



Annual Report

2022-2023

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Message from the Chair and CEO

The transport task for all of our customers continues to become more complex and challenging. In the post-COVID period, we have seen extraordinary population growth and strong economic growth across Australia. At the same time, we have seen very concerning changes to global weather patterns with an increasingly united focus amongst the global community to act on emissions and decarbonisation. Intelligent Transportation Systems (ITS) have been around for decades transforming how our transport systems operate providing safer, more efficient, and sustainable travel. They are widely recognised as a key part of a more technology-driven operation of our transport networks enabling policy implementation. Whether it be prioritising certain transport modes and users, reducing human error or rapid response to incidents, ITS offers the ability to influence transport outcomes in what has largely been an open system to date. Transmax has been at the forefront of delivering high-quality, customer-focused ITS technologies for almost two decades with its roots firmly planted in the late 1960s when computing technology first started to be applied to operating transport.

It is therefore timely that Transmax is now embarking on its most significant investment in the STREAMS product in decades. With the support of our owner, the Queensland Department of Transport and Main Roads (TMR), we are investing to build the next generation of STREAMS.

This investment will modernise and enhance the existing STREAMS product suite and deliver significantly more value to our customers. STREAMS Next-Gen will remain one of our key strategic focus areas over the next 4-5 years and enable us to better meet the strategic needs of our road agency customers.

Alongside the investment in the STREAMS product suite, Transmax recognises the need and opportunity to transform the broader organisation to better support and service our customers' needs. Transmax has recently published its 2023-26 strategy that will uplift and transform the organisation over the next three years.

Our strategy is built around seven strategic pillars:

- ▶ A focus on our people
- ▶ A focus on our customers
- ▶ Continued support and delivery of our existing STREAMS product
- ▶ Development of our STREAMS Next-Gen product
- ▶ Changes to enable Transmax's sustainability into the future
- ▶ Investments in business resilience (including security posture)
- ▶ Managing transition with considered programme and change management.

The strategy ensures that any investments and activities undertaken now will lay the foundations for long-term success for Transmax. We believe it will improve our customers' experience in engaging with Transmax, enhance our employee experience, enable us to maximise our customer-centricity and deliver market-leading ITS products and services.

We thrive on the collaborative nature of doing business with our customers. During the year, we worked with the Northern Territory Department of Infrastructure, Planning and Logistics to progress a Heavy Vehicle Priority Solution. DIPL is building a ship lift facility that will require approximately 6,000 heavy vehicle trips. DIPL will be trialling the solution in late 2023 and the solution is expected to deliver safety, environmental, productivity and other efficiencies and benefits.

Driving our business through innovation relies on a talented and diverse workforce. Our success is directly linked to our team's expertise, passion, and commitment to building solutions that make a real impact on the quality of people's lives. We have built an inclusive workplace culture that respects the contribution of all our people. We offer uncapped learning and development opportunities and competitive salaries. It is an exciting time to be at Transmax and during the year we grew our team from 144 to 175, with further recruitment planned for the next financial year as we ramp up STREAMS Next-Gen development and meet security standards.

Transmax's financial performance in FY23 reflects the commencement of the long-term investment Transmax is making across all areas of the business. In addition to modernising STREAMS over the coming years, we will be shifting our business model and setting the company up for greater business sustainability in the future and more commercial opportunities domestically and internationally with a reimagined product suite.

Internationally, we're pleased to report that the Colorado Department of Transportation released its report on the findings from the STREAMS Smart Motorways trial undertaken in 2022. The positive outcomes from the trial included a decrease in travel time during peak hours, improved safety and a decrease in travel delays. In addition, we progressed planning with two Californian transportation departments that will be trialling or implementing STREAMS Smart Motorways in the coming years.

During the year, CEO Nikki Alder left the company. The Board and Executive team thank Nikki for her commitment to Transmax and for supporting the business to secure the necessary investment to undertake a generational transformation.

In the year ahead, we will continue to be future-focused whilst attending to the needs of our customers by being more agile and responsive in striving for solutions that have a positive and enduring impact on our customers and communities.

We would like to thank and acknowledge our committed customers for continuing to support our business and partnering with us as we modernise the STREAMS platform over the coming years and deliver solutions that enable them to achieve safer, more efficient and cleaner road journeys for communities.



Dennis Walsh
Chair (Interim)



Lynette Sperling
Transmax CEO (Interim)



About this report

The Transmax Annual Report 2022-23 provides an overview of the organisation, highlights from the reporting period, along with Financial Statements for the year ended 30 June 2023.

