

The background of the entire page is a photograph of a modern bridge at night. The bridge has a prominent orange-brown underside and is illuminated with warm yellow lights along its length. Several concrete support pillars are visible. In the lower left, a green traffic light and a red traffic light are visible. The sky is dark blue. Large, semi-transparent blue shapes are overlaid on the image, framing the text.

orto

ANNUAL  
REPORT  
2020-21

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“There has never been a better opportunity for ARRB to positively influence the transport future of the nation. ”

Peter Woronzow  
ARRB Chairman  
Acting Director-General of Transport,  
Department of Transport (WA)

# CHAIRMAN'S REPORT

COVID-19 has caused massive upheaval for us all. It has closed borders, created uncertainty, and had an unprecedented impact on our industry. In response to this all over Australia, there has been an unprecedented investment in transport infrastructure, offering the opportunity for our sector to create jobs and boost economic and social prosperity through sustainable major infrastructure projects.

There has never been a better opportunity for ARRB to positively influence the transport future of the nation. Our strategic plan provides the right roadmap for what our stakeholders need now, supported by our realigned work groups and portfolios reflecting what is required by the industries and sector we support.

Importantly, sustainability is a core tenet of ARRB's work, as governments around the world recognise the importance of ensuring more recyclables are used in road and infrastructure construction and we strive to implement the principles of eliminate, circulate and regenerate.

That commitment is heavily reflected in our joint ventures with State road agencies through the WARRIP program, which I know well through my Main Roads Western Australia lens, and the NACOE program in Queensland. It is alliances and relationships like these that makes ARRB well positioned to contribute towards shaping the future of our nation's transport solutions.

I would like to acknowledge my fellow ARRB directors for their work, and Chief Executive Officer Michael Caltabiano and his team for putting ARRB in a strong financial position. ARRB has become financially self-sustainable, and for the second successive year has delivered a positive return on investment to its shareholders. This commitment has given us the ability to adapt and move strategically so that as an organisation we have not just survived, but we have thrived in these uncertain times.

The impact of COVID-19 has provided a huge challenge to economies both global and domestic and despite these challenges, ARRB has continued to deliver projects and outcomes providing significant social and economic benefits. Resilience has been critical to ARRB's vision and focus in getting the job done.

The support of my fellow Directors, the leadership group and the commitment, cooperation and can-do attitude from the whole ARRB team has been instrumental in ensuring our role in shaping Australia and New Zealand's transport future continues, regardless of circumstances. I look forward to what I am sure will be another challenging and exciting year as we chart our way out of what has been a unique time in our history.



**Peter Woronzow**

ARRB Chairman  
Acting Director-General of Transport,  
Department of Transport (WA)





“Despite the extraordinary challenges of the COVID-19 pandemic, I am pleased to report that ARRB has – for the second successive year – delivered a positive return on investment to our shareholders of the organisation.”

Michael Caltabiano  
Chief Executive Officer,  
Australian Road Research Board

# CHIEF EXECUTIVE OFFICER'S REPORT

Despite the extraordinary challenges of the COVID-19 pandemic, I am pleased to report that ARRB has – for the second successive year – delivered a positive return on investment to our shareholders of the organisation.

In 2020-21, ARRB achieved financial self-sustainability, met its targets and delivered our work on time and on budget. As we match the performance and operations of our business with our new Strategic Plan, the opportunity for growth and development of ARRB into a truly National Transport Research Organisation is materialising.

Advancing into the new financial year, we have a new organisational structure, designed to strengthen our role as the single source of truth in the transport infrastructure space. It also positions us for further growth as we guide Australia and New Zealand towards an integrated mobility future.

We are investing in new technology and tools. In 2020-21, we signed off on a significant uplift in our fleet capability within the Infrastructure Measurement team with new National Survey Vehicles, new all-terrain vehicles, new Retro Reflectometers, and new camera capture and processing equipment. ARRB will also soon take possession of a next generation Intelligent Pavement Assessment Vehicle (iPAVe) – the first in the world to have two beams for measuring deflection in the inner and outer wheel paths simultaneously, together with ground-penetrating radar (GPR) technology to assess pavement layer thickness and condition at depth. This equips us with the best possible tools to measure Australia and New Zealand's road network, and ensure it is fit for purpose now and into the future.

ARRB's investments are not just in the physical infrastructure to support our business. We are also growing the human capital within ARRB. Our organisation has brought in many new people – including those with skills outside the traditional engineering base. State Business Leaders have also been appointed, giving clear touchpoints for our clients and shareholders wherever they may be.

We have successfully focussed the organisation on addressing the needs of State and Territory Transport Agencies and Local Governments to develop next-generation knowledge in recycled product use in our road and rail infrastructure. We are working directly with Councils on projects involving recycled crushed glass and crumb rubber-modified asphalt, and we continue to work towards creating a guide for the use of recycled waste-stream plastic in asphalt, enabling it to be safely and successfully incorporated into road construction. Private companies in the construction sector have come to ARRB in ever increasing numbers to establish new and innovative products, ascertain construction quality and seek advice on innovative processes and training needs for their staff.

ARRB's staff nationally have successfully started down the challenges of logistics and remote working that have been thrown at us over the past 18 months. ARRB is set to continue its growth trajectory and build our business into the National Transport Research Organisation serving Australia and New Zealand's needs across all modes of transport.



**Michael Caltabiano**

Chief Executive Officer  
Australian Road Research Board

# ABOUT ARRB







At the heart of our business  
is integrated mobility –  
innovative, impactful mobility  
solutions that benefit  
all Australians.



# OUR ROLE

ARRB is the National Transport Research Organisation. At the heart of our business is integrated mobility – innovative, impactful mobility solutions that benefit all Australians.

We collaborate with all levels of government, road agencies, consultants and private sector organisations on all aspects of transport and mobility. ARRB provides transport projects with safer, more sustainable, value-for-money mobility solutions.

ARRB has delivered more than 60 years' continuous service to the road and transport sectors of Australia and New Zealand. We are the source of independent, reliable and robust guidance on the delivery of next generation infrastructure to serve the mobility needs of our community.

ARRB has a clear role of partnering with its shareholders at Local, State and Federal Government levels to provide timely, accurate and impactful means of achieving their objectives.

As we transition to a mobility-based society, the nature of the supporting transport infrastructure must change together with the attitudes to using this resource.

ARRB has connections across the UK, Europe, USA, Asia and China, giving access to vast amounts of new knowledge.

Using this with our own new knowledge and established expertise, we will forge the mobility future that all Australians and New Zealanders desire.



# OUR EXPERTISE

## Our six key work group areas are:

### SUSTAINABILITY & MATERIAL PERFORMANCE

Sustainability and better recycling and environmental outcomes are informing Australia's "big build" of infrastructure. ARRB is developing guidelines and specifications for the use of sustainable materials in road and transport infrastructure, and has a world-class transport laboratories facility based in Australia to drive this. ARRB specialises in life-cycle and economic assessment, environmental management advice on transport projects, and is building new and lasting relationships with Local Government across Australia to spearhead the implementation of next generation materials and safety outcomes.

### SAFER SMARTER INFRASTRUCTURE

ARRB is working on what the next generation of road surface technology – and our mobility corridors themselves – should look like. We are expert in understanding the design and review of pavement thickness, asphalt mix and sprayed seals, as well as the characterisation of new materials. ARRB possesses a core skill set in pavement engineering expertise, which we are able to advance across our key shareholder group and externally to the private sector for smarter construction outcomes. With safety on any project paramount, ARRB can embed safety within projects, including mining, freight and new and existing road design projects.

### ASSET PERFORMANCE

Incorporating our Asset Management and Bridge Structures teams, this Asset Performance group aims to shape Australia's future in the asset space for the next decade and beyond. A new and emerging field of Assurance Systems will put ARRB at the forefront of understanding next generation asset performance. Our team of experienced and talented staff from a range of backgrounds will be charting new territory across the transport asset base, including asset modelling and performance.

### MOBILITY FUTURES

What does the future of mobility look like? ARRB is working on the answers. Through our cutting edge work with next generation transport systems such as driverless technology and electric vehicles, and analysing the data ARRB collects from Australia's road networks, we can provide information to help stakeholders make data-driven decisions to ensure the transport network operates at its optimum – both today and into the future. ARRB is leading the transition towards a safer, integrated mobility future by providing advice to shape policy and legislation, and an enhanced understanding of how mobility solutions and humans interact and how interaction will change with the evolving transport ecosystem.

### INFRASTRUCTURE MEASUREMENT

ARRB is focussed on the acquisition of the next generation of infrastructure data across Australia's transport network. We have assembled a suite of high-tech infrastructure measurement tools to help Australia better manage its road networks. From our Intelligent Pavement Assessment Vehicles (iPAVe) and our Intelligent Safe Surface Assessment Vehicle (iSSAVe) to a fleet of network survey vehicles, ARRB is able to measure our road networks so our stakeholders can better manage them in a variety of ways.

### ARRB CERTIFICATION

Our certification and training arm aims to provide confidence to the transport sector through the certification of products, processes, people and organisations. From development of industry standards and training, to conformance and capability assessments, certification and maintenance of accreditation registers, ARRB offers an independent, reliable source of assurance to the industry and government alike.





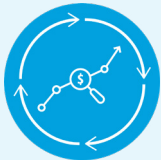
## SUSTAINABILITY & MATERIAL PERFORMANCE



Safe Sustainable Infrastructure



Material Testing & Performance



Life Cycle & Economic Assessment

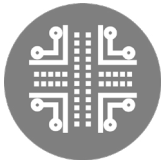


Environmental Management



Community Safety & Resilience

## SAFER SMARTER INFRASTRUCTURE



Infrastructure Design & Performance



Smarter Construction Outcomes



Infrastructure Development & Assessment



Infrastructure Safety Performance



Infrastructure Safety Management

## ASSET PERFORMANCE



Bridge Management



Asset Performance



Asset Modelling



Assurance Systems



Safer Asset Performance

## MOBILITY FUTURES



Data Intelligence



Data Analytics



Next Generation Transport Systems



Safe Mobility Outcomes



Transport Futures

## INFRASTRUCTURE MEASUREMENT



Fleet Management



Data Collection Efficiency



Innovation & Product Development



Market Access



Program Management

## ARRB CERTIFICATION



Training Internal & External (People)



Product/Process/ Services

## OUR BOARD

ARRB is governed by a board of directors, all of whom bring years of industry and government experience to the transport sector and who have contributed significantly to the advancement of the sector within Australia and New Zealand.

We are proud to have on our board:



**PETER WORONZOW**

**CHAIRMAN**

Peter Woronzow is currently Acting Director-General, WA Department of Transport. Peter has worked within Main Roads WA for 36 years, most notably as Director-General of MRWA, and Executive Director, Financial and Commercial Services. His extensive experience in accounts, procurement and management provides strong, strategic leadership in managing financial, corporate and commercial solutions. He is a member of CPA Australia.



**NEIL SCALES OBE**

**DEPUTY CHAIRMAN**

Neil Scales OBE is currently the Director-General for the Department of Transport and Main Roads, Queensland. He was previously the Chief Executive and Director-General of Merseytravel, the transport authority for Merseyside in the north of England. Mr Scales has held executive roles with transport and engineering companies and has consultancy experience with several agencies, including the World Bank and the European Commission. Mr Scales is the current Chairman of Austroads.



## KEVIN REID

### BOARD MEMBER

Kevin Reid is currently Chief Advisor at the New Zealand Transport Agency (NZTA). He has more than 25 years' experience in the planning, design, construction, maintenance and operation of highway networks in New Zealand, the United Kingdom and the Caribbean. Kevin leads a team of 60 professional transport planners, engineers and scientists who are responsible for providing technical leadership for the delivery services on New Zealand's State Highway network.



## STEPHEN TROUGHTON

### BOARD MEMBER

Stephen has experience managing businesses in Australia, the United Kingdom and the Middle East, with extensive technical expertise in major infrastructure and property. He is a Fellow of Engineers Australia and a Graduate of the Australian Institute of Company Directors (AICD). He is currently the Program Director on Queensland's Cross River Rail project.



## LOUISE MCCORMICK

### BOARD MEMBER

Louise is an Executive Engineer, Chartered Fellow and Senior Civil/Structural Engineer with 20 years' experience in the public and private sectors. Louise is the General Manager for Transport and Civil Services Division within the Department of Infrastructure, Planning and Logistics in the Northern Territory, and is currently Interim NT Infrastructure Commissioner.



## DR VICKI-ANNE GARDINER

### BOARD MEMBER

Dr Vicki-Anne Gardiner has managerial and board leadership experience across all industry sectors, including academia, government, private industry and not-for-profit. She has influenced government policy in areas including innovation, energy, infrastructure planning, diversity and workforce development, having being a public commentator and through submissions to government policy and legislation reviews.



