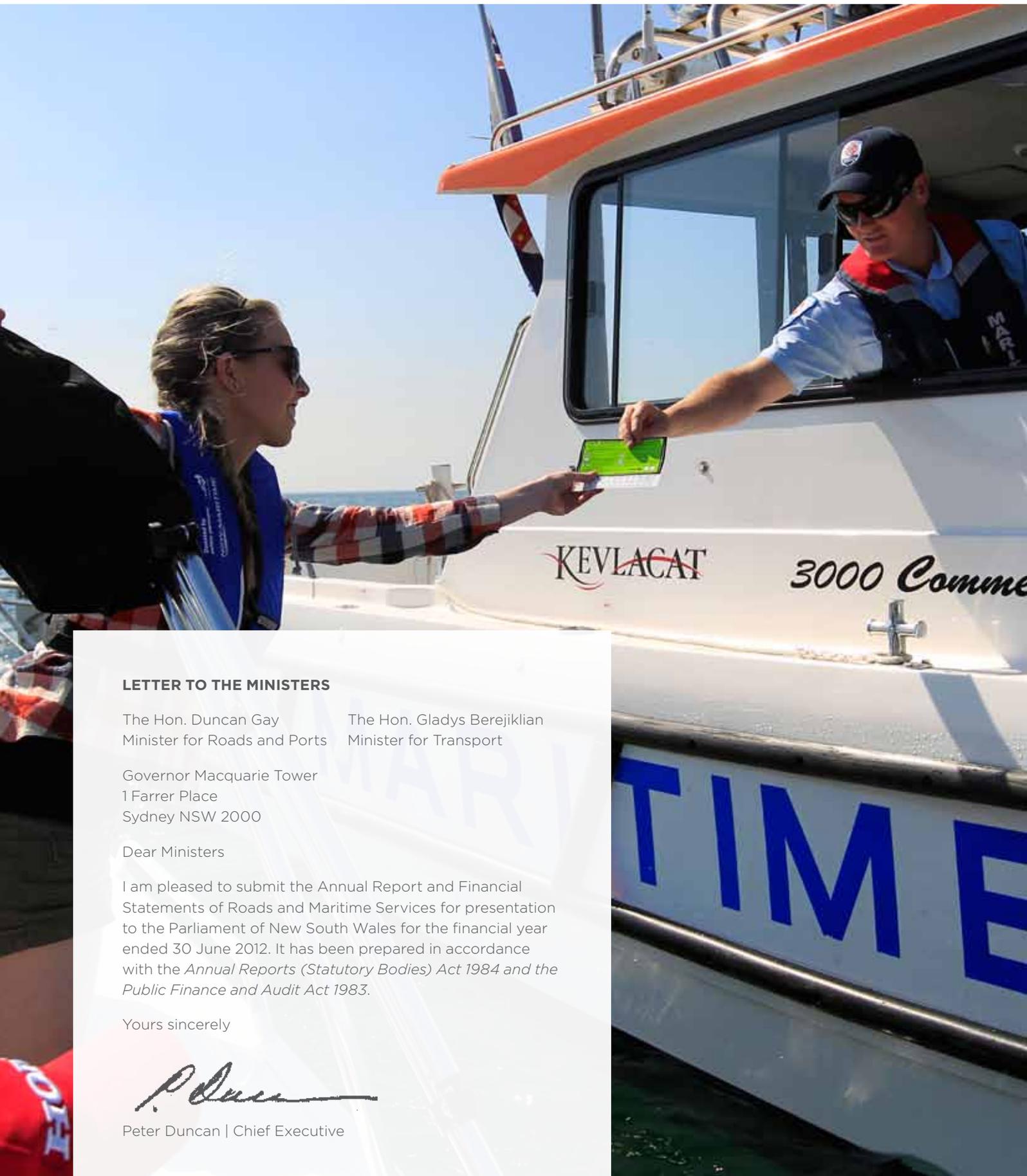




Transport
Roads & Maritime
Services

A large photograph of a cable-stayed bridge with a modern, angular design. The bridge spans across a body of water. In the foreground, a marina is filled with numerous white motorboats with orange accents, docked at a pier. The water is dark blue and reflects the sky and the bridge. In the background, a city skyline with various buildings is visible under a blue sky with scattered white clouds.