About Transmax

About Transmax

Transmax is a government-owned transport solutions provider of the ITS platform STREAMS. The company exists to improve people's quality of life and helps move millions of commuters around Australian road networks every day. The company partners with customers to deliver creative solutions that optimise transport networks and support safer and more reliable road journeys.

Transmax places its customers at the centre of everything it does and works collaboratively to ensure the company's ITS solutions meet customers' needs. The company provides STREAMS to more than 13 traffic management centres across Australia and manages more than 100,000 devices in Australia. Transmax offers customers systems engineering, software design and development, and a range of consulting and support services throughout the entire ITS lifecycle.

Transmax has more than 50 years of ITS experience and is committed to working with customers and supporting them

to realise the community benefits of optimising transport networks by providing smarter, more sustainable ITS solutions.

Transmax is an unlisted Australian company wholly owned by TMR. The company is registered under the *Corporations Act 2001*. Transmax's 100% shareholder is the Queensland Director-General for TMR.

As a government-controlled entity, Transmax supports other transport departments around Australia to achieve safer and more reliable road journeys for people in the communities they serve.

Transmax operates according to commercial principles including ASIC's OECD Principles of Corporate Governance. Funding to meet operational requirements, and for capital investment is from the company's own sourced revenue from customers, and equity injections. Transmax does not receive Queensland Government appropriations.

Our Vision

Enabling future mobility through ITS.

Our Mission

We exist to improve people's lives by providing industry-leading transport solutions.

Our Values

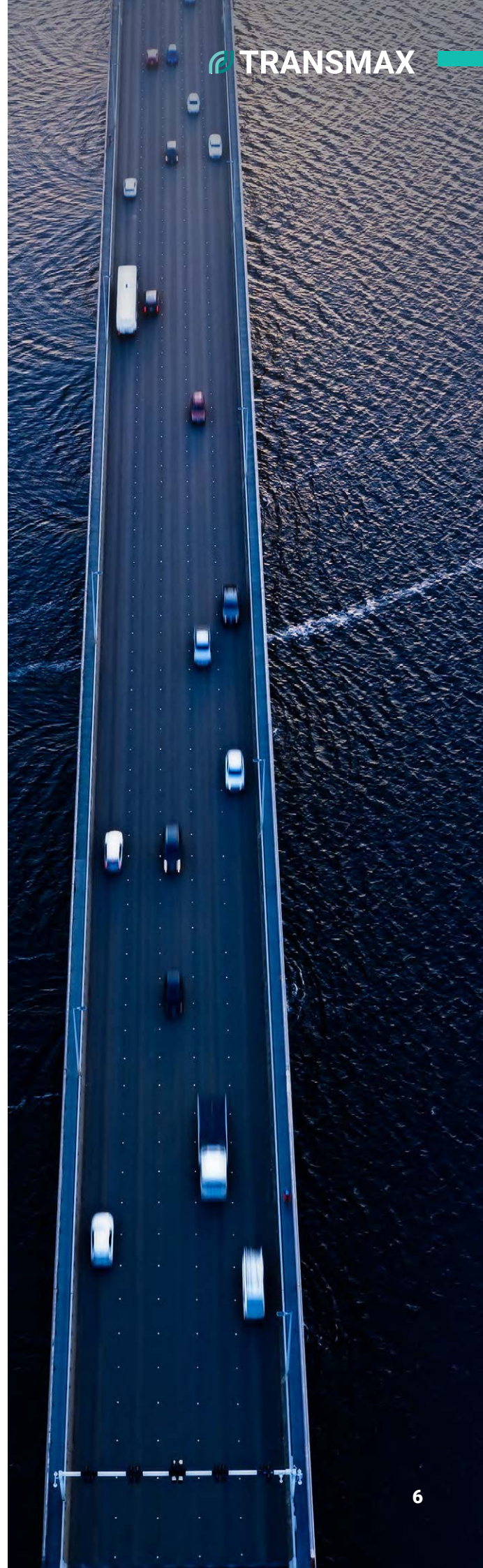
RESPECT and support others

ACCOUNTABLE for everything we do

INNOVATE create and inspire

EXCELLENCE is our aim

INTEGRITY drives our behaviour



Governance structure



Kathryn Giudes
Chair and Non-Executive Director
(until 17.3.2023)



John Frazer
Non-Executive Director



Julianne Mitchell
Non-Executive Director
(until 1.11.2022)



Dennis Walsh
Non-Executive Director and Interim Chair
(appointed 2.12.2022 and 18.3.2023 respectively)



Naomi Seddon
Non-Executive Director
(appointed 13.2.2023)

BOARD OF DIRECTORS

The Board is responsible for the overall corporate governance of Transmax including determining its strategic direction, establishing goals for management and monitoring the achievement of these goals.