## NICK MARINELLI

### BOARD MEMBER

Nick brings extensive leadership experience and industry knowledge, with more than 35 years' experience in the infrastructure and construction materials sectors. From June 2017 to June 2019, Nick, as CEO Fulton Hogan Australia, led the company's combined Australian businesses of Construction, Infrastructure Services and Utilities. Nick has experience across multiple infrastructure sectors, including civil construction, water, telecommunications, asset management and road maintenance activities.



## IAN WEBB

### BOARD MEMBER

Ian Webb served as Chief Executive of Roads Australia, the national peak body for Australia's road industry from 2003 to 2018 and has an extensive knowledge of the stakeholders and policy issues facing the industry. During this period he was also seconded to Geneva as Director-General of the International Road Federation. His career includes 17 years as a career diplomat and 30 years at Chief Executive level in both the public and private sectors in NSW and Victoria.



## DR COLLETTE BURKE

### BOARD MEMBER

Collette has spent more than 25 years in the design and construction sector with major contractors in road and rail. As well as being a co-founder of two engineering consultancy firms - Exner Group and Karsta Middle East - she was also Victoria's first Chief Engineer. Collette is also an internationally acknowledged researcher and authority on risk management and the delivery of value for money in major infrastructure projects.



## PAMELA HENDERSON

### BOARD MEMBER

Pamela is the Executive Director of Technical Services at Transport for NSW, which provides specialised technical capability and services for the delivery, operations and management of the NSW transport network across all modes, and focuses on innovation and driving best practice in engineering. An electrical engineer, she also has 25 years of experience working in the energy industry.





# OUR CHIEFS

ARRB is led by a team of highly regarded individuals who have steered the change management within the company to deliver a more efficient, focussed and financially sustainable business.







## **MICHAEL CALTABIANO**

### **CHIEF EXECUTIVE OFFICER**

Michael has more than 30 years' experience in the transport industry. He was previously Chief Executive of the Australian Asphalt Pavement Association (AAPA) and Director-General of the Queensland Department of Transport and Main Roads (TMR). Michael has extensive knowledge not only from an engineer's viewpoint but from a change management perspective too and is leading the charge in shaping our transport future.



## **DR RICHARD YEO**

### **CHIEF OPERATING OFFICER**

Richard has a long and prestigious history both in the transport sector and within ARRB. He is very capable technically and in management, having demonstrated leadership in previous roles at ARRB, VicRoads and most recently whilst on secondment to Austroads as Program Manager, Assets.



## **DR MIKE SHACKLETON**

### **CHIEF RESEARCH OFFICER**

Mike has a long and successful history in the transport sector across both South Africa and Australia. He has held positions with ARRB from Research Operations Manager to Executive Manager of the ARRB Academy. Together with the Research Leaders and technical leadership of the organisation, Mike is custodian of the National Transport Research Plan and our research quality standards.



## **MARK STEIDLE**

### **CHIEF COMMERCIAL OFFICER, COMPANY SECRETARY AND NATIONAL LEADER TRANSPORT CERTIFICATION**

Mark has a broad base of executive experience across multiple sectors, including transport, technology, retail and professional services. He has led large and diverse teams, and deployed solutions to companies that are globally represented. Renowned for innovation and adaptability, Mark has a commercial focus, entrepreneurial spirit and excels at solving complex business problems.

# CULTURE & VALUES









**Our mission is creating  
knowledge for tomorrow's  
transport challenges and  
solutions for today**

# OUR VALUES

ARRB's corporate values sit at the heart of everything we do as an organisation. Employees who embrace and show commitment to these values are recognised with a series of awards through our individual State offices, and nationally with an annual awards ceremony.

## OUR VALUES

Collaborative, Energy and Passion, Integrity, Transformative

### Collaborative

We communicate openly and constructively to deliver world-class research because our people work together and with partnering organisations and clients.

### Energy and Passion

We have a passion for good ideas (big and small), for expertise and for helping each other out. Positive energy is created by loving what we do, creating fun and having a 'can and will do' attitude.

### Integrity

We offer independent, impartial research, and communicate clearly, honestly and respectfully with each other and we do what is right for our clients, our staff, our industry and our community.

### Transformative

We are continuously looking to improve the world around us, moving forward and innovating. The mobility solutions of the future will require adaptable skills, technologies and ideas.

## HOW WE RECOGNISE OUR STAFF

### MONTHLY AWARDS IN EACH STATE

Staff are recognised regularly throughout the year with awards for those who best epitomise each of our values.

### ANNUAL AWARDS

A national winner for each of our four values is chosen. They are recognised AND awarded at a special ceremony held at our Port Melbourne headquarters

### INSIGHT NEWSLETTER

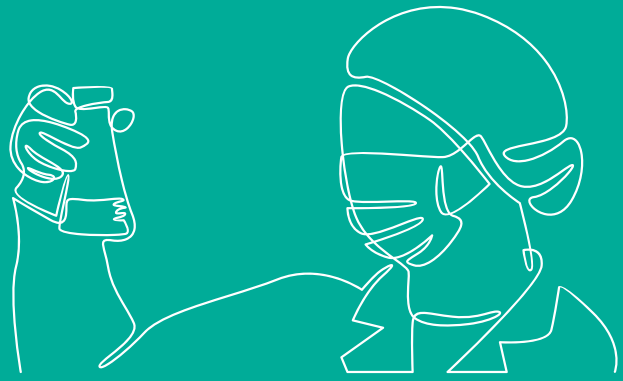
Monthly internal newsletter for all staff highlighting achievements of both the company and individual staff members.

### NTRONet

ARRB's staff intranet - called NTRONet to recognise our work as the National Transport Research Organisation (NTRONet) - provides staff with all the information they need at their fingertips.



# SUSTAINABILITY PROJECTS



Sustainability and better recycling outcomes are now informing Australia's ongoing "big build" of infrastructure.

Turning waste streams into responsible road construction materials is something the Australian Road Research Board has led research and development in for more than 30 years.

ARRB has a strong, trusted reputation in the sustainability and resilience space when it comes to road construction. From our work with crumb rubber bitumen to researching the use of plastics and organics in road building, ARRB is at the forefront of finding solutions to using more recyclables and fewer virgin materials for superior, better performing roads.

One project undertaken this year involves working with the City of Canterbury Bankstown in NSW to put more recycled crushed glass (RCG) into road infrastructure. The objective of this project is to maximise the use of RCG – the glass you put in your recycling bin - in granular subbase materials for roads. The project has an additional sustainability benefit. It uses another recycled material, crushed concrete, as the preferred granular subbase material. Crushed concrete (CC) is the control material to measure our progress against.

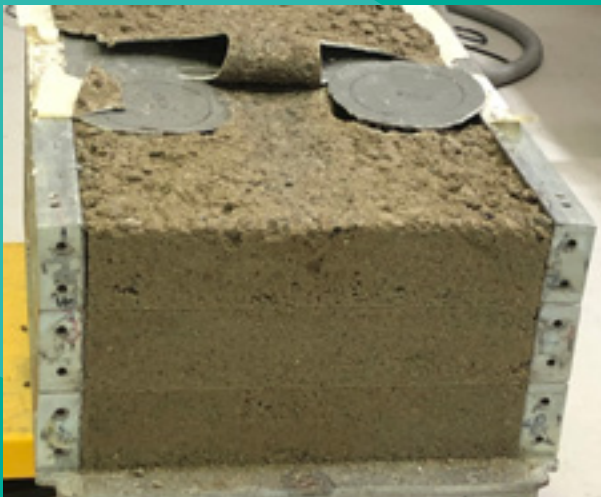
The performance of blends of RCG and crushed concrete is being evaluated to ensure the optimal blend is fit for purpose. Testing in ARRB's state-of-the-art labs facility has found that combining glass with crushed concrete improves performance, compared with crushed concrete alone.

The 12-month ARRB/City of Canterbury Bankstown project is a multi-stage effort, which includes reviewing current standards worldwide, the lab testing, finding the optimum blend and then establishing a trial site on a road in the Canterbury Bankstown area, and assessing the performance of the road.

## ARRB is currently involved in many sustainability-focussed road projects including:

- developing national and state guidelines and standards for the use of recycled materials in road pavements and transport infrastructure;
- developing new and innovative pavement design mixes incorporating recycled or marginal materials in a safe and appropriate manner;
- conducting specialised trials, testing and performance monitoring in collaboration with key industry sectors, road agencies, local government, environmental and sustainability agencies and producers of recycled and reclaimed products;
- assessing engineering performance and technical constraints of recycled and alternative materials (e.g. crumb rubber, plastics, glass, bottom ash, organics, reclaimed asphalt pavement, crushed construction and demolition waste and other emerging waste streams) in different applications and climatic areas.

As our stakeholders at all levels of Government, industry and the community demand the increased use of recycled materials in roads, less waste and a sustainable circular economy, ARRB is providing tested, well-researched solutions for superior, longer-lasting roads with better environmental outcomes.







“

ARRB has a strong, trusted reputation in the

# SUSTAINABILITY AND RESILIENCE

space when it comes to road construction.

”

# NATIONAL TRANSPORT RESEARCH AWARDS 2020

In a year in which COVID-19 and associated restrictions ripped the heart out of live events, ARRB had to adapt.

The National Transport Research Awards, the prestigious annual event which celebrates and recognises research excellence across the transport sector, was held and presented via a virtual awards broadcast in November 2020.

The awards, hosted by ARRB, recognised the great work done in Australia's roads, transport and mobility sector during what was a most challenging year.

## The judging panel included:

- Ms Julia Page, Managing Director and CEO of the Victorian Endowment for Science, Knowledge and Innovation (VESKI)
- Dr Mary Lydon, immediate past Director of the Centre for Automotive Safety Research and former general manager of research at ARRB
- Dr Gary Dolman, PSM, immediate past Head of Bureau, Bureau of Infrastructure, Transport and Regional Economics, Department of Infrastructure, Transport, Cities and Regional Development
- Mr Praveen Reddy, Executive Director, Freight Victoria, Department of Transport
- Dr Mike Shackleton, Chief Research Officer at ARRB.

ARRB staff – spanning the organisation's five offices nationwide – compered the awards ceremony, and presented the awards virtually across the five categories.

## The award winners were:

**Lifetime Contribution Award** – Lex Vanderstaay (Queensland Transport and Main Roads)

**Research Rising Star Award** – Dr Amy Killen (Monash University) and Dr Negin Zhalehjoo (ARRB) joint winners

**Research-Industry Partnership Award** – Transport for NSW and its technology providers for the Mobile Phone Detection Cameras project

**Local Government Innovation Award** – Gold Coast City Council for Edge Sealing of Asphalt Repairs

**Sustainable Transport Infrastructure Award** – ARRB, Department of Transport Victoria, Tyre Stewardship Australia and the Australian Flexible Pavements Association (AfPA) for East Boundary Road Crumb Rubber Project.

Guest speaker at the National Transport Research Awards was Madeleine McManus OAM - the Director of Industry Engagement for the Faculty of Engineering and the Faculty of IT at Monash University.

Other speakers included Michael Caltabiano, Chief Executive Officer, ARRB, and Neil Scales OBE, Deputy Chair of ARRB, and Director-General of Queensland's Department of Transport and Main Roads.





**VIRTUAL AWARDS  
BROADCAST IN  
NOVEMBER 2020**

[CLICK TO VIEW ONLINE CONTENT](#) 





# KELPIES

ARRB has been working with Australian-based software and robotics company AOS Group on an exciting driverless vehicle project for defence and agriculture.

The Kelpie is an autonomous, off-road ground vehicle developed by AOS Group for work with the Australian Army.

ARRB is working on the safety assurance for the vehicles.

“To have an autonomous vehicle is only half the story. Operating it safely is the other half,” AOS Group managing director Dr Andrew Lucas said.

“We have a contract with the Australian Army to develop the Kelpie vehicles to support their radio networks and we’re working with ARRB and Army so we can operate those safely.”

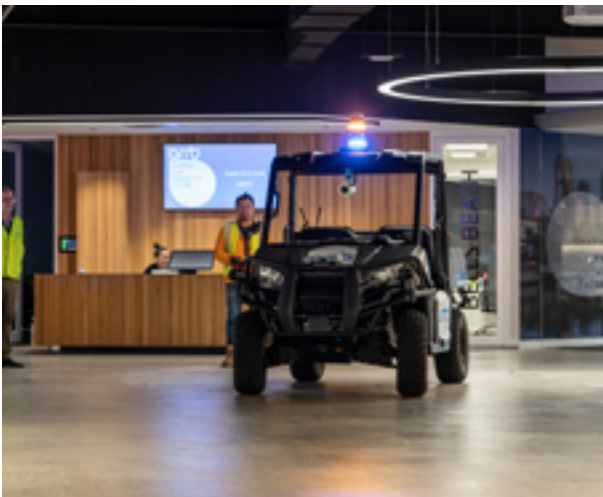
ARRB has extensive experience in developing safety frameworks for driverless vehicles on public roads, and is applying many of these learnings to the Kelpie project.

