55 thousand; and \$2,767 thousand x 0.02 = \$55 thousand.

⁽ⁱⁱ⁾ Borrowings include motor vehicles under finance of \$284 thousand (2015: \$278 thousand) that is exposed to fixed rates movements. Sensitivities to these movements are calculated as follows:

- 2016: \$284 thousand x -0.01 = -\$3 thousand; and \$284 thousand x 0.01 = \$3 thousand; and
- 2015: \$278 thousand x -0.02 = -\$6 thousand; and \$278 thousand x 0.02 = \$6 thousand.

(e) Fair value 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.

The following table shows that the fair values of the contractual financial assets and liabilities are the same as the carrying amounts.

Table 15.8 Comparison between carrying amount and fair value

| | 2016 | | 2015 | |
|--|---------------------------|----------------------|---------------------------|----------------------|
| | Carrying amount \$'000 | Fair value \$'000 | Carrying amount \$'000 | Fair value \$'000 |
| Contractual financial assets | | | | |
| Cash | 2,359 | 2,359 | 2,768 | 2,768 |
| Total contractual financial assets | 2,359 | 2,359 | 2,768 | 2,768 |
| Contractual financial liabilities | | | | |
| Payables | | | | |
| Supplies and Services | 5,045 | 5,045 | 7,175 | 7,175 |
| Other Payables | 170 | 170 | 286 | 286 |
| Borrowings | | | | |
| Finance lease liabilities | 284 | 284 | 278 | 278 |
| Total contractual financial liabilities | 5,499 | 5,499 | 7,739 | 7,739 |

On-statement of balance sheet

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the TSC equals their carrying amounts.

NOTE 16. CASH FLOW INFORMATION

(a) Reconciliation of cash and cash equivalents

| | Note | 2016 \$'000 | 2015 \$'000 |
|---|------|----------------|----------------|
| Cash at bank and on hand | | 2,359 | 2,768 |
| Balance as per cash flow statement | | 2,359 | 2,768 |

The above figures are reconciled to cash at the end of the financial year as shown in the cash flow statement.

At 30 June 2016, cash at bank included the amount of notional shortfall for the payment of unrepresented cheques totalling \$14,911 (2015: \$10,469).

(b) Reconciliation of net result for the period

| | Note | 2016 \$'000 | 2015 \$'000 |
|---|-------|----------------|----------------|
| Net result for the reporting period | | (4,498) | (4,102) |
| Non-cash movements: | | | |
| Loss / (Gain) on disposal of non-current assets | 4 (a) | 67 | (22) |
| Depreciation and amortisation of non-current assets | 3 (b) | 4,711 | 4,170 |
| Movements in assets and liabilities (net of restructuring) | | | |
| Decrease / (Increase) in receivables | | 701 | (210) |
| (Increase) / Decrease in prepayments | | (1,660) | – |
| (Decrease) / Increase in payables | | (1,183) | 479 |
| Increase in provisions | | 558 | 214 |
| Net cash flows from operating activities | | (1,304) | 529 |

NOTE 17. ADMINISTERED (NON-CONTROLLED) ITEMS

In addition to the specific operations which are included in the financial statements (comprehensive operating statement, balance sheet, statement of changes in equity and cash flow statement), the TSC administers or manages other activities and resources on behalf of the State. The transactions relating to these State activities are reported as administered items in this note.

| | 2016 | 2015 |
|---|-----------------|-----------------|
| Note | \$'000 | \$'000 |
| Administered income from transactions | | |
| Licence revenue ⁽ⁱ⁾ | 39,761 | 36,125 |
| Multi-Purpose Taxi Program service fees ⁽ⁱ⁾ | 484 | 405 |
| Bad debts recovered | 2 | – |
| Total administered income from transactions | 40,247 | 36,530 |
| Administered expenses from transactions | | |
| Bad debts | (2,971) | (1,326) |
| Other expenses | (88) | (84) |
| Revenue remitted back to the State | (24,654) | (29,188) |
| Total administered expenses from transactions | (27,713) | (30,598) |
| Total administered net result from transactions | 12,534 | 5,932 |
| Administered other economic flows included in net result | | |
| Doubtful debts ⁽ⁱⁱ⁾ | (4,224) | 1,588 |
| Total administered other economic flows | (4,224) | 1,588 |
| Administered net result | 8,310 | 7,520 |
| | 2016 | 2015 |
| | \$'000 | \$'000 |
| Administered financial assets | | |
| Cash | 1,214 | 746 |
| Receivables ⁽ⁱⁱ⁾ | 6,764 | 7,952 |
| Total administered financial assets | 7,978 | 8,698 |
| Total administered assets | 7,978 | 8,698 |
| Administered financial liabilities | | |
| Deposits Repayable to the State | – | 746 |
| Other payables | 75 | – |
| Prepaid Revenue | – | 36 |
| Total administered financial liabilities | 75 | 782 |
| Total administered liabilities | 75 | 782 |
| Total administered net assets | 7,903 | 7,916 |

Note:

⁽ⁱ⁾ The TSC does not gain control over assets arising from regulatory fees and categorised as Licence revenue \$39.76 million (2015: \$36.13 million) and MPTP service fees \$0.48 million (2015: \$0.41 million), consequently no income is recognised in the TSC's financial statements.