BOARD REMUNERATION

Position	Name	Meetings/sessions attendance	Approved annual, sessional or daily fee	Approved sub-committee fees if applicable	Actual fees received
Chair and Non-Executive Director (Ceased 17.3.2022)	Kathryn Giudes	9	\$56,270 pa	\$3,000 pa	\$44,452.47 *
Non-Executive Director	John Frazer	12	\$20,865 pa	\$4,000 pa	\$24,865 **
Non-Executive Director (Ceased 1.11.2022)	Julie Mitchell	4	Nil ***	N/A	Nil
Non-Executive Director (appointed 2.12.2022) and Interim Chair (appointed 18.3.2023)	Dennis Walsh	7	Nil ***	N/A	Nil
Non-Executive Director (appointed 13.2.2023)	Naomi Seddon	4	\$20,865	\$3,000	\$7,208.95 ****

* As Chair – Non-Executive Director and 1 sub-committee | ** As Non-Executive Director and 1 sub-committee Chair
*** Queensland Government employee | **** As Non-Executive Director and 1 sub-committee

SENIOR LEADERSHIP TEAM (SLT)

Transmax's senior leadership team (SLT) comprises highly experienced professionals fully committed to building and investing in our teams to enable us to support customers to successfully deliver the future of transportation.

The company's SLT (at the time of reporting) includes:



Lynette Sperling
Chief Executive Officer (Interim)



Andrew Paynter
Chief Technology Officer



Megan Harwood
Chief Financial Officer



Chris Fullelove
Chief Operations Officer (Acting)



Geoff Vit
Chief Services Officer (Acting)



Paul Smith
Chief Strategy Officer

CORPORATE ENTERTAINMENT

There was one corporate entertainment event over the value of \$5,000 held by Transmax during the 2022-23 financial year. This event was the Transmax Christmas Party held in December 2022. The event cost of \$6,305 included lunch and light refreshments for 128 employees.

Strategic goals

Transmax's strategic goals are outlined in our Statement of Corporate Intent (2022-23). The SCI is a formal performance agreement between the Board of Transmax and our shareholding Minister, and it governs our major activities and objectives for the financial year.

Our key performance indicators (KPIs) for the 2022-23 financial year focussed on the areas of financial performance, organisational culture, technical services, and commercial and contracts. Our performance against our financial performance and organisational culture KPIs is outlined in the table below.

Measure	2022-23 Target	2022-23 Result
Financial performance		
Net profit/(loss) after tax budget achieved	100%	Not Achieved
Working capital (Current) ratio	Between 1.5 – 3.5	Achieved
Accounts receivable average days	45 days	Achieved
Return on assets (ROA)	0.67%	Not Achieved
Customer contract and negotiation costs	Within 80% of budget	Achieved

Measure	2022-23 Target	2022-23 Result
Organisational culture		
Employee turnover, excluding terminations or redundancies	Industry benchmark or below	Achieved
Zero notifiable safety incidents	Zero (0)	Achieved