“These vehicles are supposed to support two infantry squads in battlefield conditions,” ARRB mobility futures expert Dr Charles Karl said.

“But after the battlefield, they might only fight for two percent of the time. The remaining 98 percent, they are out in the barracks, going through training and moving things around.”

ARRB’s job is to ensure the correct safety parameters are in place for the vehicles to be safely used both in battle, and importantly, around vulnerable road users when not deployed.

[CLICK TO VIEW ONLINE CONTENT](#)





# CRASH SCENE INVESTIGATION EVENT

Crash investigation is seldom discussed when talking about ways to stop the carnage on Australian roads.

During National Road Safety Week in May 2021, ARRB decided to change that.

ARRB hosted an event at its Port Melbourne headquarters in support of National Road Safety Week that highlighted the importance of crash scene investigations - and put them front and centre of discussions.

More than 80 guests were shown a mock collision at a roadworks site. The staged crash scene illustrated the increased stopping distance for a driver exceeding the speed limit compared to the stopping distance for a driver travelling in a car with advanced safety features and complying with posted signs.

ARRB's Victorian Transport Safety Lead Tia Gaffney led the demonstration and called out the importance of adjusting driver behaviour to suit the current road conditions and adhering to posted speed limits at roadworks sites.

A car travelling at 40km/hr equipped with advanced safety features like Anti-lock Braking System (ABS) will need 6m to come to a complete stop.

A car travelling at 60km/hr (not adhering to posted speed limits) with conventional safety features requires a whopping 20m to stop.

The investigation of crashes forms a critical part of the scientific method.

The demonstration called attention to the value of crash reconstruction in identifying key factors that lead to a crash, the importance of buying a safe vehicle and acknowledged the importance of post-crash care.

[CLICK TO VIEW ONLINE CONTENT](#)



# NEW PERTH OFFICE

In November 2020, ARRB Chairman Peter Woronzow officially opened the organisation's new office in Perth – the final pillar in ARRB's revamping of its offices nationwide.

Mr Woronzow, the Acting Director-General of Transport, Department of Transport (WA), led a group of Western Australia's roads and transport VIPs gathered to celebrate the grand opening in the inner-city suburb of Subiaco.

The new office space has been designed in line with ARRB's other offices, enabling the ARRB team to encourage collaboration and innovation.

The office is located at Suite 4B, Level 2, 1 Hood Street, Subiaco.

In the past three years, ARRB has also opened its new national headquarters in Port Melbourne and new offices in Brisbane, Sydney and Adelaide.



# WHAT ARRB'S NATIONAL RESEARCH LABS HAVE DONE DURING 2020-21

The total number of tests: **11,322**

The total mass of material tested: **35,240 kg**

# Bitumen



**The total tests:**  
**4,421**



**The total mass of bitumen tested:**  
**4,312 kg**



### Tests of note:

Accelerated delivery of all research and consulting testing programs

Research work into the properties of sprayed seal binders that affect their spraying behaviour

### Manufacture of 295 crumb rubber and polymer modified binders

Manufacture of coarse- and fine-graded crumb rubber blends for both truck and passenger car tyres

## 189 Reclaimed Asphalt Pavement binder extraction and Dynamic Shear Rheometer viscosity tests

Research work anchoring the development into future Australian test methods

# Asphalt



The total tests:  
5,540



The total mass of asphalt:	
produced	supplied
15,269 kg	1,714 kg



### Tests of note:

354 asphalt beams tested for flexural stiffness and fatigue utilising the largest number of 4-point bending equipment in Australia

## Testing of 282 supplied asphalt beams for flexural stiffness and fatigue

Accelerated delivery of research program for national specification for crumb rubber binders

## Performance assessment of crumb rubber modified asphalt mixes for Local Government

## Evaluation of performance properties of asphalt mixes containing recycled plastic

# Pavements



The total tests:  
1,361



The total mass of bitumen tested:  
13,945 kg



### Tests of note:

Improved performance and maximised the use of recycled crushed glass granular subbase materials for Local Government

Full delivery of research program  
for foamed bitumen stabilisation  
rehabilitation treatments ahead  
of schedule

Independent deformation  
assessment of granular material  
resulting in a restriction-of-supply  
mandate being withdrawn

# COVID-19 RESEARCH

ARRB produced sought-after research into the effects of COVID-19 lockdowns on traffic and road deaths.

Our transport data – collated and analysed by our National Transport Performance Centre – showed COVID-19 restrictions and shutdowns had a significant effect on reducing traffic and pedestrian movement during the initial lockdowns in Melbourne in 2020.

It showed:

- Significant drop-off in foot traffic of up to 87% in major Melbourne CBD areas as a result of COVID-19 restrictions
- Major reduction in congestion on Melbourne's Monash Freeway of between 88% and 95% for weekday peak periods
- This reduction in congestion has been achieved off a much smaller reduction in traffic numbers – just 28% fewer vehicles were using the Monash during this time, so slightly fewer vehicles led to a significantly increased flow of traffic
- Heavy vehicle volumes on the Monash have stayed similar to pre-COVID-19 levels, so freight movements are similar to, or have increased, in the wake of the restrictions.

ARRB and ADVI followed that up with research into how the national COVID-19 lockdown from March to August 2020 affected road fatalities, finding the lockdown did not proportionally reduce road deaths.

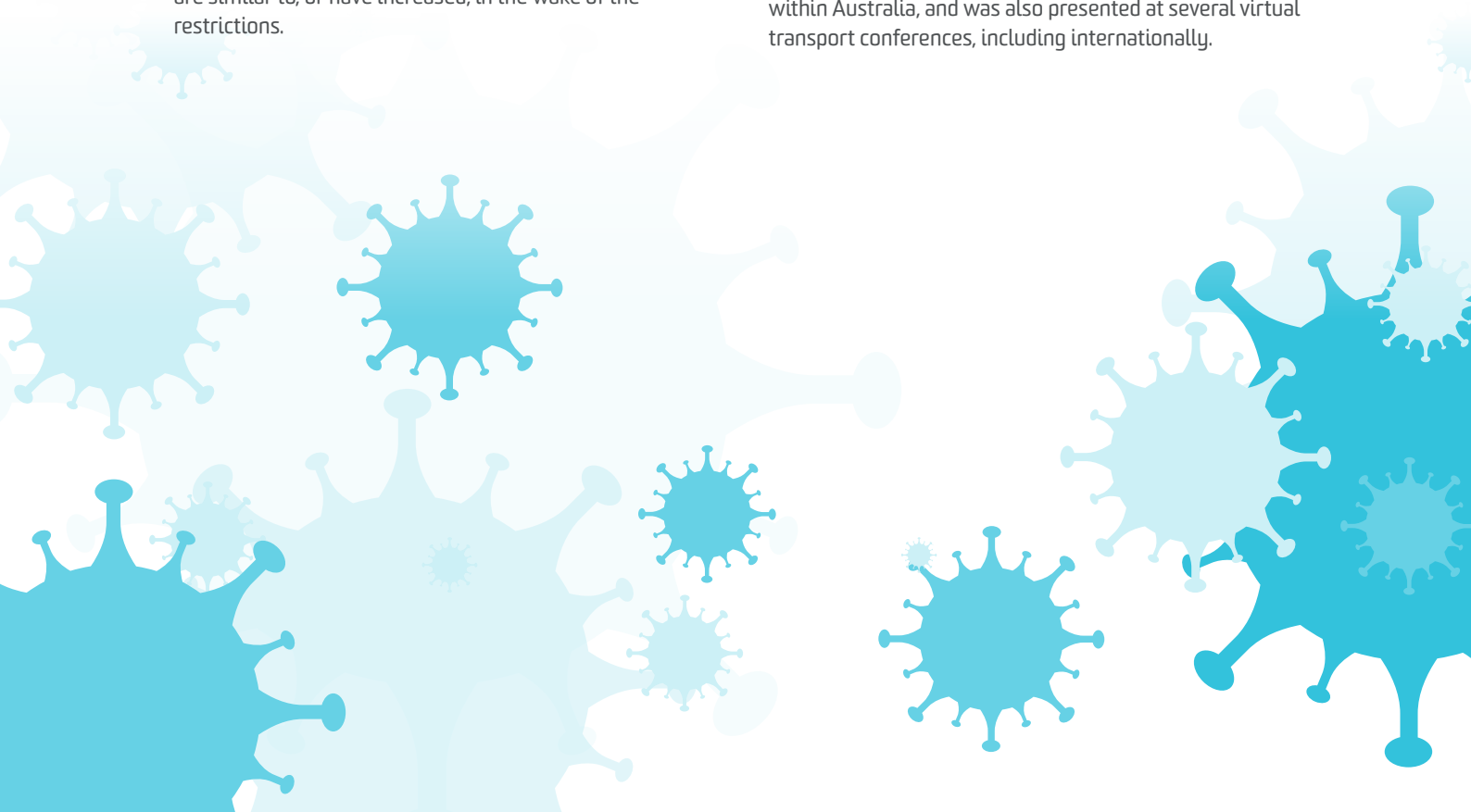
Despite fewer people using the roads, the research found there was an increase in cyclist road deaths and an increase in people killed on the roads in Queensland.

While there was up to 30% less road use during the national lockdown, there was only a 10% reduction in fatal crashes and an 8% reduction in road fatalities nationwide.

ARRB's research revealed three key findings:

1. The increase in deaths in Queensland was out of step with the rest of Australia
2. There was an increase in cycling fatalities
3. Overall, despite up to 30% less road use, deaths from road crashes across Australia only decreased by 8% during the travel restrictions from March to August.

ARRB's COVID-19 research gained strong media publicity within Australia, and was also presented at several virtual transport conferences, including internationally.





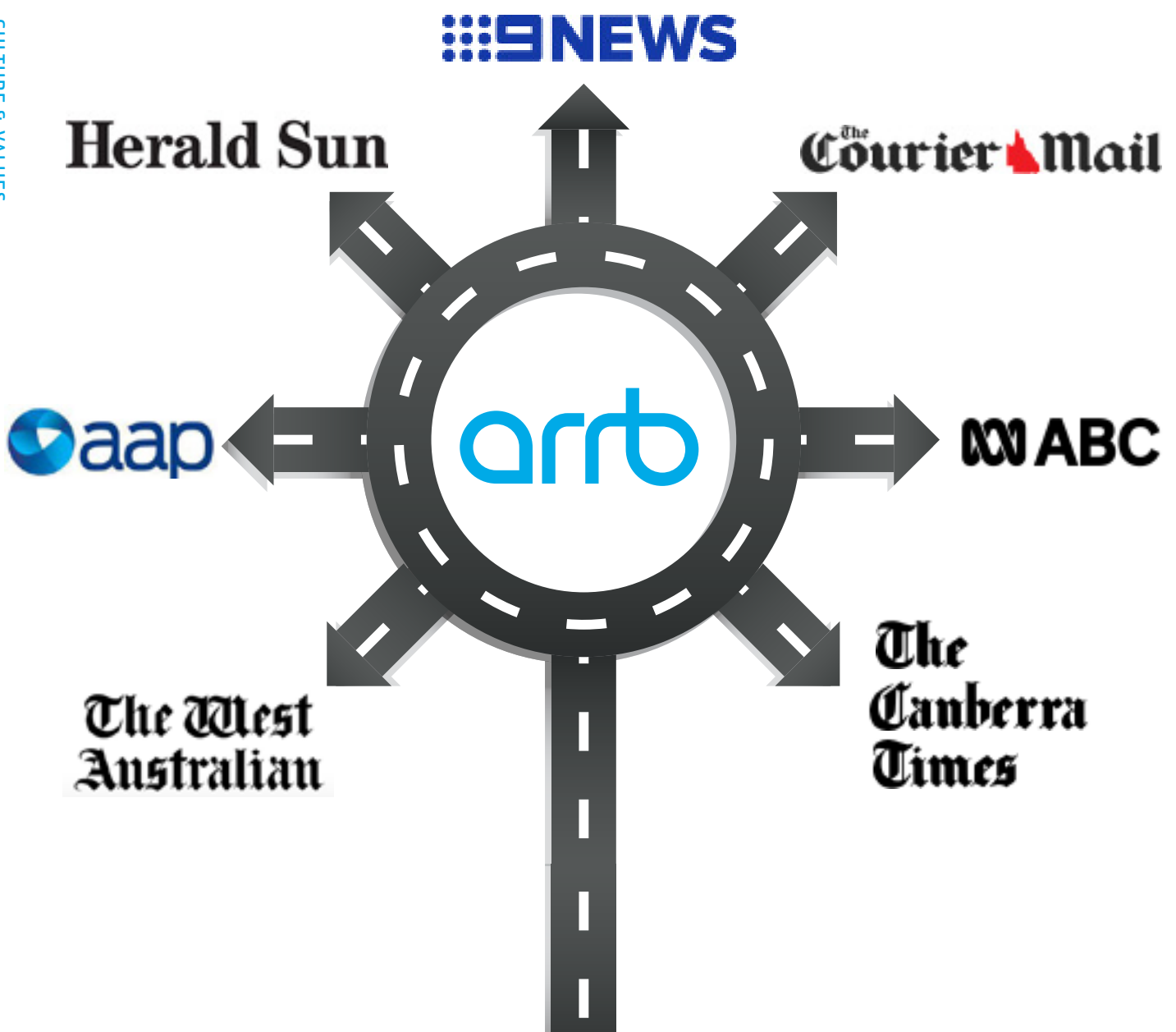


# ARRB IN THE MEDIA

ARRB has made a concerted effort in recent years to engage more with the media.