**ANNUAL
REPORT
2011-12**



LETTER TO THE MINISTERS

The Hon. Duncan Gay The Hon. Gladys Berejiklian
Minister for Roads and Ports Minister for Transport

Governor Macquarie Tower
1 Farrer Place
Sydney NSW 2000

Dear Ministers

I am pleased to submit the Annual Report and Financial Statements of Roads and Maritime Services for presentation to the Parliament of New South Wales for the financial year ended 30 June 2012. It has been prepared in accordance with the *Annual Reports (Statutory Bodies) Act 1984* and the *Public Finance and Audit Act 1983*.

Yours sincerely

Peter Duncan | Chief Executive

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Chief Executive's overview



Roads and Maritime Services (RMS) was formed on 1 November 2011. Since then we've worked hard to develop and implement strategies to meet the priorities set by government.

Working closely with Transport for NSW we've achieved a number of successful outcomes in our task to provide integrated, transport solutions for roads and waterways. Our vision is to be the leader in the management and delivery of safe, efficient, high quality services and infrastructure to the community and businesses of NSW. All areas of the organisation are focused on increasing efficiency through more effective work practices.

A key element of our vision is to put the customer at the centre of everything we do. In December last year we launched our Customer Focus Program to make this a reality. Last year more than 1490 community meetings, focus groups, events, displays, workshops and briefings for stakeholders were held with feedback from these activities being fed into our decision making processes.

As part of the transport cluster of NSW Government, RMS has responsibility for a number of deliverables including supporting public transport services, reducing road congestion, improving freight movement and building infrastructure. We have a number of initiatives in place to achieve these tasks. Last year:

- More than \$1 billion went to major upgrades on highways such as the Pacific and Princes, and other work was carried out on road infrastructure, such as Camden Valley Way and Richmond Road, to support housing and employment in Western Sydney.
- As part of the Pinch Point Program, we completed a five-year, \$100 million program to improve peak hour travel times on Sydney's busiest road corridors.
- The Better Boating Program continued to provide grants to improve recreational boating infrastructure and two major Sydney harbour commuter wharves were upgraded.

Other services that were developed and improved this year include:

- Enhanced real time travel information for customers on the M4 and M7 motorways.
- The establishment of a 50 per cent discount on driver licence fees for people with a five year blemish-free driving record.

Safety for our customers and staff remains a priority. In calendar year 2011 the NSW road fatalities figure was 5.1 per 100,000 population. This is less than the overall Australian figure of 5.7 and we're working with our partners to meet the NSW 2021 goal to reduce this figure to 4.3 by 2016. A range of programs are in place to achieve this such as the school zone flashing lights program.

An ongoing commitment to minimise impact on the environment, includes:

- Initiatives to save energy, conserve Australian heritage, improve land and marine pollution, and reduce waste.
- Exceeding our sustainability targets for recycling or reuse of road work materials - 91 per cent of all materials used were recycled.

I would like to acknowledge the work of all RMS staff across the State who continued to deliver these successes during a period of significant change.

Yours sincerely

Peter Duncan | Chief Executive

About this report

This Annual Report records a range of RMS achievements from the past financial year. Successes are noted along with areas for further attention. Importantly, this is an accountability tool, through which

the community can track RMS' performance and see details of project delivery.

It also covers the internal management of RMS, with details of financial arrangements, workforce

management, community consultation programs and other matters of public interest.

RMS at a glance

The formation of RMS

RMS is a NSW statutory authority established on 1 November 2011 under the *Transport Legislation Amendment Act 2011*. It works to deliver customer focused services in a cost effective manner to achieve transport outcomes.

RMS is a multi-modal transport agency within the broader transport cluster that has Transport for NSW (TfNSW) at its centre. TfNSW has responsibility for transport policy, planning and coordination functions, and the oversight of infrastructure delivery and asset management.

In this framework, RMS implements initiatives that improve the movement of people by various transport modes, including public transport (bus and ferry), cycling and walking, as well as motor vehicles. RMS also delivers initiatives to improve the movement of goods through the freight network, including the implementation of reliability, productivity and safety initiatives.

RMS' responsibilities

RMS' primary responsibilities are to:

- Manage the road network and travel times.
- Provide capacity and maintenance solutions for road and maritime infrastructure.
- Test and licence drivers and vessel operators, and register and inspect vehicles and vessels.
- Improve road and maritime safety.