Strategic update

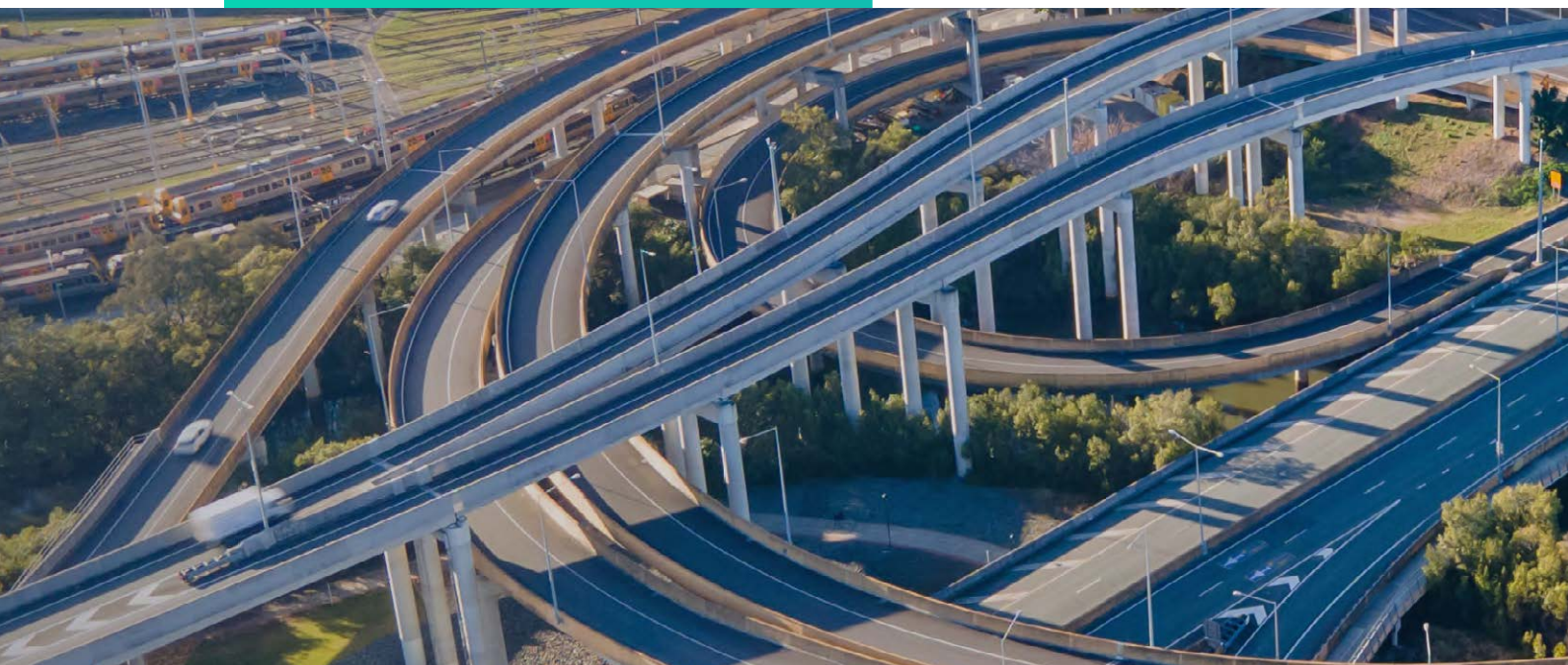
Strategic update

During the year, the SLT developed a strategy for 2023-26 that sets the direction for a successful future for Transmax. The strategic initiatives focus on the pillars of:

- Capable, empowered, and supported people
- Customer engagement
- STREAMS Classic – maintaining customer confidence and trust
- Build, deliver and mature STREAMS Next-Gen
- Sustainability into the future
- Business resilience
- Managing organisation change

As part of this planning, the company developed a Statement of Corporate Intent for 2023-24, which sets out a set of guiding principles and goals that are consistent with the Transmax Strategy.

In 2023-24, Transmax will continue to be led by a strategy that focusses on a range of initiatives that will improve our customers' experience in engaging with Transmax, enhance the employee experience, enable us to become increasingly customer-centric and deliver market-leading ITS products and services.



STREAMS Next-Gen

The key strategic focus area during the year was progressing the STREAMS Next-Gen program. Transmax is reimagining and dramatically enhancing existing ITS capabilities and delivering new ITS capabilities.

Transmax is engaging customers about STREAMS Next-Gen to ensure close alignment with customers' ITS platform requirements, architectures and environments.