Our media outreach has resulted in our work, and importantly that of our clients and stakeholders, being regularly featured in trade media. Much of our work has also made it into mainstream media during 2020-21 – either calling upon ARRB's expertise or highlighting its work and its value to the broader community.

During 2020-21, ARRB, its work, and its people, featured in more than 100 separate media items, including on Nine News, ABC, The West Australian, The Courier Mail, Herald Sun, The Canberra Times, and Australian Associated Press.



# NATIONAL INTEREST SERVICES

The National Interest Services (NIS) program funds the provision of land transport information services in the national interest.

NIS works with, and through, road agency libraries to deliver national land transport outcomes which would not be possible on an individual basis.

Based out of ARRB's Port Melbourne head office, the NIS program provides structured and systematic access to authoritative land transport knowledge. This includes the Australian Transport Index (ATRI), the only national land transport publications database and a major contributor to TRID, the free international transport database managed by the US Transportation Research Board.

Additional curated resources supporting the decision-making needs of the Australian land transport sector include the ARRB Knowledge Base, the weekly email news alert Making News in Transport, the monthly Rail Knowledge Bank alert and the Transport and Road Update (TARU).

The NIS also has available free webinars from ARRB, covering everything from road safety to latest pavement techniques and trends, within an easy-to-use online library.

The NIS fosters networks of information professionals through chairing the Tranzinfo network of Australian and New Zealand transport-related libraries including academia, government and the private sector. It is also a part of the network of international libraries that collaborate under the International Transport Forum/OECD's International Transport Research Documentation (ITRD) program. These networks provide contact points to transport-related libraries across Australasia and internationally.

NIS is funded by the Federal, State and Territory road and transport agencies.

## 2020-21 INDICATORS



### Coverage

**+200,000**  
records in the  
NIS public-facing  
databases



### Currency

**+4,900 records**  
added in the last  
financial year



### Usage

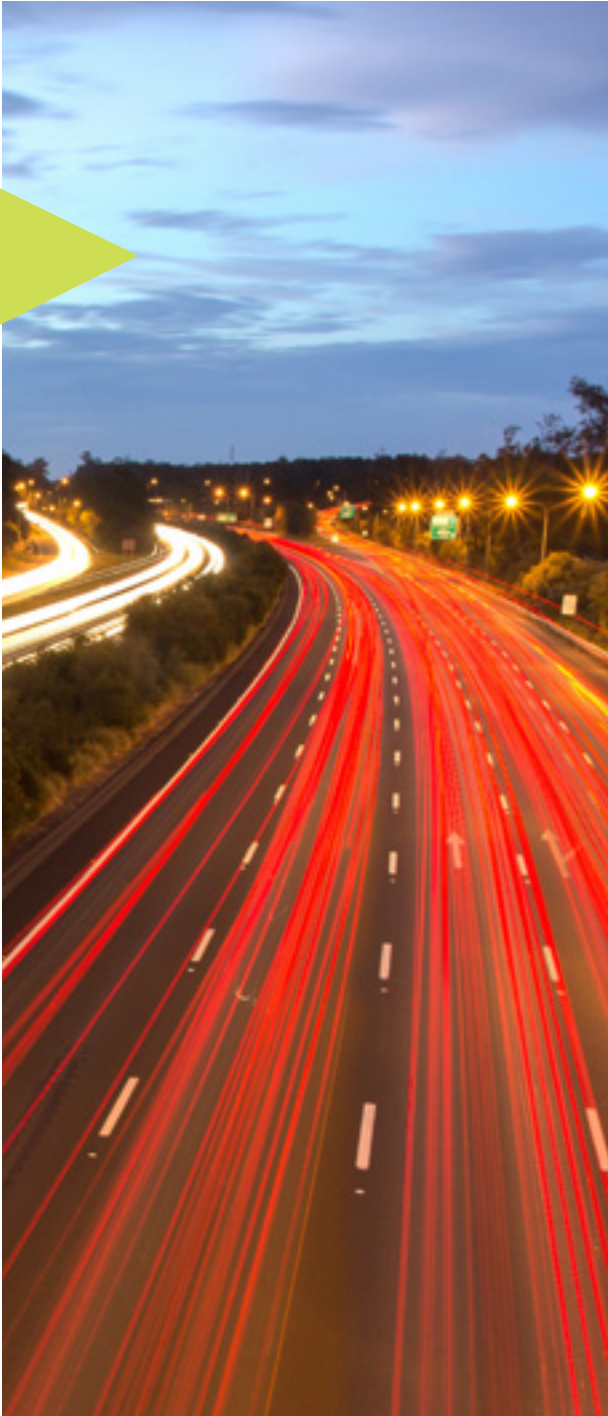
Around **45,000**  
**global users**



### Authoritative

includes core papers  
from peer-reviewed  
transportation  
journals





## NACOE

The National Asset Centre of Excellence (NACOE) joint initiative between ARRB and Queensland's Department of Transport and Main Roads (TMR) has been extended through until at least 2026.

Within NACOE, ARRB works with TMR to deliver engineering excellence through cutting edge road research and innovation in key disciplines, including pavements and asset management.

NACOE's research contributes to improving road safety initiatives to help save lives, reduce the carbon footprint and deliver significant cost savings to the people of Queensland.

In September 2020, TMR and ARRB extended their agreement to continue the joint initiative to 2026. The NACOE initiative has been running since 2013.

Projects undertaken during the 2020-21 year include:

- Cost-effective design of asphalt pavements at Queensland pavement temperatures
- Best practice in compaction quality assurance for pavement and subgrade materials
- Transferring Crumb Rubber Modified Gap Graded Asphalt to Queensland
- Sprayed sealing in challenging conditions and environments
- More flood-resilient bridge approaches
- Review of TMR WIM systems and strategies for traffic data collection for bridge asset management.



## NACOE

NATIONAL  
ASSET CENTRE  
OF EXCELLENCE





# WARRIP

The Western Australian Road Research and Innovation Program (WARRIP) is a joint initiative between ARRB and Main Roads Western Australia (MRWA).

The WARRIP venture recognises MRWA's desire to focus on road infrastructure-related research, and enables MRWA to significantly increase the capability and effectiveness of its specialist technical areas and deliver excellence and better value from every dollar spent.

WARRIP's focus is on research in the pavements, bituminous surfacings, asset management and structures areas. It aims to deliver innovative, sustainable and cost-saving solutions for road infrastructure projects throughout Western Australia via the successful implementation of research findings from this program.

Key projects in 2020-21 included:

- Evaluated digestion potential of various crumb rubber sized particles (Pavements/Sustainability)
- Development of bond strength test for assessing delamination potential (Pavements)
- Advanced epoxy timber pile repair (Structures)
- Evaluated CRFs for new interchange designs; reviewed existing ROSMA database (Safety/Asset Management)
- Heavy vehicle impacts cost and estimation process and fund allocations (Asset Management).



## WARRIP

WESTERN AUSTRALIAN  
ROAD RESEARCH AND  
INNOVATION PROGRAM



# ADVI AND FUTURE MOBILITY

ADVI is the peak industry advisory body that services the wide ecosystem of automated vehicle activities across Australia and New Zealand.

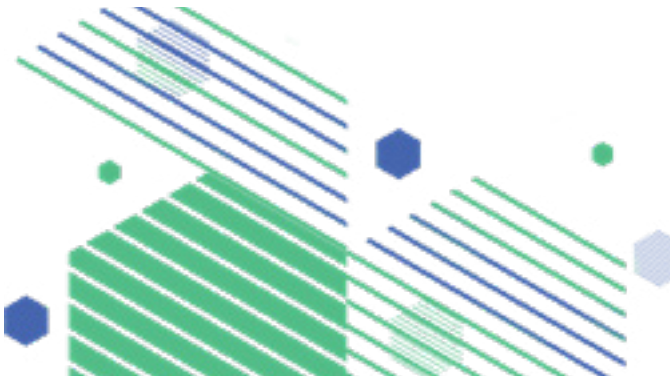
ADVI's vision is to accelerate the safe and successful introduction of driverless vehicles, and is supported by more than 150 partners from across the automotive, insurance, transport, motoring, parking, communications, banking, logistics, defence, technology and research sectors, as well as local, state and national governments.

Its four pillars of reach, readiness, regulation and redesign help inform and raise awareness, encourage community acceptance, and promote understanding of the benefits of driverless vehicles and the myriad economic opportunities that come with an automated vehicle industry valued at more than \$95 billion per annum.

ADVI is part of ARRB's commitment to playing a significant research role in the higher-level design, research methodology, human and safety factors, to deliver next generation mobility solutions in Australia and New Zealand.

As well as its support of ADVI, ARRB also has an in-house Mobility Futures team focussed entirely on future mobility. We provide government and industry stakeholders with advice, integration and collaboration to deliver future transport thinking today, and help shape the future of mobility in Australia.

Services provided by ARRB include connected and automated vehicle readiness surveys, advanced traffic management and smart cities testing platforms.



# BEST PRACTICE GUIDES UPDATE

ARRB's successful Best Practice Guides for sealed and unsealed roads, bridge management, and road materials, continue to provide excellent resources for Local Government.

The project, completed in April 2020, delivered the four Guides themselves, a Best Practice Guides app and four webinars.

In 2020-21, a suite of e-workshops were developed for use by local governments to develop their understanding of the Guides. It is also planned to develop more Best Practice Guides on different topics.

All 537 local government authorities around Australia have at least one of the Guides in use after significant outreach work from ARRB to ensure that even the remotest part of Australia had access to this next generation knowledge tool. In addition, the Guides have also been downloaded at least once in every inhabited continent in the world.

The Best Practice Guides promise to leave a significant legacy for Australia. Local Government plays a very important role in the management of the road network, responsible for more than 80% of Australia's road network.

ARRB's work ensures that local government now has the best possible suite of tools to maximise their efficiency and effectiveness in managing their road assets.

“**537**  
LOCAL GOVERNMENT AUTHORITIES  
AROUND AUSTRALIA HAVE AT LEAST  
ONE OF THE GUIDES IN USE.”





An aerial photograph of a modern, curved wooden bridge spanning a body of water. To the left of the bridge is a landscaped area with a playground featuring colorful equipment, including a yellow umbrella-shaped structure. The bridge has a white concrete support structure and a wooden deck. The water is a deep blue-green color. A large blue curved banner is overlaid on the top half of the image, containing the text "FINANCIAL STATEMENTS" in white capital letters.

# FINANCIAL STATEMENTS







**ARRB maintains a fleet  
of dedicated survey  
vehicles, with various data  
collection capabilities**



# DIRECTORS' REPORT

In accordance with a resolution of the Board, the Directors present their report on the financial statements for the year ended 30 June 2021.