Values

- **Customer focus** – We place the customer at the centre of everything we do.
- **Collaboration** – We value each other and create better outcomes by working together.
- **Solutions** – We deliver sustainable and innovative solutions to NSW transport needs.
- **Integrity** – We take responsibility and communicate openly.
- **Safety** – We promise safety for our people and our customers.

Key dimensions

Assets and funding

RMS manages a network that includes:

- 18,031 km of RMS-managed State roads, including 4323 km of national road network, for which the Australian Government provides a funding contribution, and 147 km of privately-funded toll roads.
- 2970 km of regional and local roads in the unincorporated area of NSW.
- 5190 bridges and major culverts, and 23 tunnels, 3867 traffic signals and more than 12,000 other road traffic facilities, systems and corridor assets.
- 2137 km of coastline and 32,424 km² of navigable waterways comprising, 5000 km² enclosed waters, and 27,691 km² of coastal waters to 12 nautical miles.
- 49 commuter wharves.
- 3418 aids to navigation, including 191 courtesy moorings, on NSW waterways.

RMS delivers its services through a range of facilities:

- 126 motor registries, seven Government Access Centres, 29 maritime service centres, 34 agencies (including 29 online council agencies), and 44 itinerant sites which provide face-to-face customer service across NSW.
- Purpose-built facilities including the RMS Crashlab at Huntingwood, the Document Management Centre in Auburn and three contact centres (call centres).
- Other facilities include work depots, motorcycle rider training centres, fleet workshops, mobile service units, laboratories and inspection stations.

See the Financial Statements for more details.

Licensing and registration

In 2011-12 in NSW, RMS provided:

- Registration and licensing services for around 4.98 million motor vehicle licence holders and 480,000 boat drivers licence holders.
- Registration for 5.72 million motor vehicles and 230,000 vessels.
- Services for hire and drive, aquatic, mooring and commercial boating licences.
- Management of around 22.3 million motor vehicle, and 670,000 maritime, licensing and registration related transactions over the year.

Employees

RMS currently employs around 7195 full-time equivalent (FTE) staff across NSW. This includes wages and salaried staff, school crossing supervisors, participants in targeted employment programs and 649 FTE staff currently assigned to Transport for NSW. About 47 per cent are employed in regional locations and, of these, 30 per cent are wages staff and school crossing supervisors and 70 per cent salaried staff. RMS also delivers through its industry partners and contractors across a range of services.

Our customers, stakeholders and the community

RMS values its role in the community and undertakes significant community and stakeholder consultation. Its customers and stakeholders include motorists, boat owners, commuters, pedestrians, private organisations, the construction industry, community groups, road transport groups, business groups, local councils, and NSW and Australian government agencies.

In 2011-12, local communities were involved in more than 700 different construction and maintenance projects. RMS stakeholder involvement included community focus or liaison groups, meetings, displays and information sessions, distribution of community updates and household letters, events, a new Road Projects website, and regular meetings between RMS staff and interested groups and individuals.

Financial overview

Financial performance

Detailed financial results for the period 1 November 2011 to 30 June 2012 are shown in the Financial Statements (see page 65).

Certain functions of the former entities were transferred to other transport agencies. Other functions transferred to RMS, resulting in an organisational structure which is significantly different from those of the former agencies. Although budgets for the former RTA and NSW Maritime had been prepared, any RMS budget compiled from an aggregation of these budgets was viewed as not being representative of the combined entity. Consequently, no budget information has been disclosed in the financial statements.

RMS financial performance was within NSW Treasury expenditure limits.

Funding

State funding comprised motor vehicle weight taxes and direct cash allocations. Federal funding was provided under the Nation Building Program and the Building Australia Fund.

RMS-sourced revenue primarily included revenue from the Sydney Harbour Bridge and Tunnel toll receipts, rental income, external commercial services, fees for services provided, advertising, maritime related and E-tag revenue. Non-cash revenue has been excluded.

Expenditure

Expenditure consisted of operational expenses (excluding non-cash items) incurred in achieving RMS transport objectives and capital investment to enhance the value of the road network and maritime related assets.