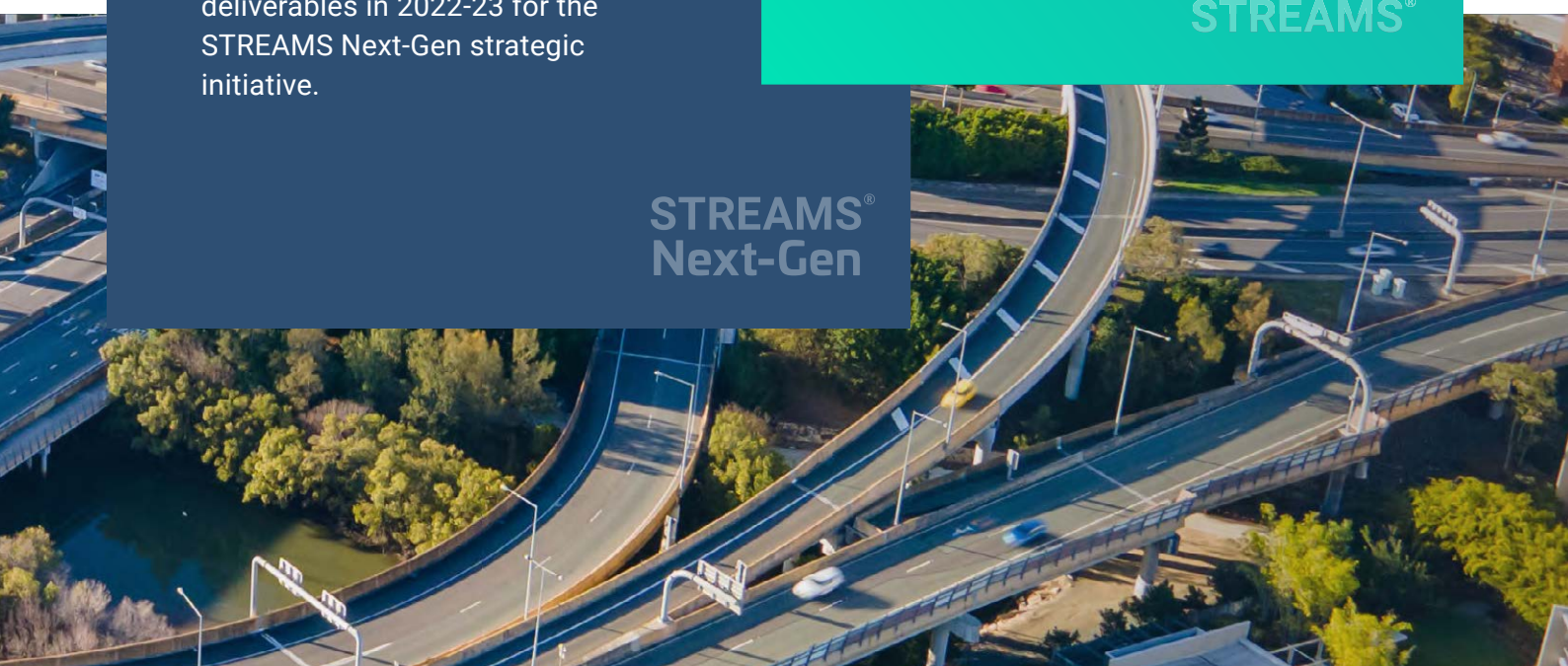
The Operational Performance section of this report outlines roadmap progression and deliverables in 2022-23 for the STREAMS Next-Gen strategic initiative.



STREAMS Classic

Our existing STREAMS products remain critical to Transmax while we invest in developing STREAMS Next-Gen. We will continue to engage and support our customers who use STREAMS daily and continue to improve the way we release and deploy STREAMS.

During 2022-23, we continued to enhance STREAMS through a series of internal and customer projects. A number of these projects are outlined in the Operational Performance section of this report.

Our Customers

Our customers

In Australia, Transmax provides STREAMS to road agencies and private road operators across Australia. Domestically, Transmax has customers in Queensland, Victoria, Western Australia, South Australia, Tasmania, the Australian Capital Territory and the Northern Territory.

Internationally, Transmax provided STREAMS to the Colorado Department of Transportation (CDOT) as part of its trial of the company's STREAMS Smart Motorways product. The trial was completed during the year and was a partnership between CDOT, Transmax, WSP and the Department of Transport, Victoria. The outcomes of this trial are outlined in the Operational Performance section of this report.