## DIRECTORS

The following persons were Directors of ARRB Group Limited (ARRB) during the whole or part of the financial year and up to the date of this report unless otherwise stated:

### P Woronzow

Chairman  
Chair of Governance and Remuneration Committee  
Member of Superannuation Policy Committee  
CPA, Bachelor of Arts (Economics), Graduate Diploma in Public Sector Management  
Current Employer: Director of Infrastructure WA  
Acting Director General of Transport,  
Acting Commissioner of Main Roads, Acting CEO of the Public Transport Authority in Western Australia.  
Director - Austroads

### N Scales OBE

Deputy Chairman  
Member of Audit, Risk and Finance Committee  
Member of Governance and Remuneration Committee  
MBA, DMS with Distinction, MSc. Control Engineering & Computer Systems, BSc. Engineering, Vincent Fairfax Fellow (VFF) Current Employer: Director-General Department of Transport and Main Roads, Queensland  
NTC Commissioner Director – Roads Australia  
Chairman - Austroads

### K Reid

Member of Strategy and Development Committee  
BSc (Hons), Civil Engineering, Chartered Engineer, CEng (UK)  
Member of the Institution of Civil Engineers, (UK) MICE,  
Chartered Member of Engineering NZ (CMENZ),  
Member of the Institute of Directors NZ (MID),  
Current Employer: NZ Transport Agency (NZTA) – Chief Advisor

### L McCormick

Member of the Audit Risk and Finance Committee  
B. Eng (Civil), Dip Project Management  
Fellow of Engineers Australia, Chartered Prof. Engineer (Civil, Structural and Executive) Registered Prof Engineer of Queensland, National Engineering Register.  
Current Employer: Infrastructure Commissioner, Infrastructure NT Northern Territory  
Director - Austroads

### S Troughton

Chair of the Audit Risk and Finance Committee  
Member of Governance and Remuneration Committee  
Fellow of Engineers Australia, GAICD  
Chartered Professional Engineer, Chartered Engineer (UK),  
Member of the Institution of Civil Engineers (UK)

### V Gardiner

Member Governance and Remuneration Committee  
FRACI CChem, CompIEAust, EngExec MAICD  
Current Employer: Executive Director Policy and Research Medicines Australia

### I Webb

Chair of Strategy & Business Development Committee  
Director/Chairman, Prahran Market Board (current)  
Former Chief Executive, Roads Australia  
Former Director General, International Road Federation, Geneva

### N Marinelli

Member of Audit, Risk and Finance Committee  
Member of Strategy & Business Development Committee  
BBus (Acc), GAICD  
Director - MACA Ltd.  
Former Chief Executive, Fulton Hogan Australia Pty Ltd  
Former Chair, Citywide North Melbourne Asphalt Pty Ltd  
Former Director, Fulton Hogan Egis O&M Pty Ltd

### C Burke

Member of Strategy & Business Development  
Bachelor of Engineering  
Master of Project and Construction Management  
PhD in Risk Management on the Life Cycle of Construction Projects  
Director Exner Group  
Director VicTrack  
Victoria's first Chief Engineer

### P Henderson

(Appointed 6 November 2020)  
Member of Governance and Remuneration Committee  
Bachelor of Engineering (Electrical Hon.)  
Advanced Diploma Management, GAICD  
Current Employer: Executive Director Technical Services Infrastructure & Place - Transport for NSW

## DIRECTORS' SHAREHOLDINGS

No Directors hold shares in the company.

# DIRECTORS' REPORT (CONTINUED)

The number of meetings of the company's Board of Directors held and attended by each Director during the year ended June 2021 was:

Director	Board		Committees							
			Audit & Risk		Governance & Remuneration		Strategy & Bus Development		Superannuation	
	H	A	H	A	H	A	H	A	H	A
P Woronzow	8	8	1	1	1	1	0	0	2	2
N Scales	8	7	4	2	1	1	0	0	0	0
K Reid	8	7	0	0	0	0	4	4	0	0
L McCormick	8	8	4	2	0	0	0	0	0	0
S Troughton	8	5	4	4	0	0	0	0	0	0
V Gardiner	8	8	0	1	0	0	4	2	0	0
I Webb	8	8	0	0	0	0	4	4	0	0
N Marinelli	8	8	3	3	0	0	4	4	0	0
C Burke	7	7	0	0	0	0	4	3	0	0
P Henderson	4	4	0	0	0	0	0	0	0	0

H – number of meetings held that the director was eligible to attend

A – number of meetings attended

## COMPANY SECRETARIES

### Mark Steidle

(Appointed 7 August 2020)

B.Acc, CPA

Chief Commercial Officer, ARRB Group Ltd

### Kent Wong

FCPA FCMA(UK) CGMA(UK) MComm (Acct)

Senior Technology Leader, Finance Governance and Compliance, ARRB Group Ltd

## Registered Members of ARRB Group Ltd

- Department of Transport, Victoria
- Transport for New South Wales
- Environment, Planning and Sustainable Development Directorate – ACT Government
- Department of Transport and Main Roads, Queensland
- Department of Infrastructure, Planning and Logistics, Northern Territory
- Main Roads Western Australia
- Department for Infrastructure and Transport, South Australia
- Department of State Growth, Tasmania
- Australian Local Government Association
- Department of Infrastructure, Transport, Regional Development and Communications – Commonwealth of Australia
- New Zealand Transport Agency



# DIRECTORS' REPORT (CONTINUED)

## Members liability

Each Member undertakes to contribute to the company's property if the company is wound up while he, she or it is a Member or within one year after he, she or it ceases to be a Member, for payment of the company's debts and liabilities contracted before he, she or it ceased to be a Member and of the costs, charges and expenses of winding up and for an adjustment of the rights of contributors among themselves, such amount as may be required by not exceeding one hundred dollars (\$100.00).

## Principal activities

During the year the principal activities of the company consisted of:

1. transport research on a fee-for-service basis including a set of projects through a number of collaborative programs such as National Asset Centre of Excellence (NACOE), Western Australia Road Research and Innovation Programme (WARRIP) and Major Road Projects Victoria (MRPV) to deliver superior technology and new transport solutions. The work delivered yielded significant improvements in practices and cost benefit ratios.
2. providing information on road and transport matters considered to be in the national interest
3. delivering over 1,000 research and consulting projects to the road and transport industry across Australia and New Zealand
4. researching, developing and the supply of new emerging and technical services.

## Dividends

The company Constitution precludes the declaration or payment of any dividends.

## Review and results of operations

The transition to and implementation of the new 2020-2024 strategic plan was the focus for the year to 30 June 2021. The plan is designed to enable ARRB to continue its journey reinvigorating the organisation's standing as the National Transport Research Organisation.

Building off the achievements under the previous four-year strategic plan and in line with our Objects of Company, the organisation is on a positive trajectory as a 'National Interest and public good' agency.

ARRB's mission is to create knowledgeable, innovative, and impactful mobility solutions for our community through the intellect, experience, and integrity of our people.

ARRB's vision is 'An Integrated Mobility Future which is safe, sustainable and a driver of economic well-being.'

Outlined below are the three strategic focus areas developed to enable the achievement of outcomes through planned action:

### Infrastructure Sustainability and Resilience

Every Australian, every day, is reliant on the transport system. Community demands on the system are changing rapidly and constantly. The system's sustainability and resilience has never been more important to ensure its long-term viability and level of service offering. Moving to integrated mobility solutions will bring constant opportunities for improvement.

### Safer Roads and Infrastructure

User-centric and safe mobility will be a lens through which all new infrastructure and the maintenance of current transport infrastructure will be assessed. A "safe system" approach will lead to the development of new and innovative ways of delivering smarter, better, and more efficient use of precious resources that deliver better, safer outcomes for the community.

# DIRECTORS' REPORT (CONTINUED)

## Value for Money

ARRB's shareholders are custodians of vast amounts of taxpayer and ratepayer funds. At the forefront of everything ARRB does is the need to ensure that the taxpayers and ratepayers are getting value for money in their safe and sustainable transport systems.

The financial result for the year is a consequence of sustained focus on efficiency and accountability. Despite a difficult operating climate, impacted by the COVID-19 pandemic, the company has delivered a consecutive net surplus. ARRB's focus on commercial transformation has resulted in an improved operating cash performance and a strengthened balance sheet.

We delivered strongly on our member agency and Austroads research programs including full delivery for the NACOE for TMR Qld, WARRIP for MRWA and a significant range of innovation projects for MRPV for the DoT Victoria. The benefits for member agencies derived through these programs involve benefit cost ratio of well in excess of 10, driving great value outcomes from the investment with ARRB. We also commenced new research and innovation projects for Transport for NSW, DIT South Australia and State Growth Tasmania with ongoing work to follow.

We thank the leadership team and all the staff at ARRB for their excellent work, resilience and commitment to ARRB. ARRB staff are proud of their work and have a passion for applying their skills for the benefit of members and clients. We look forward to developing the next generation solutions for Australia's transport needs.

## Significant changes in the state of affairs

There were no significant changes in the state of affairs of the company that occurred during the year not otherwise disclosed in this report or the Financial statements.

## Matters subsequent to the end of the financial year

The impact of the COVID-19 pandemic is ongoing with aspects of the business such as events, training, staff onboarding and face to face engagement adversely impacted. Overall ARRB operations have remained effective and productive. The situation continues to develop, and measures imposed by the Australian and New Zealand Governments, state jurisdictions and other countries, require an agile and proactive approach to maintain business continuity and safe outcomes in this rapidly changing operating environment.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

## Likely developments and expected results of operations

At the date of this report, we are not aware of any likely developments in the operations of the company, other than business as usual.

## Environmental regulation

The company is not subject to any significant environmental regulation in respect of its activities

## Directors' benefits

During the year, the Company has paid an amount of \$75,428 to the Exner Group for business development. Collette Burke is the Managing Director of the Exner Group.

Except for the above, during the year no Director has received or become entitled to receive a benefit (other than a remuneration benefit included in note 20 to the Financial statements) because of a contract that:

- a. the Director or
- b. a firm of which the Director is a member or
- c. an entity in which the Director has a substantial financial interest; has made (during the year ended 30 June 2021 or at any other time) with:
  1. the company or
  2. an entity that the company controlled or
  3. a body corporate that was related to the company when the contract was made or when the Director received, or became entitled to receive the benefit (if any).

# DIRECTORS' REPORT (CONTINUED)

## Insurance of officers

During the year, ARRB Group Ltd paid a premium of \$16,483.68 (ex GST) to insure the Directors, Company Secretaries and the Senior Managers.

The potential liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

## Indemnity and Insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.



P Woronzow  
Chairman of the Board of Directors  
Perth  
Date: 14/10/2021

## Proceedings on behalf of the company

No person has applied to the Court for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the company with leave of the Court.

## Rounding of amounts to nearest thousand dollars

The company is an entity to which ASIC Instrument 2016/91 applies and, accordingly, amounts in the financial statements and Directors' report have been rounded to the nearest thousand dollars.

## Auditor independence declaration

A copy of the auditor independence declaration is set out on page 48 of this Financial Report.

## Auditor

RSM Australia continues in office.

This report has been made in accordance with a resolution of Directors.



S Troughton  
Chair of Audit, Risk and Finance Committee  
Sydney  
Date: 14/10/2021

**RSM Australia Partners**

Level 21, 55 Collins Street Melbourne VIC 3000  
PO Box 248 Collins Street West VIC 8007

T +61 (0) 3 9286 8000

F +61 (0) 3 9286 8199

[www.rsm.com.au](http://www.rsm.com.au)

**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the audit of the financial report of ARRB Group Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Australian professional accounting bodies in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

A handwritten signature in blue ink, appearing to be 'RSM'.**RSM AUSTRALIA PARTNERS**A handwritten signature in blue ink, appearing to be 'BY CHAN'.