⁽ⁱⁱ⁾ Administered receivables in 2015–16 comprise \$11,395 (\$'000) less \$4,631 (\$'000) provision for doubtful debts.

Reconciliation of provision for doubtful debts:

| | Note | 2016 \$'000 | 2015 \$'000 |
|---|------|----------------|----------------|
| Opening balance | | (406) | (1,994) |
| (Increase) / Decrease in allowance for doubtful debts | | (4,224) | 1,588 |
| Closing balance | | (4,630) | (406) |

NOTE 18. 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 2015 to 30 June 2016 |
| Chair of the Taxi Services Commission ⁽ⁱ⁾ | Graeme Samuel AC | 1 July 2015 to 30 June 2016 |
| Commissioner for Taxi Services Commission ⁽ⁱ⁾ | Douglas Shirrefs | 1 July 2015 to 30 June 2016 |
| Commissioner for Taxi Services Commission ⁽ⁱ⁾ | Merran Kelsall | 1 July 2015 to 30 June 2016 |
| Chief Executive Officer | Aaron de Rozario | 24 August 2015 to 30 June 2016 |

Note:

⁽ⁱ⁾ *The Chair and Commissioners' term ended 31 July 2016. The new Chair, Yehudi Blacher and Commissioners, Monique Conheady and Janet Dore, were appointed on 1 August 2016 for a term of three years. The annual financial statements were authorised for issue by Yehudi Blacher on 23 September 2016.*

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.

| Income band | Total remuneration | | Base remuneration | |
|------------------------------|--------------------|-------------|-------------------|-------------|
| | 2016 No. | 2015 No. | 2016 No. | 2015 No. |
| Less than \$100,000 | 2 | 2 | 2 | 2 |
| \$140,000 – 149,999 | 1 | 1 | 1 | 1 |
| \$170,000 – 179,999 | – | – | – | 1 |
| \$210,000 – 219,999 | 1 | – | 1 | – |
| \$230,000 – 239,999 | – | 1 | – | – |
| Total numbers | 4 | 4 | 4 | 4 |
| Total amount (\$'000) | 477 | 500 | 477 | 442 |

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.

Related Party Transactions

Other related party transactions and loans requiring disclosure under the Directions of the Minister for Finance have been considered and there are no matters to report.

NOTE 19. REMUNERATION OF EXECUTIVES AND PAYMENTS TO OTHER PERSONNEL

a) 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 first two columns in the table below in their relevant income bands. The base remuneration of executive officers is shown in the last two columns. Base remuneration is exclusive of bonus payments, long service leave payments, redundancy payments and retirement benefits. The total annualised employee equivalent provides a measure of full time equivalent executive officers over the reporting period.

| Income band | Total remuneration | | Base remuneration | |
|---|--------------------|--------------|-------------------|--------------|
| | 2016 No. | 2015 No. | 2016 No. | 2015 No. |
| Less than \$100,000 | 2 | – | 3 | – |
| \$100,000 – 109,999 | – | – | – | – |
| \$110,000 – 119,999 | – | 1 | – | 1 |
| \$120,000 – 129,999 | 1 | – | 1 | – |
| \$130,000 – 139,999 | 1 | 1 | 1 | 2 |
| \$140,000 – 149,999 | – | – | – | – |
| \$150,000 – 159,999 | 1 | 1 | 1 | – |
| \$160,000 – 169,999 | 1 | 1 | 1 | 1 |
| \$170,000 – 179,999 | – | 1 | – | 2 |
| \$180,000 – 189,999 | 1 | 1 | 1 | 1 |
| \$190,000 – 199,999 | 1 | 1 | 1 | – |
| \$200,000 – 209,999 | – | – | – | 1 |
| \$210,000 – 219,999 | – | 1 | – | – |
| \$220,000 – 229,999 | – | – | – | – |
| \$230,000 – 239,999 | – | – | – | – |
| \$240,000 – 249,999 | – | – | – | – |
| \$250,000 – 259,999 | 1 | – | – | – |
| Total numbers | 9 | 8 | 9 | 8 |
| Total annualised employee Equivalent (AEE)⁽ⁱ⁾ | 6 | 8 | 6 | 8 |
| Total amount (\$'000) | 1,271 | 1,333 | 1,017 | 1,290 |