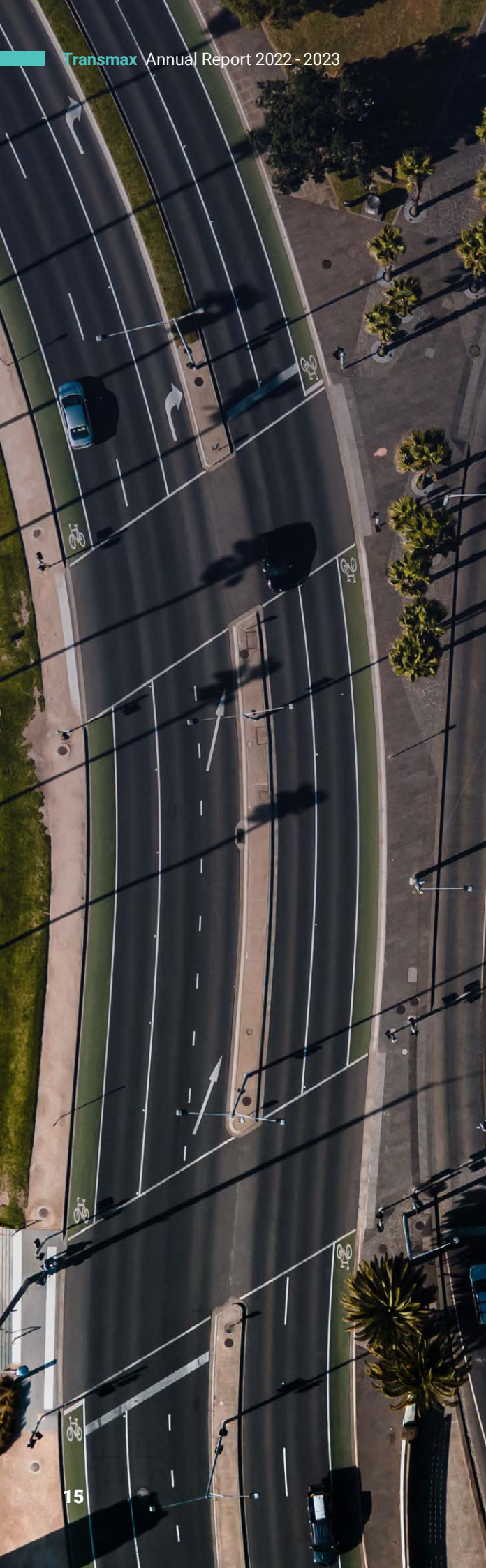
Transmax offers customers systems engineering, software design and development, along with a range of consulting and support services throughout the entire ITS lifecycle.

Customers and communities are benefiting significantly from the use of STREAMS including reduced travel time and vehicle operating costs, improved safety, reduced operational costs, greater economic flow, reduced emissions, and the ability to accurately measure and compare the performance of the road network.



We place our customers at the centre of everything we do and work collaboratively with them to be their ITS supplier of choice.





DOMESTIC CUSTOMERS

Department of Transport and Main Roads
Queensland

Main Roads Western Australia (MRWA)
Western Australia

Roads ACT
Australian Capital Territory

Department of Transport and Planning
Victoria

Department for Infrastructure and Transport
South Australia

Department of State Growth
Tasmania

Department of Infrastructure, Planning and Logistics
Northern Territory

Transurban
Queensland

Ventia

Local Government Areas
Various Queensland councils

INTERNATIONAL

Colorado Department of Transportation (CDOT) and WSP

Operational performance

PROJECT HIGHLIGHTS 2022-23



STREAMS Next-Gen

During the year, Transmax continued its delivery of key foundations for the new STREAMS platform along with the further progression of new products delivering situational awareness and disruption management capabilities.

STREAMS NEXT-GEN PLATFORM

Underpinning the applications and features delivered through STREAMS Next-Gen products is a thoroughly contemporary, cloud-native STREAMS Next-Gen platform. The platform is an integrated collection of standard software product development frameworks, tools, technologies and shared services that make it easier, faster, and more cost-effective to create, provide and maintain a powerful, consistent and coherent ITS product suite.

The following capabilities of the STREAMS Next-Gen platform have been added or enhanced during the 2022-23 financial year.



Platform Architecture

During the year, we continued the development of the STREAMS Next-Gen platform in alignment with established architecture principles and technology selections. These developments were independently reviewed and validated every quarter by an industry expert consultancy. This included the addition of new platform components to support ongoing product development.



Cyber Security

As we build STREAMS Next-Gen, one of our highest priorities is ensuring we meet cyber security standards. Cyber threats and attacks are becoming increasingly sophisticated, and our customers expect their data to be safeguarded.

By adhering to established security standards, Transmax is ensuring STREAMS Next-Gen software is built with robust protections in place, reducing the risk of potential breaches and data leaks. Prioritising cyber security during STREAMS Next-Gen's development not only protects our customers' sensitive information but also safeguards our reputation as a safe and trusted ITS provider.



Cyber Security

During the year, we continued development aligned with ISO-IEC 27001 as specified in the STREAMS Next-Gen Platform Information Security Management System (ISMS). The ISMS provides policies, standards, procedures and an audit/review framework around all aspects of product development from architecture through design, development, testing, deployment, configuration, and operations for both the new STREAMS platform as well as the products delivered through the platform.

There were several important cybersecurity initiatives undertaken during the year. This included vulnerability assessments and penetration tests to validate security controls, along with piloting automated security scanning tools to aid in the continuous identification and resolution of security vulnerabilities. In addition, Transmax undertook a hardening of authentication and authorisation components in alignment with advice sought from industry experts.