**B Y CHAN**  
Partner

Dated: 14 October 2021  
Melbourne, Victoria

**THE POWER OF BEING UNDERSTOOD**  
**AUDIT | TAX | CONSULTING**

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation







ENERGY  
AND PASSION

INTEGRITY

TRANSFORM  
COLLABORATE

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2021

	NOTES	2021	2020
		\$'000	\$'000
Revenue	2	38,717	39,647
<b>Expenses</b>			
Employee benefits	3	22,597	20,789
Depreciation and amortisation	3	3,528	3,843
Borrowing	3	604	596
Direct materials	3	897	788
Direct other	3	5,029	6,180
Short term lease rental	3	166	174
Other	3	4,157	5,190
<b>Total expenses</b>		<b>36,978</b>	<b>37,560</b>
<b>Surplus for the year</b>		<b>1,739</b>	<b>2,087</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to the profit and loss</b>			
- Defined Benefit Superannuation Plan actuarial gain/(loss)		760	(554)
- adjustment of depreciation on sale of NSV to IRSM		4	4
<b>Items reclassified subsequently to the profit and loss</b>			
<b>Foreign Currency Fluctuation Reserve</b>			
- Share of (loss)/gain on translation of foreign currency of joint venture	11	(107)	34
<b>Other comprehensive income for the year</b>		<b>657</b>	<b>(516)</b>
<b>Total comprehensive income for the year</b>		<b>2,396</b>	<b>1,571</b>

# STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2021

	NOTES	2021	2020
		\$'000	\$'000
<b>Current Assets</b>			
Cash and cash equivalents	4	25,895	17,128
Receivables	5	5,374	5,464
Contract Assets	6	2,203	2,602
Prepayments		851	401
Other		188	33
Assets classified as held for sale	7	-	3,206
<b>Total Current Assets</b>		<b>34,511</b>	<b>28,834</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	8	14,963	15,327
Right-of-use assets	9	13,086	14,144
Intangible assets	10	79	149
Financial assets	11	878	844
<b>Total Non-Current Assets</b>		<b>29,006</b>	<b>30,464</b>
<b>Total Assets</b>		<b>63,517</b>	<b>59,298</b>
<b>Current Liabilities</b>			
Trade and other payables	12	3,756	5,536
Employee entitlements	13	4,696	4,337
Contract liabilities	15	9,076	4,435
Lease liabilities	16	1,262	1,365
<b>Total Current Liabilities</b>		<b>18,790</b>	<b>15,673</b>
<b>Non-Current Liabilities</b>			
Employee entitlements	13	613	485
Lease liabilities	16	13,159	13,821
Retirement benefits	14	114	874
<b>Total Non-Current Liabilities</b>		<b>13,886</b>	<b>15,180</b>
<b>Total Liabilities</b>		<b>32,676</b>	<b>30,853</b>
<b>Net Assets</b>		<b>30,841</b>	<b>28,445</b>
<b>Equity</b>			
Reserves	19	(34)	73
Retained earnings		30,875	28,372
<b>Total Equity</b>		<b>30,841</b>	<b>28,445</b>

The above Statement of Financial Position be read in conjunction with the accompanying notes

# STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2021

FINANCIAL STATEMENTS

	FOREIGN CURRENCY FLUCTUATION RESERVE	RETAINED EARNINGS	TOTAL EQUITY
	\$'000	\$'000	\$'000
Balance at 1 July 2019	39	27,453	27,492
Adjustment for changes in accounting policy		(618)	(618)
	39	26,835	26,874
Surplus for the year	-	2,087	2,087
Other comprehensive income			
- share of gain on foreign currency translation of joint venture	34	-	34
- adjustment on the depreciation on sale of NSV to IRSM	-	4	4
- actuarial loss on Defined Benefit Superannuation Plan	-	(554)	(554)
Balance at 30 June 2020	73	28,372	28,445
Balance at 1 July 2020	73	28,372	28,445
Surplus for the year	-	1,739	1,739
Other comprehensive income			
- share of loss of foreign currency translation of joint venture	(107)	-	(107)
- adjustment on the depreciation on sale of NSV to IRSM	-	4	4
- actuarial loss on Defined Benefit Superannuation Plan	-	760	760
Balance at 30 June 2021	(34)	30,875	30,841

The above Statement of Changes in Equity be read in conjunction with the accompanying notes



# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2021

	NOTES	2021 \$'000	2020 \$'000
<b>Cash flows from operating activities</b>			
Cash was provided from:			
Receipts from customers		38,598	46,963
Interest received	2	69	89
		38,667	47,052
Cash was provided to:			
Payments to suppliers and employees		(24,196)	(32,763)
Interest paid	3	-	(1)
Net GST payment to ATO		(3,295)	(2,826)
<b>Net cash inflow from operating activities</b>	<b>25</b>	<b>11,176</b>	<b>11,462</b>
<b>Cash flow from investing activities</b>			
Proceeds from sale of property, plant and equipment		-	21
Payment for property, plant and equipment		(1,303)	(493)
Payment for intangible asset		(25)	(25)
<b>Net cash outflow from investing activities</b>		<b>(1,328)</b>	<b>(497)</b>
<b>Cash flow from financing activities</b>			
Lease payments		(1,081)	(1,249)
Repayment of borrowings		-	(330)
<b>Net cash outflow from financing activities</b>		<b>(1,081)</b>	<b>(1,579)</b>
<b>Net increase in cash held</b>		<b>8,767</b>	<b>9,386</b>
<b>Cash at the beginning of the financial year</b>		<b>17,128</b>	<b>7,742</b>
<b>Cash at the end of the financial year</b>	<b>4</b>	<b>25,895</b>	<b>17,128</b>

The above Statement of Cash Flows be read in conjunction with the accompanying notes

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This special purpose financial report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (IFRS), other authoritative pronouncements of the Australian Accounting Standards Board and the *Australian Charities and Not-for-profits Commission Act 2012*.

### New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

### Basis of preparation of financial report

ARRB Group Limited is not a reporting entity because in the directors' opinion, it is unlikely that users exist who are unable to command the preparation of reports tailored so as to satisfy, specifically, all their information needs.

This is a special purpose financial report that has been prepared for the sole purpose of complying with the *Australian Charities and Not-for-profits Commission Act 2012* requirements to prepare and distribute a financial report to the members and must not be used for any other purpose. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the members.

The measurement basis adopted in preparing this financial report is historical cost, except for certain assets which, as noted, are at valuation. Unless otherwise stated, the accounting policies adopted are consistent with those of the prior year.

The Company has applied Accounting Standard AASB 101 Presentation of Financial Statements and other applicable Australian Accounting Standards with the exception of the disclosure requirements in the following:

AASB 7	Financial Instruments Disclosures
AASB 124	Related Party Disclosures.
AASB 13	Fair Value Measurement

While not fully complying with the disclosure requirements of AASB 124, the Company discloses remuneration to directors (Note 20). The reader should also be aware of the

relationship between ARRB Group Limited and its members, who are generally the government organisations which manage roads in Australia and New Zealand. ARRB Group Limited is a public company limited by guarantee and its members cannot benefit financially from its performance. The ARRB Group Limited operates as a not-for-profit entity and, in commercial transactions, on an arm's length basis from its members. Equally, members are also often clients and competitors. At the annual meeting, members may be entitled to elect some of their representatives as directors.

### Foreign currency translation

#### Functional and presentation currency

The functional currency of the Company is measured using the currency of the primary economic environment in which the Company operates. The Financial Statements are presented in Australian dollars which is the Company's functional and presentation currency.

#### Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of transactions. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is directly recognised in other comprehensive income, otherwise the exchange difference is recognised in the profit or loss.

### Revenue recognition

#### Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates

of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability

### Contract assets

Contract assets are recognised when the Company has transferred goods or services to the customer but where the Company has yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

Contract assets comprised of contract jobs and expense jobs. Contract jobs and work in progress are valued at cost, plus profit recognised to date less any provision for anticipated future losses. Cost includes both variable and fixed costs relating to specific contracts, and those costs that are attributable to the contract activity and that can be allocated on a reasonable basis.

### Other goods/services

Revenue is recognised when goods/services have been dispatched/provided to a customer pursuant to a sales order and the associated risks have passed to the carrier or customer.

### Income tax

The Company was granted income tax exempt status under section 50B of the Income Tax Assessment Act 1997, GST concessions under Division 176 of A New Tax System (Goods and Service Tax) Act 1999 and FBT rebate under 123E of the Fringe Benefits Tax Assessment 1986.

### Accounting for associate entity

The interest in the associate entity is accounted for using the equity method. Under the equity method, the share of the profits or losses of the entity is recognised in the income statement, and the share of movements in reserves is recognised in the balance sheet.

### Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation but are tested annually for impairment. Assets that are subject to amortisation/depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

### Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value, and bank loans. Bank loans are shown within interest-bearing liabilities in the current liabilities on the Financial Statements.

### Trade receivables

All trade debtors are recognised at the net amounts receivable as they are due for settlement.

The ability to collect trade debtors is reviewed on an ongoing basis, with an allowance for expected credit losses recognised.

### Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The nominal value less estimated credit adjustments of trade receivables, contract works in progress and payables are assumed to approximate their fair values.



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

### FINANCIAL STATEMENTS

#### Property, plant and equipment

All property, plant and equipment are stated at historical cost less depreciation. Historical cost also includes expenditure that is directly attributable to acquisition of the item.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit or Loss and Other Comprehensive Income during the financial period in which they are incurred.

Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

Leasehold buildings & improvement	Estimated useful life or unexpired period of the lease
Right-of-use assets	Estimated useful life or unexpired period of the lease
Furniture, fittings & equipment	2 - 10 years
Plant and equipment	3 - 10 years

Assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date and no changes have been made.

#### Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentive received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of cost expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit and loss as incurred.

#### Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are paid within the agreed terms of trade.

#### Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit or Loss and Other Comprehensive Income over the period of the borrowings using the effective interest method.

#### Contract liabilities

Contract liabilities - effectively represent the Company's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Company recognised a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Company has transferred the goods or services to the customer.

## Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised using the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

## Provisions

Provisions for service warranties are recognised when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for unknown operating losses.

## Employee benefits

### *Wages and salaries, annual leave and sick leave*

Liabilities for wages and salaries, including annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled, at their nominal values.

The portion of annual leave expected to be settled more than 12 months are classified as non-current liability. It is based on the experience of employee annual leave taken pattern. It is measured as the present value of the estimated cash outflows to be made by the entity. Consideration is given to expected future wage and salary levels. Expected future payments are discounted using market yields at the reporting date on national government guaranteed bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured at their present value of the estimated future cash outflows to be made by the entity in respect of services provided by employees up to the reporting date. Regardless of the expected timing of settlements, provisions made in respect of employee benefits are classified as a current liability, unless there is an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date, in which case it would be classified as a non-current liability.

### *Long service leave*

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made

in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government guaranteed bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows. Provisions made for unconditional long service leave would be classified as a current liability, where the employee has a present entitlement to the benefit. A non-current liability includes long service leave entitlements accrued for employees with less than seven years of continuous service.

### *Employee benefit on-costs*

Employee benefit on-costs are recognised in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

### *Employee incentives*

The Company recognises a liability and an expense for bonuses based on the employee's performance against criteria of their employment contract. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

### *Retirement benefit obligations*

The Company operates both defined benefit superannuation plan and defined contribution superannuation plan for the employees' retirement, disability or death.

The defined benefit plan provides defined lump sum benefits based on years of service and final average salary. The defined contribution plan receives fixed contributions from the Company and the Company's legal or constructive obligation is limited to these contributions.

A liability or asset in respect of defined benefit superannuation plan is recognised on the face of the Financial Statements, and is measured at the present value of the defined benefit obligation at the reporting date plus unrecognised actuarial gains (less unrecognised actuarial losses) less the fair value of the superannuation fund's assets at that date and any unrecognised past service cost. The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit method. Consideration is given to expected future wages and salary levels, experience of employee departures and periods of service.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

Expected future payments are discounted using market yields on national government bonds at the reporting date with terms to maturity and currency that match, as closely as possible, the future cash outflows.

Actuarial gains and losses arising from experience, adjustments and changes in actuarial assumptions are charged or credited to the Statement of Profit or Loss and Other Comprehensive Income over the employees' average remaining working lives.

Past service costs are recognised immediately in income, unless the changes to the superannuation fund are conditional on the employees remaining in service for a specified period of time (the vesting periods). In this case, the past service costs are amortised on a straight-line basis over the vesting period.

Future taxes that are funded by the entity and are part of the provision of the existing benefit obligation are taken into account in measuring the net liability or asset.

Contributions to the defined contribution fund are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

### Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

### Intangibles

#### *Development cost*

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably. Development costs have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project. Development costs are amortised over three years.

### Rounding of amounts to nearest thousand dollars

The Company is an entity to which ASIC Instrument 2016/91 applies and, accordingly, amounts in the financial statements and Directors' report have been rounded to the nearest thousand dollars.

### Comparative figures

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

When the Company applies an accounting policy retrospectively, makes a retrospective restatement or reclassification in its financial statements, a Financial Statement as at the beginning of the earliest comparative period is disclosed.

### Critical accounting estimates

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained externally and within the company.

### Contract assets

Significant judgements are made with respect to the recoverable amounts of contract assets.

In making their judgement, management considered:

- whether the total contract revenue could be measured reliably
- whether the contract costs to complete the contract and the stage of contract completion at balance date could be reliably measured, and
- whether the contract costs attributable to the contract can be clearly identified and measured reliably so that the actual contract costs incurred can be compared with prior estimates.

After reviewing contract transactions management are satisfied that the above criteria have been met and the recognition of the revenue in the current year is appropriate, in conjunction with the recognition of the appropriate contract works in progress/revenue in advance amounts.

### Coronavirus (COVID-19) pandemic

The impact of the COVID-19 pandemic is ongoing with aspects of the business such as events, training, staff onboarding and face to face engagement adversely impacted. Overall ARRB operations have remained effective and productive. The situation continues to develop, and measures imposed by the Australian and New Zealand Governments, state jurisdictions and other countries, require an agile and proactive approach to maintain business continuity and safe outcomes in this rapidly changing operating environment.

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic

### Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the company's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

### Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset or a similar value to the right-to-use asset, with similar terms, security and economic environment.