Note:

⁽ⁱ⁾ Annualised employee equivalent is based on paid working hours of 38 ordinary hours per week over the 52 weeks for a reporting period.

b) Payments to other personnel

There were no contractors with significant management responsibilities and no payments made. (2014–15 – nil)

NOTE 20. REMUNERATION OF AUDITORS

| | 2016 | 2015 |
|---|-----------|-----------|
| | \$'000 | \$'000 |
| Victorian Auditor-General's Office | | |
| Audit of the financial statements | 42 | 41 |
| Total remuneration of auditors | 42 | 41 |

The Victorian Auditor-General's Office has not provided the TSC with any other paid services.

NOTE 21. EX-GRATIA EXPENSES

There were no ex-gratia payments made during the financial year (2014–15 – nil).

NOTE 22. SUBSEQUENT EVENTS

On 23 August 2016 the Government announced that over the next two years, the current licencing regime regulated by the TSC will be replaced by a single registration system that will ensure high standards for all commercial passenger vehicles, including taxis, hire cars and ride share services. The Government will draft legislation to be introduced into Parliament in 2016, which will enable the long term reforms. The financial impacts on the TSC are not yet known.

NOTE 23. GLOSSARY OF 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 includes 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 complete set of financial statements comprises:

- 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*
- 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 be either 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.

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 |

ATTESTATIONS FOR RISK AND INSURANCE COMPLIANCE

Attestation for compliance with the Victorian Government Risk Management Framework mandated in the Ministerial Standing Direction 4.5.5 – Risk Management Framework and Processes pursuant to section 8 of the Financial Management Act 1994

I, Yehudi Blacher, certify that the Taxi Services Commission was fully compliant with the requirements of the Ministerial Standing Direction 4.5.5 – Risk Management Framework and Processes, with the exception of inter-agency risk requirements that came into effect during the course of the 2015–16 year.

The following remedial action will be taken:

The TSC will work closely with the Department of Economic Development, Jobs, Transport and Resources and other agencies to identify and manage inter-agency risk.

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



Yehudi Blacher

Chair

Taxi Services Commission

23 September 2016

APPENDICES

APPENDIX 1 DISCLOSURE INDEX

The Taxi Services Commission's 2015–16 Annual Report is prepared in accordance with all relevant Victorian legislations and pronouncements. This index has been prepared to facilitate identification of compliance with statutory disclosure requirements.

| Legislation | Requirement | Ministerial Directions |
|--|---|------------------------|
| | | Report of operations |
| | | Page reference |
| <i>Charter and purpose</i> | | |
| FRD 22G | Manner of establishment and the relevant Ministers | Page 11 |
| FRD 22G | Objectives, functions, powers and duties | Page 12 |
| FRD 22G | Nature and range of services provided | Page 12 |
| <i>Management and structure</i> | | |
| FRD 22G | Organisational structure | Page 36 |
| <i>Financial and other information</i> | | |
| FRD 8D, SD4.2(K) | Consistency of budget and departmental reporting | Page 100 |
| FRD 10A | Disclosure index | Page 97 |
| FRD 12A | Disclosure of major contracts | Page 102 |
| FRD 15B | Executive officer disclosures | n/a – Departments only |
| FRD 22G | Operational and budgetary objectives and performance against objectives | Page 18 |
| FRD 22G | Employment and conduct principles | Page 44 |
| FRD 22G | Occupational health and safety policy | Page 46 |
| FRD 22G | Summary of the financial results for the year | Page 32 |
| FRD 22G | Significant changes in financial position during the year | Page 32 |
| FRD 22G | Major changes or factors affecting performance | Page 16 |
| FRD 22G | Subsequent events | Page 93 |
| FRD 22G | Application and operation of the <i>Freedom of Information Act 1982</i> | Page 105 |
| FRD 22G | Compliance with building and maintenance provisions of <i>Building Act 1993</i> | Page 105 |
| FRD 22G | Statement on National Competition Policy | Page 105 |
| FRD 22G | Application and operation of the <i>Protected Disclosure Act 2012</i> | Page 105 |
| FRD 22G | Application and operation of the <i>Carers Recognition Act 2012</i> | Page 105 |
| FRD 22G | Details of consultancies over \$10 000 | Page 102 |
| FRD 22G | Details of consultancies under \$10 000 | Page 102 |
| FRD 22G | Information and Communication Technology expenditure | Page 102 |
| FRD 22G | Statement of availability of other information | Page 106 |
| FRD 24C | Office based environmental impacts | Page 108 |