Reliability and Resilience

Reliability and resilience are critical aspects of software development that focus on ensuring the stability, availability, and continuity of software systems. We are working towards a purpose-built platform utilising vendor-backed, open-source enterprise technologies to deliver new levels of system reliability and availability. This involves rigorous testing, debugging, and monitoring throughout the development process to identify and address potential issues or vulnerabilities.

In addition, we are building resilient products with the capacity to recover quickly and effectively from adverse events, failures or disruptions while maintaining essential functionality. A reliable and resilient STREAMS product will contribute to greater customer satisfaction, trust and user experience.

During 2022-23, Transmax continued to invest in product and software test automation and an associated technology framework to achieve high levels of coverage across the unit, feature, integration, load/performance and reliability tests. In addition, we continued our investment in product and software deployment automation utilising tools and methodologies. We are pleased to report the continued achievement of very low (and in some cases, zero) downtime during platform upgrades, scheduled maintenance activities, or recovery from component outages, which highlights our commitment to building a reliable STREAMS product suite for our customers.



Performance and scalability

Performance in software development refers to how well a software application or system responds to user interactions and executes its tasks. It encompasses factors such as speed, responsiveness, throughput and resource utilisation. Scalability relates to a software system’s ability to handle increasing workloads and accommodate a growing number of users or transactions without sacrificing performance. Scalability ensures that a system can scale up or scale out as demand grows.

Transmax is working towards building a high-performing and scaleable STREAMS product. During 2022-23, Transmax made significant improvements to the STREAMS platform’s performance, scalability and elasticity under dynamic workloads. In addition, we continued an operational cost analysis and optimisation to improve cost-effectiveness.



Product Development Lifecycle Efficiency

Product Development Lifecycle Efficiency in software development refers to the effectiveness and optimisation of the processes and activities involved in creating products from concept to deployment.

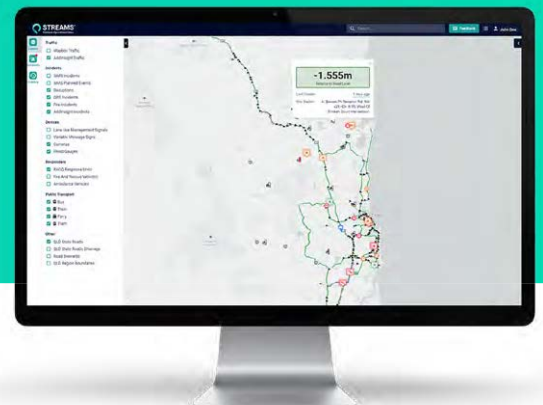
During the year, we implemented or progressed a series of initiatives to support lifecycle efficiencies. This included improved metrics and associated product decision-making derived from the enhanced gathering of rich application usage metrics, application performance monitoring data, in-app feedback, and monitoring and alerting of platform status.

In addition, we provided development, test automation and Site Reliability Engineering (SRE) guidance and expertise throughout the year to product teams, gathering feedback to adjust platform features and enhancement priorities in line with their emerging needs.

The company also provided focussed onboarding support for new product teams to accelerate the STREAMS Next-Gen transition.

STREAMS Next-Gen Products

In addition to STREAMS Next-Gen platform enhancements and additions, Transmax progressed several STREAMS Next-Gen products that will be delivered through the program.



STREAMS GATEWAY

STREAMS Gateway is a high-performance customer and Transmax development initiative, capable of processing tens of thousands of messages per second and then making these available for consumption in standardised data formats.

Progress during the year included the development of real-time STREAMS data endpoints to support the replacement of legacy reporting solutions with a modern, cloud-based alternative.

Other progress included the migration of build and deployment tooling from legacy systems to the contemporary STREAMS Next-Gen alternative.

“This decreased build times by 41% and improved the speed of some software update deployments by 37%.”



In addition, Transmax continued the alignment of STREAMS Gateway components to STREAMS Next-Gen by moving user documentation from a legacy solution to the solution selected for use by STREAMS Next-Gen products.

STREAMS COMMON OPERATIONAL VIEW (COV)

STREAMS Common Operational View is a multi-modal transport network situational awareness tool for transportation agency users who need to know the current state of the network and responses to abnormalities but are not directly involved in managing disruptions. It provides an overview of the network including major problems on the network, including information and insights about the impact and response to disruptions.