Table 1. RMS funding sources

Funding	(\$m) Nov 2011 – Jun 2012
Motor vehicle taxes (State)	1,038
State consolidated fund allocation	911
State Government	1,949
Australian Government	1,114
RMS revenue	514
Total	3,577

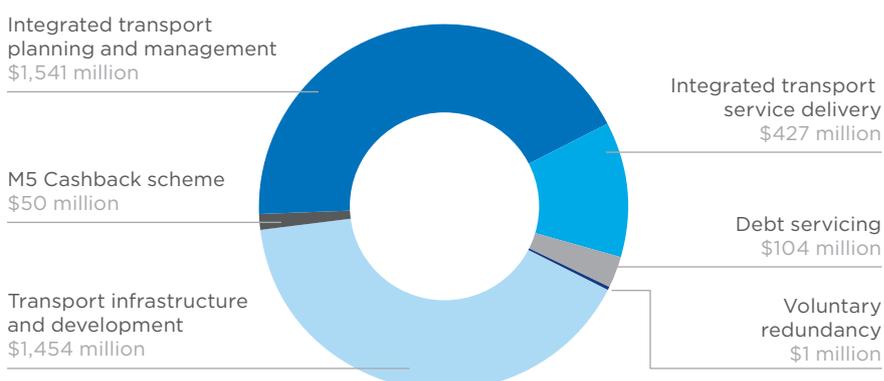
Figure 2. Revenue November 2011 – June 2012



Table 2. RMS Program expenditure

Expenditure	(\$m) Nov 2011 – Jun 2012
Transport infrastructure and development	1,454
Integrated transport planning and management	1,541
Integrated transport service delivery	427
M5 Cashback scheme	50
Debt servicing	104
Voluntary redundancy	1
Total	3,577

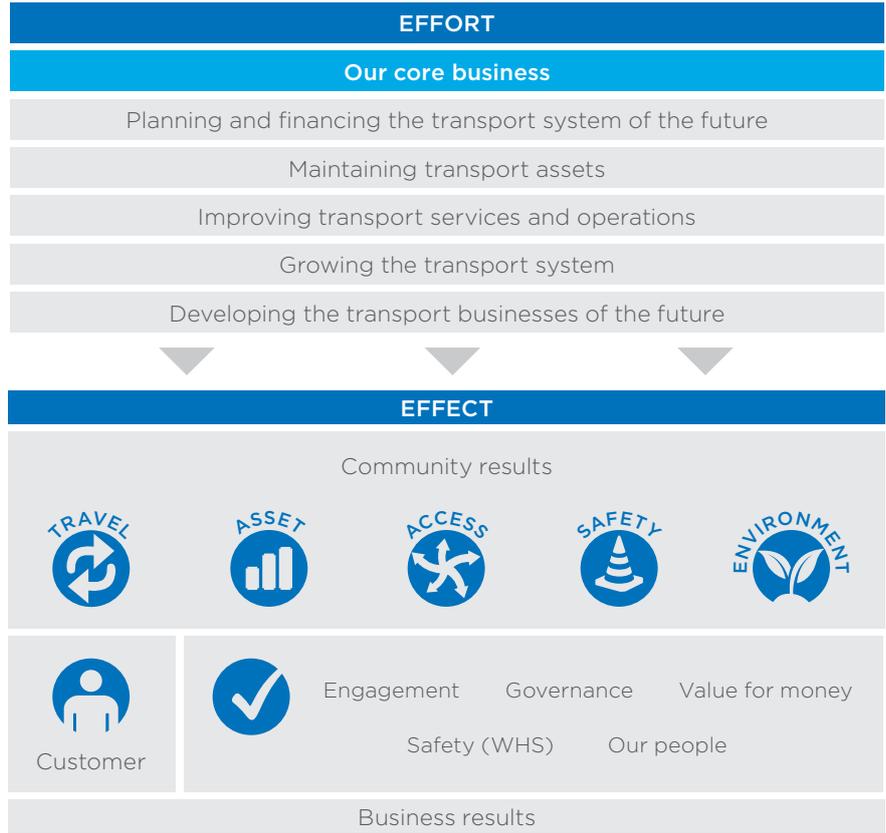
Figure 3. Operating expenditure November 2011 – June 2012