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|--|---|--|
| Legislation | Requirement | Page reference |
| FRD 25B | Victorian Industry Participation Policy disclosures | Page 105 |
| FRD 29A | Workforce Data disclosures | Page 48 |
| SD 4.5.5 | Ministerial Standing Direction 4.5.5 compliance attestation | Page 96 |
| SD 4.5.5.1 | Ministerial Standing Direction 4.5.5.1 compliance attestation | Page 96 |
| SD 4.2(g) | Specific information requirements | Page 106 |
| SD 4.2(j) | Sign off requirements | Page 59 |
| <i>Financial statements</i> | | |
| <i>Financial statements required under Part 7 of the Financial Management Act 1994</i> | | |
| SD4.2(a) | Statement of changes in equity | Page 56 |
| SD4.2(b) | Operating statement | Page 54 |
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| Other requirements under Standing Directions 4.2 | | |
| SD4.2(c) | Compliance with Australian accounting standards and other authoritative pronouncements | Page 59 |
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| SD4.2(d) | Rounding of amounts | Page 61 |
| SD4.2(c) | Accountable officer's declaration | Page 51 |
| Other disclosures as required by FRDs in notes to the financial statements | | |
| FRD 9A | Departmental Disclosure of Administered Assets and Liabilities by Activity | Page 90 |
| FRD 11A | Disclosure of Ex Gratia Payments | Page 93 |
| FRD 13 | Disclosure of Parliamentary Appropriations | n/a |
| FRD 21B | Disclosures of Responsible Persons, Executive Officers and other Personnel (Contractors with Significant Management Responsibilities) in the Financial Report | Pages 91 to 92 |
| FRD 102 | Inventories | n/a |
| FRD 103F | Non financial Physical Assets | Page 72 |
| FRD 104 | Foreign Currency | n/a |
| FRD 105A | Borrowing Costs | n/a |
| FRD 106 | Impairment of Assets | Page 63 |
| FRD 109 | Intangible Assets | Page 75 |
| FRD 107A | Investment Properties | n/a |
| FRD 108A | Classification of entities as for-profit | n/a |
| FRD 110 | Cash Flow Statements | Page 57 |
| FRD 112D | Defined Benefit Superannuation Obligations | n/a |
| FRD 113A | Investments in Subsidiaries, Joint Ventures and Associates in the separate financial statements | n/a |
| FRD 114A | Financial Instruments – General Government Entities and Public Non-Financial Corporations | Page 82 |
| FRD 116 | Financial Instruments – Public Financial Corporations | n/a |

| | | Ministerial Directions Report of operations |
|--------------------|--|--|
| Legislation | Requirement | Page reference |
| FRD 117 | Contributions of existing non-financial assets to third parties | n/a |
| FRD 118B | Land under declared roads | n/a |
| FRD 119A | Transfers through Contributed Capital | Page 56 |
| FRD 120I | Accounting and reporting pronouncements applicable to the 2014–15 reporting period | Page 68 |
| <i>Legislation</i> | | |
| | <i>Freedom of Information Act 1982</i> | Page 105 |
| | <i>Building Act 1983</i> | Page 105 |
| | <i>Protected Disclosure Act 2012</i> | Page 105 |
| | <i>Carers Recognition Act 2012</i> | Page 105 |
| | <i>Victorian Industry Participation Policy Act 2003</i> | Page 105 |
| | <i>Financial Management Act 1994</i> | Page 33 |

A financial reporting direction, *FRD 30C Standard requirements for the publication of annual reports* on the design, layout and printing of annual reports prescribes specification requirements for the design of annual reports, use of colour and images, standard sizing, paper stocks and other publishing requirements. All departments and government agencies defined as public bodies must comply with the requirements of this FRD. FRD 30B can be found on the DTF website www.dtf.vic.gov.au under Financial Reporting Directions.