### Lease make good provision

A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

### 2. REVENUE

	2021	2020
	\$'000	\$'000
Revenue from contracts with customers	38,481	39,376
Interest	69	89
Share of profit of IRSM associate entity	137	141
Rental income	30	41
<b>Total revenue</b>	<b>38,717</b>	<b>39,647</b>



## 3. EXPENSES

	2021	2020
	\$'000	\$'000
<b>Employee Benefits</b>		
Salaries, wages and on-costs	18,167	17,086
Termination benefits	195	158
Employee bonuses and incentives	495	25
Employer superannuation contribution - normal	1,797	1,683
- additional	44	-
Long service leave and annual leave	1,899	1,837
	<b>22,597</b>	<b>20,789</b>
<b>Depreciation and amortisation</b>		
Amortisation - intangibles	95	48
Depreciation - buildings	246	185
- plant and equipment	2,134	2,560
- building right-of-use assets	1,038	1,035
- plant and equipment right-of-use assets	15	15
	<b>3,528</b>	<b>3,843</b>
<b>Finance costs</b>		
Interest and finance charges - borrowing	-	1
Interest and finance charges - lease liabilities	604	595
	<b>604</b>	<b>596</b>
<b>Direct materials</b>	<b>897</b>	<b>788</b>
<b>Direct other</b>		
Contractors	4,057	4,884
Travel and entertainment	710	941
Others	262	355
	<b>5,029</b>	<b>6,180</b>
<b>Short term lease rental</b>	<b>166</b>	<b>174</b>
<b>Other</b>		
Professional and consulting fees	2,632	2,614
Administrative	727	1,025
Travel and entertainment	87	496
Impairment of debtors	-	59
Maintenance and repairs	690	731
Other	21	265
	<b>4,157</b>	<b>5,190</b>
<b>Total expenses</b>	<b>36,978</b>	<b>37,560</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

FINANCIAL STATEMENTS

### 4. CURRENT ASSETS – CASH AND CASH EQUIVALENTS

	2021	2020
	\$'000	\$'000
Cash at bank and on hand	7,745	4,478
Short-term deposits and deposits at call	18,150	12,650
	25,895	17,128
The weighted average interest in the cash at bank and deposits is 0.37% (2020: 0.86%)		
Reconciliation of cash		
Cash at the end of the financial year is reconciled to the Statement of Cash Flows as follows		
<b>Cash and cash equivalents</b>	<b>25,895</b>	<b>17,128</b>

There is no material difference between the fair value and the carrying amount of cash and cash equivalent.

### 5. CURRENT ASSETS – RECEIVABLES

	2021	2020
	\$'000	\$'000
Trade debtors	5,334	5,131
Less allowance for expected credit loss	-	-
	5,334	5,131
Other receivables	40	333
<b>Total receivables</b>	<b>5,374</b>	<b>5,464</b>

Other receivables in 2020 included an amount of \$308K to be recovered from VNA in respect of the outstanding iPAVe installments ARRB continues to pay following the sale of the Equipment Sales and US subsidiary businesses,

#### a. Fair value

The amounts are stated at fair values as they are expected to be settled, in the short term, less allowance for impairment loss.

#### b. Interest rate risk

Trade and other receivables are non-interest bearing therefore not exposed to interest rate risk.

#### c. Credit rate risk

The company has a large number of customers. The majority are the federal government, state and local authorities and as a result the risk of default is limited.

### 6. CURRENT ASSETS – CONTRACT ASSETS

	2021	2020
	\$'000	\$'000
<b>Contract work-in-progress</b>	<b>2,203</b>	<b>2,602</b>

The contract work-in-progress are valued at costs, plus profit recognised to-date less any provision for anticipated future losses

## 7. ASSETS HELD FOR SALE AND DISCONTINUED BUSINESS

### Sale of Equipment Business

As at 30 June 2021, all payments have been received from the purchaser of the Equipment sale and US subsidiary businesses. Accordingly the ownership of the iPAVE have been transferred to the purchaser.

#### *Results of Discontinued Operation*

The carrying amounts of assets and liabilities were:-

	30.06.2021		30.06.2020	
	\$'000		\$'000	
	SYSTEM	TOTAL	SYSTEM	TOTAL
Asset classified as held for sale				
Property, plant and equipment	0	0	3,206	3,206
Inventories	0	0	0	0
Other receivables	0	0	0	0
<b>Total assets</b>	<b>0</b>	<b>0</b>	<b>3,206</b>	<b>3,206</b>



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

### 8. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT

Movements in the carrying amounts of each class of property, plant and equipment between the beginning and the end of the reporting period:

	LEASEHOLD BUILDINGS & IMPROVEMENTS	FURNITURE, FITTINGS & EQUIPMENT	RESEARCH & SURVEY EQUIPMENT	PLANT & EQUIPMENT	CAPITAL WORK IN PROGRESS	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Cost / Revaluation</b>	At Cost	At Cost	At Cost	At Cost	At Cost	
Balance at 1 Jul 2020	6,013	9,434	16,948	2,523	4	34,922
Addition	-	268	525	4	1,222	2,019
Disposal	-	(339)	(41)	-	-	(380)
Balance at 30 Jun 2021	6,013	9,363	17,432	2,527	1,226	36,561
<b>Accumulated Depreciation</b>						
Balance at 1 Jul 2020	431	4,587	12,385	2,192	-	19,595
Addition	246	848	1,236	50	-	2,380
Disposal	-	(336)	(41)	-	-	(377)
Balance at 30 Jun 2021	677	5,099	13,580	2,242	-	21,598
<b>Net Book Value</b>						
1 Jul 2020	5,582	4,847	4,563	331	4	15,327
30 Jun 2021	5,336	4,264	3,852	285	1,226	14,963



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## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

### 9. NON-CURRENT ASSETS – RIGHT-OF-USE

	LEASEHOLD BUILDINGS & IMPROVEMENTS	FURNITURE, FITTINGS & EQUIPMENT	TOTAL
COST	\$'000	\$'000	\$'000
Balance at 1 Jul 2020	17,226	51	17,277
Addition	-	-	-
Disposal	-	(51)	(51)
Balance at 30 Jun 2021	17,226	-	17,226
Accumulated Depreciation			
Balance at 1 Jul 2020	3,101	32	3,133
Addition	1,039	15	1,054
Disposal	-	(47)	(47)
Balance at 30 Jun 2021	4,140	-	4,140
Net Book Value			
1 Jul 2020	14,125	19	14,144
30 Jun 2021	13,086	-	13,086

FINANCIAL STATEMENTS

### 10. NON-CURRENT ASSETS – INTANGIBLE ASSETS

	2021	2020
	\$'000	\$'000
Opening balance	149	172
Addition	25	25
Amortisation expense	(95)	(48)
Balance at the end of the year	79	149

The intangible assets represent the purchase of Big Cloud business specialising in software development and software hosting business.

### 11. NON-CURRENT ASSETS – FINANCIAL ASSETS

	2021	2020
	\$'000	\$'000
Investment in Indian Road and Survey Management Private Limited	878	844

Investment in Indian Road and Survey Management Private Limited (IRSM) is accounted for using the equity method of accounting. ARRB's share in IRSM is currently 50%. ARRB is considered to have 'significant influence' in IRSM, as outlined in AASB 128 Accounting for Associates, paragraph 7. The share of profit is shown in Note 2, Revenue.

## 11. NON-CURRENT ASSETS – FINANCIAL ASSETS (CONTINUED)

The summarised presentation of aggregate assets, liabilities and performance of IRSM is as follows, based on percentage of ARRB's share:

	2021	2020
	\$'000	\$'000
Current assets	1,368	1,122
Non-current assets	344	300
<b>Total assets</b>	<b>1,712</b>	<b>1,422</b>
Current liabilities	780	512
Non-current liabilities	54	66
<b>Total liabilities</b>	<b>834</b>	<b>578</b>
<b>Net assets</b>	<b>878</b>	<b>844</b>
Share of revenue, expense and results	2021	2020
	\$'000	\$'000
Revenue	689	738
<b>Profit before tax</b>	<b>137</b>	<b>141</b>
	2021	2020
	\$'000	\$'000
Carrying amount at the beginning of the year	844	665
Share of profit	137	141
Share of profit of foreign exchange fluctuation	(107)	34
Adjustment of depreciation of sale of equipment	4	3
<b>Carrying amount at the end of the year</b>	<b>878</b>	<b>844</b>



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

### 12. CURRENT LIABILITIES – TRADE AND OTHER PAYABLES

	2021	2020
	\$'000	\$'000
Trade payables	2,821	1,149
Other payables	935	4,387
<b>Total payables</b>	<b>3,756</b>	<b>5,536</b>

There is no material difference between the fair value and the carry amount of trade payables and other payables.

### 13. EMPLOYEE ENTITLEMENTS

	2021	2020
	\$'000	\$'000
Provision for employee entitlement - annual leave - short term	1,607	1,440
Provision for employee entitlement - annual leave - long term	319	369
Provision for employee entitlement long service leave	2,770	2,528
	<b>4,696</b>	<b>4,337</b>
<b>Non-current - provision for employee entitlement long service leave</b>	<b>613</b>	<b>485</b>

### 14. RETIREMENT BENEFITS

#### *Retirement plan*

The Company operates both defined benefit superannuation plan and defined contribution superannuation plan for the employees' retirement, disability or death.

The parent entity, ARRB Group Ltd, has a defined benefit plan and a defined contribution plan. The defined benefit plan provides lump sum benefits based on years of service and final average salary. The defined contribution plan receives fixed contributions from the company and the company's legal or constructive obligation is limited to these contributions.

The following sets out details in respect of the defined benefit plan only.

	2021	2020
	\$'000	\$'000
Non-current liabilities	114	874

## a. Financial Position amounts

	2021	2020
	\$'000	\$'000
Present value of the defined benefit obligation	8,711	8,403
Fair value of defined benefit plan assets	(8,597)	(7,529)
<b>Net liabilities in the Statement of Financial Position</b>	<b>114</b>	<b>874</b>

## b. Categories of plan assets

The break-down of assets for disclosure purposes is as follows:

ASSET TYPE	2021	2020
Australian equities	17.00%	17.00%
International equities	19.00%	20.00%
Australian fixed interest	17.00%	17.00%
International fixed interest	13.00%	14.00%
Property	10.00%	10.00%
Alternative assets (growth)	9.00%	7.00%
Alternative assets (defensive)	5.00%	5.00%
Cash	10.00%	10.00%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

## c. Reconciliation

	2021	2020
	\$'000	\$'000
Reconciliation of the present value of the defined benefit obligation which is partly funded:		
Balance at the beginning of the year	8,403	9,800
Current service cost	220	189
Net interest expense	66	144
Member contribution	-	-
Actuarial gains arising from changes in financial assumptions	67	290
Actuarial losses arising from changes in experience assumptions	(15)	(65)
Benefits paid	(30)	(1,955)
<b>Balance at the end of the year</b>	<b>8,711</b>	<b>8,403</b>
Reconciliation of the fair value of plan assets:		
Balance at the beginning of the year	7,530	9,480
Interest income	59	139
Return on plan assets (excluding interest income)	919	(174)
Employer contributions	119	39
Benefits paid	(30)	(1,955)
<b>Balance at the end of the year</b>	<b>8,597</b>	<b>7,529</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

### 14. RETIREMENT BENEFITS (CONTINUED)

- d. Amounts recognised in Statement of Profit or Loss and Other Comprehensive Income

	2021	2020
	\$'000	\$'000
Current service cost	219	189
Net interest on the net defined benefit liability	7	5
<b>Defined benefit cost recognised in the Income Statement</b>	<b>226</b>	<b>194</b>
Remeasurement of the net defined benefit liability	(867)	399
<b>Total included in employee benefits expense</b>	<b>(867)</b>	<b>399</b>
Total defined benefit cost	(641)	593
<b>Actual return on plan assets</b>	<b>978</b>	<b>(34)</b>

The best estimate of contributions expected to be paid to the plan during 2021 was \$147,417.

- e. Principal actuarial assumptions

The principal actuarial assumptions used (expressed as weighted averages) were as follows:

ASSET TYPE	2021	2020
Discount rate	0.80%	1.00%
Future salary increases	3.00%	3.00%
Price inflation	2.50%	2.50%

- f. Projected defined benefit cost for 2022

The following table sets out the estimated defined benefit cost recognised in the Income Statement for the year ending 30 June 2021.

	2022	2021
	\$'000	\$'000
Current service cost	190	220
Net interest	1	6
<b>Defined benefit cost</b>	<b>191</b>	<b>226</b>

- g. Employer contributions

Employer contributions to the defined benefit section of the plan are based on recommendations by the plan's actuary. Actuarial assessments are made at no more than three-yearly intervals, and the last such assessment was made on 30 June 2018.

The objective of funding is to ensure that the benefit entitlements of members and other beneficiaries are fully funded by the time they become payable. To achieve this objective, the actuary adopted a method of funding benefits known as the aggregate funding method; this funding method seeks to have benefits funded by means of a total contribution which is expected to be a constant percentage of members' salaries over their working lifetimes.