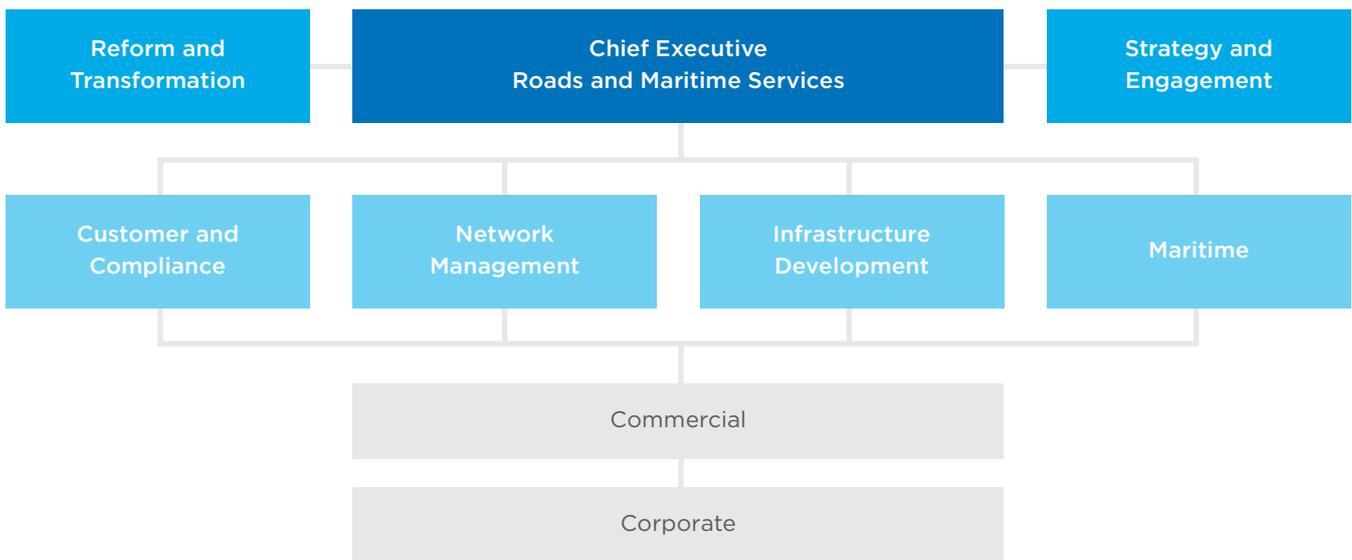
Corporate framework

This document is structured by the seven transport cluster key result areas of **Customer, Travel, Asset, Access, Safety, Environment and Business**. These guide strategy setting, decision making and resource allocation across the cluster. The definitions of each of the result areas, and what RMS does to contribute to these results, can be found at the start of each chapter.

All transport cluster organisations also operate within the transport 'core business model'. This depicts where we focus our effort, in order to achieve the desired effect outlined in our key result areas.



Organisational chart



Note: Organisational chart at September 2012.

Performance overview

The following table provides a snapshot of some RMS performance indicators within each of the transport cluster result areas at end June 2012 or between 1 November 2011 and 30 June 2012 (the period this report covers). Where indicators have been changed, the historical figures below have been amended for comparative purposes. The notes accompanying the tables provide detail on individual indicators and reference data provided outside the reporting range. Further performance indicator information is also found within the chapters and appendices of this report. Further data for the previous financial year can be found in the 1 July to 31 October 2011 End of Agency Reports for the former Roads and Traffic Authority (RTA) and NSW Maritime.

	07-08	08-09	09-10	10-11	Target 11-12	Actual 11-12	Target 12-13
Table 3. Customer							
Use of RMS website (million visits) ⁽ⁱ⁾	16.5	21.0	27.5	25.8	N/A	24.6	N/A
Customers rating service as "good" or "very good" (%) ⁽ⁱⁱ⁾	93	94	93	94	≥ 90	93	>90

(i) RTA only data for 2007-11. Actual as at 30 June 2012 is a combination of RTA, NSW Maritime and RMS website visits. Target will be set once website arrangements have been finalised under new structure. (ii) RTA data only. Figures based on results from survey of motor registries only.

Table 4. Travel							
Change in urban traffic volume (% increase on previous year) ⁽ⁱ⁾⁽ⁱⁱ⁾	0.8	0.1	0.8	0.9	0.5	0.05	N/A
Travel speed: seven major routes AM peak (km/h, urban) ⁽ⁱⁱⁱ⁾	31	31	31	29	30	30	N/A
Travel speed: seven major routes PM peak (km/h, urban) ⁽ⁱⁱⁱ⁾	43	43	42	42	41	42	N/A
Benefit of development program (\$ million) ⁽ⁱⁱⁱ⁾	4742	4174	4220	5920	5000	4475	4400
Major works completed within planned duration or within 10% of planned duration	95	92	91.4	96	90	89.6	90
Bus lane length (km)	112	126	133	147	156	157	165

(i) This indicator is derived by calculating the growth in average weekday traffic volumes at various points across the seven routes from year to year.