APPENDIX 2 – OUTPUT PERFORMANCE MEASURES

| | Output measures | Unit of measure | 2015–16 Actual | 2015–16 Target | 2014–15 Actual |
|--|-----------------|-----------------|----------------|----------------|----------------|
| Taxi and Hire Vehicle Services | | | | | |
| Quantity | | | | | |
| Average occupancy rate of metropolitan taxis in December (period of high service demand) | | per cent | 29.5 | 33.0 | 32.0 |
| Average occupancy rate of metropolitan taxis in June (period of low service demand) | | per cent | 28.3 | 30.0 | 30.3 |
| Multi Purpose Taxi Program: passenger only trips | | number ('000) | 3,689.8 | 3,800 | 3,670 |
| Multi Purpose Taxi Program: with wheelchair trips | | number ('000) | 973.7 | 1,020 | 941 |
| Taxi and hire vehicle complaints and other feedback assessed, investigated and closed | | number | 2933 | 3,600 | 3,272 |
| Taxi and hire vehicle compliance and enforcement interventions | | number | 20,373 | 20,000 | 12,944 |
| Taxi and hire vehicle reform recommendations implemented and completed | | number | 29 | 28 | 24 |
| Quality | | | | | |
| Taxis and hire vehicles conform to safety and quality standards | | per cent | 83.2 | 82.0 | 80.0 |
| Average wait time for conventional taxis booked to arrive at peak periods of demand | | minutes | 9.6 | 9.9 | 9.4 |
| Average wait time for wheelchair accessible taxis booked to arrive at peak periods of demand | | minutes | 27.8 | 27.0 | 28.0 |
| Taxi services online customer rating: information in taxis | | score | 61.6 | 59.2 | nm |
| Taxi services online customer rating: overall satisfaction in metropolitan Melbourne | | score | 61.4 | 60.4 | nm |
| Taxi services online customer rating: overall satisfaction in regional Victoria | | score | 72.7 | 72.3 | nm |
| Taxi services online customer rating: safety and comfort of journeys | | score | 67.8 | 69.7 | nm |
| Timeliness | | | | | |
| Taxi and hire vehicle complaints investigated and closed within 45 days | | per cent | 89.0 | 85.0 | 97.0 |
| Taxi and hire vehicle: calls to the Taxi Services Commission call centre answered within 20 seconds | | per cent | 51.9 | 54.0 | 42.4 |
| Timeliness | | | | | |
| Multi Purpose Taxi Program: applications assessed and completed within 14 days | | per cent | 99.3 | 97.0 | 99.0 |
| New commercial passenger vehicle licence applications other than taxi processed within 21 days | | per cent | 94.0 | 85.0 | nm |
| New vehicle licence applications processed within 14 days | | per cent | 93.0 | 85.0 | nm |
| New taxi, hire vehicle and bus driver accreditation applications processed within 14 days | | per cent | 70.0 | 85.0 | 50.3 |
| Road vehicle and driver regulation: new and renewed driving instructor authority applications processed within 14 days | | per cent | 88.0 | 85.0 | 75.1 |

*nm is a new Budget Output Performance measure introduced for 2014–15.

The **occupancy** rates of metropolitan Melbourne taxis for June and December 2015 were lower than target. This is due to changes in broader market circumstances with the entry of alternative service types and the introduction by the Victorian Government of 24 hour 7 day a week public transport in January 2016.

Demand for wheelchair trips subsidised through the **Multi-Purpose Taxi Program** has been slightly lower than target but in line with multi-year trends. The TSC continues to enhance processing of **Multi-Purpose Taxi Program applications** and the completion rate within 14 days was higher than target.

The fewer number of **complaints assessed, investigated and closed** than target was in line with reductions in taxi service use and a greater industry focus on improving complaints handling. **Closing complaints within 45 days** was better than target as the TSC continues to prioritise the provision of prompt responses to Victorians with service concerns.

Taxi and hire vehicle **compliance and enforcement interventions** and the results of these seen in **vehicles conform to safety and quality standards** were both slightly higher than target.

In the third and final year of the reform program, all possible **reform recommendations** were closed. Remaining recommendations will be addressed in ongoing business operations, the continuing reform of the industry and through actions required by departments or other agencies.

Improved data sources for taxi **waiting times** have become available, enabling more reliable calculation. There is slight variation for peak periods of demand (4pm to 7pm between October and December) between the more accurate targets and the calculated results for 2015–16.

The scores for **online customer ratings** of taxi services were close to expectations. This new survey methodology was extensively tested prior to it replacing the outmoded telephone landline methodology. As previously, regional rating of taxi services is higher than for metropolitan Melbourne.

The volume of calls to the TSC Call Centre tapered towards the end of the reform program and this assisted the achievement of a result for **telephone calls answered** within 20 seconds, which was just below target. Future variation in results may occur due to call complexity and peaks in volume due to the unforeseen nature or timing of incidents or industry developments.

The TSC achieved higher than targeted results for the processing of all categories of **vehicle licence applications**. Annual 'as of right' taxi licences account for the majority of applications.

During 2015–16, significant improvements were made in the processing of **accreditation applications** within 14 days. Processing of new taxi, hire car vehicle and bus driver applications was still significantly below target for the year overall. The TSC branch responsible for accreditation were able to achieve a higher than target result for processing the smaller number of **driving instructor authority applications** within 14 days.