The economic assumptions used by the actuary to make the funding recommendations were a long-term investment earning rate of 5% pa, a salary increase rate of 3% pa.

On 14 September 2020, the Superannuation Committee agreed the recommendation from the actuary to pay the employer contribution rate of 20% back dated from 1 July 2020. On 14 May 2021, the Superannuation Committee agreed the recommendation from the actuary to cease the employer contribution back dated from 1 April 2021.

- h. Net financial position of plan

In accordance with AASB 1056 Superannuation Entities, the plan's net financial position is determined as the difference between the present value of the accrued benefits and the net market value of plan assets. This has been determined as at the date of the most recent financial report of the superannuation fund (30 June 2018), and a surplus of \$839K was reported.

## 15. CURRENT LIABILITIES - CONTRACT LIABILITIES

	2021	2020
	\$'000	\$'000
Income received in advance	758	842
Contract work in progress - revenue received in advance	8,318	3,593
<b>Total contract liabilities</b>	<b>9,076</b>	<b>4,435</b>

There is no material difference between the fair value and the carrying amount of contract liabilities

## 16. LEASE LIABILITIES

	2021	2020
	\$'000	\$'000
Lease liabilities current	1,262	1,365
Lease liabilities non-current	13,159	13,821

The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate.

## 17. FINANCING ARRANGEMENT

Unrestricted access was available at balance date to the following lines of credit:

	2021	2020
	\$'000	\$'000
Total facilities		
Bank loan facilities	4,454	3,022
Other credit facilities	1,250	1,250
	5,704	4,272
Used at balance date		
Bank loan facilities	-	-
Other credit facilities	673	784
	673	784
Unused at balance date		
Bank loan facilities	4,454	3,022
Other credit facilities	577	466
	5,031	3,488

The bank holds a fixed charge over the assets and undertakings of the company.

## 18. MEMBERS' GUARANTEE

The company is a company limited by guarantee. The liability of each of its members is limited to \$100.



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

### 19. RESERVES

	2021	2020
	\$'000	\$'000
Foreign Currency Translation Reserve		
Balance at beginning of year	73	39
Movement during the year	(107)	34
Balance at the end of year	(34)	73

### 20. REMUNERATION OF DIRECTORS

	2021	2020
	\$'000	\$'000
Aggregated remuneration paid to or payable to the directors	169	161

The names of persons who were directors of ARRB Group Limited at any time for the year are as follows:

P Woronzow (Chairman)  
 N Scales (Deputy Chairman)  
 V Gardiner (Non-Executive Director)  
 L McCormick (Non-Executive Director)  
 K Reid (Non-Executive Director)  
 S Troughton (Non-Executive Director)  
 I Webb (Non-Executive Director)  
 N Marinelli (Non-Executive Director)  
 C Burke (Non-Executive Director)  
 P Henderson (Non-Executive Director)



The following table shows the schedule of fees available to the independent non-executive directors:

	BASE FEES	COMMITTEE 1	COMMITTEE 2	TOTAL
Chairman	\$60,000	\$7,500	\$7,500	\$75,000
Deputy Chairman	\$42,500	\$7,500	\$7,500	\$57,500
Non-Executive Directors	\$25,000	\$7,500		\$32,500

Non-executive directors are encouraged to be a member on one committee only. If an independent non-executive director is a member on two committees, they will be remunerated accordingly. Besides, the above schedule of fees are the amounts the directors are eligible to claim for their services, they can opt to waive their fees.

## 21. DIRECTOR INTEREST IN CONTRACT

During the year, the Company has paid an amount of \$75,428 to the Exner Group for business development.

Collette Burke is the Managing Director of the Exner Group.

Except for the above, during the year no Director has received or become entitled to receive a benefit (other than a remuneration benefit included in note 20 to the Financial Statements) because of a contract that:

- a. the Director or
- b. a firm of which the Director is a member or
- c. an entity in which the Director has a substantial financial interest; has made (during the year ended 30 June 2021 or at any other time) with:
  1. the company or
  2. an entity that the company controlled or
  3. a body corporate that was related to the company when the contract was made or when the Director received, or became entitled to receive the benefit (if any).

## 22. REMUNERATION OF AUDITORS

During the year the auditor of the company and its related practices earned the following remuneration:

	2021	2020
	\$'000	\$'000
Audit or review of financial reports of the company	57	55
Other services	10	3
<b>Total remuneration</b>	<b>67</b>	<b>58</b>

## 23. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

### Contingent Assets

There are no contingent assets at balance date.

### Contingent Liabilities

(a) The Company has signed a contract with Greenwood Engineering A/S Denmark to supply an iPAVE. If the iPAVE is completed and loaded at the port for shipping prior to 30 November 2021, ARRB will pay them a bonus of

EUR 159K (AUD 252K). If the iPAVE is completed and loaded at the port for shipping on 31 December 2021, ARRB will pay them a bonus of EUR 75K (AUD 119K).

(b) After receiving a payment of \$160K from the Company, Macquarie Bank has issued a Bank Guarantee for the same amount in favour of Department of Transport, Victoria for the performance of projects engaged with the Company.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

### 24. COMMITMENTS FOR EXPENDITURE

Capital commitments due

	2021	2020
	\$'000	\$'000
Not later than one year	4,285	5
Later than one year but not later than five years	29	-
<b>Total</b>	<b>4,314</b>	<b>5</b>

### 25. RECONCILIATION OF PROFIT FROM ORDINARY ACTIVITIES AFTER INCOME TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2021	2020
	\$'000	\$'000
Operating profit after income tax	1,739	2,087
Adjustment for non-cashflow items		
Depreciation and amortisation	3,528	3,844
Written back of contract works in progress	-	(64)
Net loss on sale of non-current assets	3	359
Written back provision for doubtful debt	-	(4)
Change in operating assets and liabilities		
(Increase) / Decrease in receivable	(657)	3,473
Decrease in inventory	404	1,386
Increase in payables	6,159	381
<b>Net cash inflow from operating activities</b>	<b>11,176</b>	<b>11,462</b>

### 26. NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT EFFECTIVE

At the date of this financial report there is no standards and interpretations issued but are not yet effective, which may have a material impact on the company.

### 27. EVENTS AFTER BALANCE SHEET DATE

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

# DIRECTORS' DECLARATION

The directors have determined that the Company is not a reporting entity, and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the Financial statements.

The directors declare that the financial reports and notes set out on pages 50 to 74.

- a) comply with Australian Accounting Standards as detailed in Note 1 to the Financial statements
- b) give a true and fair view of the company's financial position as at 30 June 2021 and of its performance for the financial year ended on that date in accordance with the accounting policies described in Note 1 to the Financial statements.

In the directors' opinion:

- a) The Financial statements and notes are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*
- b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



P Woronzow  
Chairman



S Troughton  
Chair of Audit & Risk and Finance Committee

Perth  
Date: 14/10/2021

Sydney  
Date: 14/10/2021



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## INDEPENDENT AUDITOR'S REPORT

### To the Members of ARRB Group Limited

#### Opinion

We have audited the financial report of ARRB Group Limited (the Company), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the financial report of the Company has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2021 and of its financial performance and cash flows for the year ended on that date; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Company to meet the requirements of Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

#### Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2021, but does not include the financial report and the auditor's report thereon.

## THE POWER OF BEING UNDERSTOOD

### AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

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**Other Information (continued)**

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Those Charged with Governance for the Financial Report**

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

**Auditor's Responsibilities for the Audit of the Financial Report**

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.

A handwritten signature in blue ink, appearing to be 'RSM', is written above the company name.**RSM AUSTRALIA PARTNERS**A handwritten signature in blue ink, appearing to be 'BY Chan', is written above the name.**B Y CHAN**

Partner

Dated: 14 October 2021  
Melbourne, Victoria







# GLOSSARY

## ARRB MEMBERS

Australian and New Zealand State Road and Transport Agencies.

## AUSTRALIAN LOCAL GOVERNMENT ASSOCIATION (ALGA)

The Australian Local Government Association is the principal organisation representing Local Government bodies in Australia, and acts as the independent interest body for Australian local mayors, councillors and local government employees.

## AUTONOMOUS VEHICLES

A vehicle that is partially automated, meaning some or all of the driving task can be handled by the vehicle and not a human driver.

## AUSTROADS

Austrroads is the association of Australasian road transport and traffic agencies. It publishes guidelines, codes of practice and research reports that promote best practice for road management organisations in Australasia.

## COOPERATIVE INTELLIGENT TRANSPORT SYSTEMS (C-ITS)

Connected vehicle technologies allow vehicles to communicate with each other and the world around them. A connected vehicle ecosystem is emerging in which vehicles will share data wirelessly with other vehicles, with infrastructure, with transport management systems, and with mobile devices.

## DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND COMMUNICATIONS

The Department is responsible for the design and implementation of the Australian Government's infrastructure, transport, local government and regional development policies and programs.

## DEPARTMENT OF TRANSPORT AND MAIN ROADS (TMR)

The Department of Transport and Main Roads is a department of the Queensland Government, formed in April 2009 with the merger of the Queensland Transport and the Department of Main Roads.

## DEPARTMENT FOR INFRASTRUCTURE AND TRANSPORT SA

The Department for Infrastructure and Transport works as part of the South Australia community to deliver effective planning policy, efficient transport, and valuable social and economic infrastructure.

## HAWKEYE

The Hawkeye software suite for both the 1000 and 2000 Series of products offer a fully integrated solution for data viewing and analysis.

## MAIN ROADS WESTERN AUSTRALIA (MRWA)

Main Roads Western Australia is an agency of the Government of Western Australia that is responsible for implementing the state's policies on road access and main roads.

## SAFE SYSTEM PRINCIPLES

A holistic view of the road transport system and the interactions among roads and roadsides, travel speeds, vehicles and road users. It is an inclusive approach that caters for all groups using the road system, including drivers, motorcyclists, passengers, pedestrians, cyclists, and commercial and heavy vehicle drivers.

## TRANSPORT FOR NEW SOUTH WALES (TFNSW)

Transport for NSW is the lead agency of the NSW Transport cluster. Their role is to lead the development of a safe, efficient, integrated transport system that keeps people and goods moving, connects communities and shapes the future of cities, centres and regions.

## TRANSPORT AND INFRASTRUCTURE SENIOR OFFICIALS' COMMITTEE (TISOC)

The Transport and Infrastructure Senior Officials' Committee (TISOC) consists of heads of transport and infrastructure departments, and road authorities from each state and territory as well as New Zealand. A representative from local government, as well as the NTC Chief Executive are also members of this group. The key function is to develop, coordinate and progress the strategic agenda of the Transport and Infrastructure Council.

## DOT VIC

Department of Transport Vic is the road and traffic authority in the state of Victoria, Australia. It is responsible for maintenance and construction of the arterial road network, as well as driver licensing and vehicle registration.

# ACRONYMS

## AAPA

Australian Asphalt Pavement Association

## ADVI

Australian and New Zealand Driverless Vehicle Initiative

## ANRAM

Australian National Risk Assessment Model

## ARRB

Australian Road Research Board

## ASIC

Australian Securities and Investments Commission

## ATF

Austroads Asset Task Force

## ATLABS

Advanced Technology Lab

## AV

Autonomous Vehicles

## CAV

Connected Automated Vehicle

## CPA AUSTRALIA

Certified Practising Accountant Australia

## CRM

Client Relations Management

## DC

Data Collection

## DPTI

Department of Planning, Transport and Infrastructure SA

## EME2

French Term for a new bitumen formula intended for Europe (EME) and then perfected for Australian conditions (EME2)

## IFRS

International Financial Reporting Standards

## IPAVE

Intelligent Pavement Assessment Vehicle

## IPWEA

Institute of Public Works Engineering Australasia

## IRSM

Indian Road Survey Management Ltd

## ISSAVE

Intelligent Safe Surface Assessment Vehicle

## MRWA

Main Roads Western Australia

## NACOE

National Centre of Excellence

## NHVR

National Heavy Vehicles Regulator

## NRSP

National Road Safety Partnership Program

## NTC

National Transport Commission

## NTRC

National Transport Research Centre

## NZTA

New Zealand Transport Agency

## PIARC

World Road Association

## QDTMR

Queensland Department of Transport and Main Roads

## RAVRAT

Restricted Access Vehicle Route Assessment Tool

## RMS

Roads and Maritime Services

## RPUG

Road Profile User's Group

## SCRIM

Sideway-force Coefficient Routine Investigation Machine

## TFNSW

Transport for New South Wales

## TIPES

Transport Infrastructure Product Evaluation Scheme

## TMR

Queensland Department of Transport and Main Roads

## UNECE

United Nations Economic Commission of Europe

## WARRIP

WA Road Research & Innovation Program

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