(ii) Reporting is currently in transition from seven routes to more than one hundred. New targets to be set once transition is complete. (iii) Excludes private partnerships.

Table 5. Asset							
Ride quality: smoothness of State roads (% good) ⁽ⁱ⁾	90.7	91.6	91.5	91.2	91.3	91.1	91.5
Pavement durability: cracking of all State roads (% good) ⁽ⁱⁱ⁾	78.0	76.3	77.4	78.1	78.0	78.1	78.1
Maintenance and reconstruction expenditure on State roads per km of roadway (\$000)	45	47	48.1	50	52	53.5	54
Number of bridges on State roads at 30 June limiting legal usage due to structural condition	1	0	0	0	0	1⁽ⁱⁱⁱ⁾	1
Wharf Upgrade Program/commuter and charter wharf maintenance and upgrading (\$ million) ^(iv)	-	-	20.2	20.3	16.0	17.6	19.8

(i) Methodology for this metric has been updated based on international roughness index and report only % good. The 2007-2011 figures have been updated accordingly. (ii) Updated to report % good only. (iii) Bridge speed limit enforced on Windsor Bridge. (iv) The Wharf Upgrade Program commenced in 2009-10.

Table 6. Access							
Projects offered Better Boating Program grant funds ⁽ⁱ⁾	46	53	74	70	N/A	64	N/A
Sydney Harbour commuter wharves compliant with disability standard for Accessible Public Transport (%) ⁽ⁱⁱ⁾	-	-	29	31	37	35	43
Cycleway length: annual increase in off-road cycleways (km)	71	41	47	67	62	59	47
Cycleway length: annual increase in on-road cycleways (km) ⁽ⁱⁱⁱ⁾	61	24	48	28	35	28	30

(i) Record of actual only, not target driven. (ii) Assessment of compliance began in 2009-10 as part of the Wharf Upgrade Program.

(iii) New methodology has been used to calculate length of cycleways. Historical data has been amended for comparison to current data.

	07-08	08-09	09-10	10-11	Target 11-12	Actual 11-12	Target 12-13
Table 7. Safety							
Fatalities/100,000 population ⁽ⁱ⁾⁽ⁱⁱ⁾	5.4	6.1	6.3	5.1 ⁽ⁱⁱⁱ⁾	5.4 ^(vii)	5.5 ⁽ⁱⁱⁱ⁾	5.1 ^(vii)
Fatalities/100 million vehicle km travelled ^{(i)(iv)}	0.59	0.65	0.67	0.55 ⁽ⁱⁱⁱ⁾	0.56 ^(vii)	0.58 ⁽ⁱⁱⁱ⁾	0.53 ^(vii)
Fatalities where speed was a factor (%) ⁽ⁱ⁾	35	42	42	43 ⁽ⁱⁱⁱ⁾	-	38 ⁽ⁱⁱⁱ⁾	-
Fatalities where illegal levels of alcohol were a factor (%) ^{(i)(v)}	20	22	19	17 ⁽ⁱⁱⁱ⁾	-	12 ⁽ⁱⁱⁱ⁾	-
Vehicle occupant fatalities who were not wearing an available restraint (%) ⁽ⁱ⁾	16	23	13	18 ⁽ⁱⁱⁱ⁾	-	13 ⁽ⁱⁱⁱ⁾	-
Fatalities where driver fatigue was a factor (%) ⁽ⁱ⁾	17	16	20	15 ⁽ⁱⁱⁱ⁾	-	18 ⁽ⁱⁱⁱ⁾	-
Motor vehicle controllers aged 25 or under involved in fatal crashes/10,000 licence holders ^{(i)(vi)}	1.7	1.8	1.6	1.4 ⁽ⁱⁱⁱ⁾	-	1.5 ⁽ⁱⁱⁱ⁾	-
Fatal crashes involving heavy vehicles per 10,000 heavy vehicles on register ^{(i)(vi)}	7.0	6.0	6.1	4.3 ⁽ⁱⁱⁱ⁾	-	6.7 ⁽ⁱⁱⁱ⁾	-
Boating fatalities per 100,000 total registered vessels	9.30	5.17	9.72	4.30	N/A	8.05	N/A
Boating safety compliance rate:							
- recreational vessels, including personal watercraft (%)	87.1	88.3	89.0	92.8	≥ 87.5	90.8	≥ 87.5
- commercial vessels (%)	93.4	91.0	88.3	91.6	≥ 87.5	93.9	≥ 87.5
Heavy Vehicle Inspection Scheme: number of inspections	96,482	100,278	102,461	103,622	104,863	106,104 ^(viii)	108,500
Heavy Vehicle Inspection Scheme: % of defect-free vehicles	56.00	56.37	55.00	52.20	52.00	52.50 ^(viii)	52.04
School Zone Flashing Lights Program ^(ix)	52	100	100	274	176	183	179