APPENDIX 3 – CONSULTANCIES, MAJOR CONTRACTS AND GOVERNMENT ADVERTISING

Consultancies

Details of consultancies over \$10,000

In 2015–16, there were two consultancies where the total fees payable to the consultants was \$10,000 or greater (2014–15: five). The total expenditure incurred during 2015–16 in relation to these consultancies is \$0.07 million, a decrease from 2014–15 (\$0.5 million).

Details of individual consultancies are outlined in the table below. All figures exclude GST.

| Consultant | Purpose of consultancy | Start date | End date | Total approved project fee (excluding GST) \$'000 | Expenditure 2014–15 (excluding GST) \$'000 | Future expenditure (excluding GST) \$'000 |
|-----------------------------------|--|------------|-----------|---|--|---|
| Ladoo Pty Ltd | Development of mobile responsive website | 1/01/2014 | 1/01/2016 | \$135 | \$31 | \$0 |
| Transport Certification Australia | Advice, technical specification and gap analysis in relation to in-taxi technology | 14/04/2014 | 31/1/2016 | \$604 | \$34 | \$0 |
| TOTAL | | | | \$907 | \$65 | \$0 |

Details of consultancies under \$10,000

In 2015–16, there were nil consultancies (2014–15: two) where the total fees payable to the consultants was less than \$10,000.

Details of Information and Communication Technology (ICT) expenditure

For the 2015–16 reporting period, the TSC had a total ICT expenditure of \$7,323,000, with the details shown below.

| Business As Usual ICT expenditure \$'000 | Non Business As Usual ICT expenditure ⁽ⁱ⁾ \$'000 | Operational expenditure \$'000 | Capital expenditure \$'000 |
|--|---|--------------------------------|----------------------------|
| 7,182 | 141 | 72 | 69 |

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 2015–16 (2014–15: nil).

Government advertising

There were no government advertising campaigns relating to the TSC that had a total media spend of \$150,000 or greater during 2015–16 (2014–15: nil).

APPENDIX 4 – SUMMARY OF REFORM RECOMMENDATIONS

This appendix summarises the progress of implementing the 139 recommendations made by the *Taxi Industry Inquiry 2012*. A total of 29 recommendations were closed in 2015–16, bringing the total number of closed recommendations to 120.

The chapter and recommendation numbers reference the Government Response: *Taxi Industry Inquiry Final Recommendations* (May 2013).

| Chapter | 2015–16 implementation Recommendations closed | 2014–15 implementation Recommendations closed | 2013–14 implementation Recommendations closed |
|-------------------------------------|--|--|---|
| Taxi licences and zones | – | 1.3, 1.4 | 1.1, 1.2, 1.5, 1.6, 1.7, 1.8 |
| Hire cars | 2.5, 2.7–2.14 | – | 2.1, 2.2, 2.3 2.4, 2.6, 2.15 |
| More diverse and better vehicles | 3.2–3.5, 3.9, 3.13 | 3.11 | 3.1, 3.6, 3.7, 3.10, 3.12 |
| More networks and more choices | – | – | 4.1, 4.2, 4.3 |
| Better quality drivers | 5.20 | 5.1, 5.2, 5.10, 5.17, 5.18, 5.19 | 5.3–5.9, 5.11–5.14, 5.16, 5.21, 5.22 |
| Improved safety | 6.3, 6.4, 6.9 | 6.2, 6.6, 6.7 | 6.1, 6.5, 6.8 |
| Empowering consumers | – | 7.1, 7.5, 7.6 | 7.2, 7.3 |
| Approval and responsibility | – | 8.3, 8.4, 8.8 | 8.1, 8.2, 8.5, 8.6, 8.7, 8.9, 8.10 |
| More accessible services | 9.10 | 9.2 | 9.8, 9.9 |
| Improved regulation | 10.8, 10.18 | 10.5, 10.10, 10.11, 10.12, 10.13 | 10.1, 10.2, 10.3, 10.6, 10.7, 10.9, 10.14–10.17, 10.19, 10.21 |
| New and more flexible taxi services | 11.1–11.6 | – | – |
| Fares | 12.9 | – | 12.1, 12.2, 12.4, 12.5, 12.6, 12.7 |
| Service fee for electronic payments | – | – | 13.3 |

| Other recommendations with external dependencies and/or planned for future years | | |
|--|------------------------------|---|
| Chapter | Recommendation numbers | Commentary |
| More diverse and better vehicles | 3.8 | External dependencies |
| More networks and more choices for taxi businesses | 4.4 | External dependencies |
| Empowering consumers | 7.4 | External dependencies |
| Better quality drivers | 5.15 | Review of driver agreement in year five of implementation |
| More accessible services | 9.1, 9.3, 9.4, 9.5, 9.6, 9.7 | External dependencies |
| Improved regulation | | Five year review of regulator performance |
| | 10.4, 10.20, 10.22 | Long term consideration for Victorian Government |
| Fares | 12.8 | Review of fare competition after three years |
| Service fee for electronic payments | 13.1, 13.2, 13.4, 13.5 | External dependencies |

APPENDIX 5 – COMPLIANCE STATEMENTS

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 (VIPP). Departments and public sector bodies are required to apply VIPP 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 2015–16, the TSC had no contracts to which the VIPP applied.

Freedom of Information

The *Freedom of Information Act 1982* allows the public a right of access to documents held by the TSC. For the 12 months ending 30 June 2016, the TSC received 27 Freedom of Information applications. Of these requests, two were from a Member of Parliament, six were from media outlets and the remainder were from the general public. Of the total requests received by the TSC, 10 were granted in full, six were granted in part and three were denied in full. The remainder were either withdrawn or have not yet been fully processed. One proceeded to the appeal stage.

Requests for access to documents held by the TSC under the *Freedom of Information Act 1982* may be made in writing to:

Freedom of Information Officer
Taxi Services Commission
PO Box 1716
Melbourne VIC 3000

Requests can also be lodged by email: foi@taxi.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 (currently \$27.90). 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.

Further information regarding freedom of information can be found at www.foi.vic.gov.au.

Compliance with the Building Act

The TSC does 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
- and that:
- 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.

Carers Recognition Act

The TSC has taken all practical measures to comply with its obligations under the *Carers Recognition Act 2012*. This includes considering the carer relationships principles set out in the *Carers Recognition Act 2012* when setting policies and providing services.

Compliance with the Protected Disclosure Act

In February 2013, the *Whistleblowers Protection Act 2001* was repealed and replaced by the *Protected Disclosure Act 2012*. The *Protected Disclosure Act 2012* (the Act) encourages and assists people in making disclosures of improper conduct by public officers and public bodies. The Act provides protection to people who make disclosures in accordance with the Act and establishes a system for the matters disclosed to be investigated and any rectifying action to be taken.

The TSC does 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 will take 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 is the subject of the disclosure to the extent it is legally possible.

Reporting procedures

The TSC is 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

See the IBAC website for the secure email disclosure process, which also provides for anonymous disclosures.

In accordance with section 58 of the 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.

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 at

<www.data.vic.gov.au> in machine-readable format.



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 2015–16.

This information is available on request, subject to the *Freedom of Information Act 1982*.

- 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 the objectives and outcomes of each visit.

The information is available on request from:

Chief Finance Officer
Phone: 1800 638 802

Email: corporateservices@taxi.vic.gov.au

APPENDIX 6 – ENVIRONMENTAL PERFORMANCE REPORT

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 TSC head office facilities located at 80 Collins Street, Melbourne (1 July to 28 August 2015) and 1 Spring Street, Melbourne (31 August 2015 to 30 June 2016) and 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 TSC in 2016–17.

Energy

In 2015–16, details of the energy consumed by the TSC was obtained from energy retailer billing information, including all TSC sites and use by all TSC employees, including contractors and others.

| Indicator | 2015–16 | | | 2014–15 | | |
|--|-------------|-------------|-------------|-------------|-------------|-------------|
| | Green Power | Electricity | Natural Gas | Green Power | Electricity | Natural Gas |
| Total energy usage segmented by primary source (KWH) | n/a | 139,253 | n/a | n/a | 464,885.00 | n/a |
| Greenhouse gas emissions associated with energy use, segmented by primary source (tCO ₂ e) ⁽¹⁾ | n/a | n/a | n/a | n/a | 428.85 | n/a |
| Percentage of electricity purchased as green power (%) | n/a | n/a | n/a | n/a | n/a | n/a |
| Units of energy used per FTE (KWH /FTE) | n/a | 1,024 | n/a | n/a | 2,718.62 | n/a |
| Units of energy used per unit of office area (MJ/m ²) | n/a | n/a | n/a | n/a | 35.60 | n/a |

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

Actions undertaken

No actions

Waste

The waste generated by processes at the TSC is divided into three general classes: landfill, recycling and compost. The waste management program facilitates the easy segregation of waste materials for recycling, composting or landfill.