(i) Road crash and fatality data provided by the Centre for Road Safety, TfNSW. (ii) Rates based on population subject to revisions to population estimates by the Australian Bureau of Statistics (ABS). Since the last annual report the ABS has revised its population estimates for 2006 onwards. (iii) The 2010-11 and 2011-12 crash data is provisional and subject to change. (iv) Rates per km travelled subject to revisions to travel estimates by the ABS. Travel estimates since 2010 have not yet been published by the ABS. The 2010-11 and 2011-12 travel estimates are based on a 2% per annum increase from the most recent figure published for 2010. The 2% per annum increase is based on the long-term trend for ABS estimates between 1998 and 2010. (v) With the lag in processing alcohol blood samples the 2011-12 alcohol data is incomplete and may be undercounted at this stage. (vi) Licence Holder and Registration statistics are based on published RMS data. Registration and Licence Holder data is as at June 2012. (vii) The 2011-12 and 2012-13 targets are based on the National Road Safety Strategy objective of a 30% reduction in the number of fatalities from the 2010 baseline (the 2008 to 2010 three year average) by 2020. Based on this objective and assuming current population and travel growth rates, the primary road safety target is 4.3 fatalities per 100,000 population by 2016 while the secondary road safety target is 0.43 fatalities per 100 million vehicle km travelled. (viii) Data includes heavy vehicle inspection scheme only and excludes inspections or defective vehicles identified as part of the Heavy Vehicle Checking Station or On-road Enforcement Program. (ix) Total School Zone Flashing Lights rolled out as part of this program is 870 as at 30 June 2012.

Table 8. Environment							
Number of Environmental Penalty Infringement Notices issued to RMS ⁽ⁱ⁾	2	0	1	4	0	2	0
Number of non-compliances with environmental protection licences held by RMS ⁽ⁱ⁾	14	1	21	14	N/A	5	N/A
Waste removed from Sydney Harbour (m ³)	3183	2737	2778	2284	N/A	2689	N/A
RMS' total greenhouse gas emissions from direct consumption (tonnes CO ₂ -equivalent) ⁽ⁱⁱ⁾	112,090	114,030	109,715	107,649	N/A	N/A	TBA
RMS' total office energy consumption (GJ) ⁽ⁱⁱⁱ⁾	72,361	71,052	64,776	70,298	N/A	N/A	TBA
RMS fleet environmental score - passenger ^(iv)	12.3	12.6	13.4	13.8	13.5	13.7	N/A
RMS fleet environmental score - commercial ^(iv)	8.0	8.5	8.9	9.5	9.0	9.7	N/A

(i) Historically, Environmental Penalty Infringement Notices and non-compliances with environmental protection notices were issued to the RTA or NSW Maritime. (ii) There is a 12-month lag in reporting on annual greenhouse emission data. Current data is for the period 2010-11. New targets to be set when 2011-12 data is available. All historical data is for RTA activity only. (iii) There is a 12-month lag in reporting on building energy consumption. Current data is for the period 2010-11. New targets to be set when 2011-12 data is available. All data is for RTA activity only. (iv) The RTA met its 2011-12 targets set by the Office of Environment and Heritage (OEH). The OEH is currently developing new targets for 2012 and beyond for all agencies. Historical data is for RTA only.

Table 9. Business							
RMS workplace injuries/100 employees ⁽ⁱ⁾	-	-	-	-	N/A	4.8	4.4
RMS WHS liability workplace claims costs (\$ million) ⁽ⁱⁱ⁾	-	-	-	-	N/A	1.1	N/A
RMS separation rate of staff (%)	-	-	-	-	N/A	2.69	N/A

(i) This indicator is based on a rolling 12 month total divided by 100 FTE. (ii) Work Health and Safety data represents actual 1 November 2011 to 30 June 2012. Data for the previous financial year can be found in the 1 July to 31 October 2011 end of agency reports for the RTA and NSW Maritime.