The data below is derived from a five-day waste audit 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.

| Indicator | 2015-16 | | | | |
|--|----------|----------------------|---------|-------------|------------------|
| | Landfill | Co-mingled recycling | Compost | Secure Docs | Contamination in |
| Percentage of total units of waste disposed of by destination ⁽²⁾ | 56.38 | 20.86 | 27.54 | 52.26 | 1.63 |
| Units of waste disposed of per FTE by destination (kg/FTE) ⁽³⁾ | 24.66 | 4.75 | 9.11 | 28.03 | n/a |
| Recycling rate as a percentage of total waste | 31.1 | 6.0 | 11.5 | 35.4 | n/a |
| Greenhouse gas emissions associated with waste disposal (tCO ₂ e) | 1409.50 | 459.16 | 1327.51 | N/A | 695.52 |

| Indicator | 2014-15 | | | | |
|--|----------|----------------------|---------|-------------|------------------|
| | Landfill | Co-mingled recycling | Compost | Secure Docs | Contamination in |
| Percentage of total units of waste disposed of by destination ⁽²⁾ | 2,368 | 5,082 | 1,224 | 3,023 | n/a |
| Units of waste disposed of per FTE by destination (kg/FTE) ⁽³⁾ | 13.85 | 29.72 | 7.16 | 17.68 | n/a |
| Recycling rate as a percentage of total waste | 20.2 | 43.4 | 10.5 | 25.8 | n/a |
| Greenhouse gas emissions associated with waste disposal (tCO ₂ e) | 496.98 | 309.38 | 312.81 | n/a | 1,332.81 |

Notes

⁽²⁾ Reported as kg/yr for 2014-15

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

| Actions undertaken | |
|--------------------|---|
| Bulletins | Environmental representatives regularly sent out waste awareness bulletins to all employees |

Paper

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

| Indicator | 2015-16 | 2014-15 |
|---|---------|---------|
| Total units of copy paper used (reams) | 1,812 | 2,100 |
| Units of copy paper used per FTE (reams/FTE) | 13.72 | 12.2 |
| Percentage 76-100% recycled content A4 copy paper purchased (%) | 100 | 0 |
| Percentage 51-75% recycled content A4 copy paper purchased (%) | 0 | 0 |
| Percentage 0-50% recycled content A4 copy paper purchased (%) | 0 | 100 |
| Percentage A3 paper and coloured paper purchased (%) | N/A | 42 |

Actions undertaken

| | |
|-------------------------|---|
| Printer settings | All printers are set to print double sided by default |
| iPad trial | Commission and leadership team meeting papers circulated via iPad (not printed) |

Water

Figures cannot be obtained for water consumption.

Actions undertaken

No actions

Transport (operational vehicles)

The TSC's car fleet comprises 10 vehicles, excluding executive vehicles. All of these vehicles are 6-cylinder vehicles. The TSC's employees do 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 | 2015-16 | | | 2014-15 | | |
|--|------------|------------|----------------|------------|------------|----------------|
| | 4-cylinder | 6-cylinder | 4WD | 4-cylinder | 6-cylinder | 4WD |
| Total energy consumption by vehicles (MJ) | n/a | n/a | 0 | n/a | 203,564 | 0 |
| Total vehicle travel associated with entity operations (km) | n/a | 120,168 | 0 | n/a | 122,482 | 0 |
| Total greenhouse gas emissions from vehicle fleet (tCO ₂ e) | n/a | 11.48 | 0 | n/a | 14.17 | 0 |
| Greenhouse gas emissions from vehicle fleet per 1,000km travelled (tCO ₂ e) | n/a | n/a | 0 | n/a | n/a | 0 |
| | | | 2015-16 | | | 2014-15 |
| Total distance travelled by aeroplane (km) ⁽³⁾ | | | 10,537.98 | | | 15,580.00 |

| | 2015-16 | | | | | | 2014-15 | | | | | |
|---|---------|------|-------|-----|-----------|-------|---------|------|-------|------|-----------|-------|
| | Train | Tram | Cycle | Car | Walk /Run | Other | 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% of work attendance days) | 60.0 | 11.1 | 4.4 | 2.2 | 13.3 | 11.0 | 55.9 | 10.8 | 8.6 | 12.9 | n/a | 11.8 |

Notes

⁽⁴⁾ Figure obtained from reports supplied by Flight Centre Management.

| Actions undertaken |
|--------------------|
| No actions |

Greenhouse gas emissions

The greenhouse gas emissions detailed below have been brought together from the previous sections to show the TSC's total greenhouse gas emissions footprint.

| Indicator | 2015-16 ⁽⁵⁾ | 2014-15 |
|--|------------------------|----------|
| Total greenhouse gas emissions associated with energy use (tCO ₂ e) | n/a | 97.78 |
| Total greenhouse gas emissions associated with vehicle fleet (tCO ₂ e) | n/a | 14.17 |
| Total greenhouse gas emissions associated with air travel (tCO ₂ e) | n/a | n/a |
| Total greenhouse gas emissions associated with waste production (tCO ₂ e) | n/a | 2,451.90 |
| Total greenhouse gas emissions offsets purchased (tCO ₂ e) | n/a | 0 |

Notes

⁽⁵⁾ Data unavailable.