Progress during the year included:

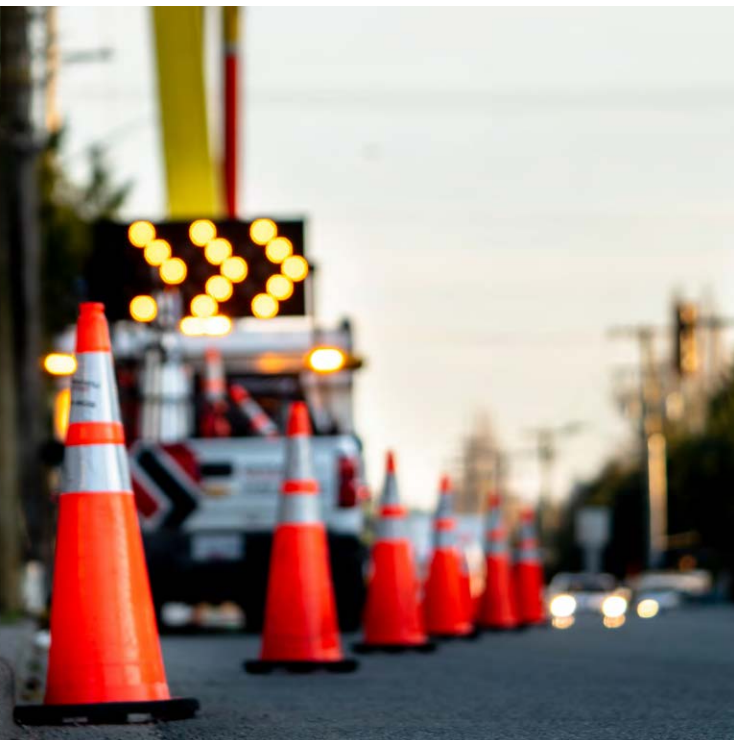
- ▶ **Building the foundations of access control** giving the user the ability to restrict access to sensitive information.
- ▶ **Improving the awareness of weather and flood events**, which was highly utilised during the last wet season by all users, especially in regional areas.
- ▶ **Increasing user efficiency** by focusing on continuity improvements via the user profile that enables persistent user-specific configuration on configurable items.
- ▶ **Improving the user experience** and accessibility gains through updated iconography adhering to WCAG 2.1 AA guidelines, the introduction of interactive User Interface (UI) states, and map icon clustering to make extensive data sets highly interpretable at a glance.
- ▶ **Search improvements** adhering to WCAG 2.1 AA guidelines which introduced newer capabilities to enhance user workflow and adhere to industry best practices which enhance navigation.
- ▶ **A new presentation model** with a focus on situational awareness, an improved base map with a better theme aimed at reducing eye strain and providing more GIS information.



STREAMS DISRUPTION MANAGEMENT

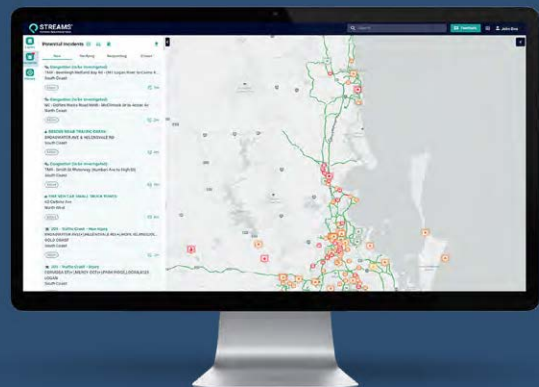
STREAMS Disruption Management will help transport agencies manage abnormal conditions through the disruption management lifecycle to reduce their impact on travellers. It will support the transport operations team to identify, coordinate and respond to multi-modal network disruptions.

During the year, progress on the product included workflow enhancements to better support the disruption management lifecycle along with design improvements to allow the management of multiple disruption types in an extensible and reusable fashion. In addition, Transmax advanced the product's crash and hazard disruption management capabilities.



STREAMS Disruption Management will help road agencies achieve:

- ▶ Safer road conditions during disruptions
- ▶ Faster return to normal flow
- ▶ Operational time savings and support for operators
- ▶ Clear communication with road users
- ▶ Accurate data to inform continuous improvement of disruption management.



As part of our commitment to building products that meet our customers' needs, we engaged six traffic management centres to derive key insights and identify opportunities to help customers manage disruptions more effectively. In addition, Transmax developed a user-validated design concept to deliver an improved user experience.

STREAMS SMART MOTORWAYS

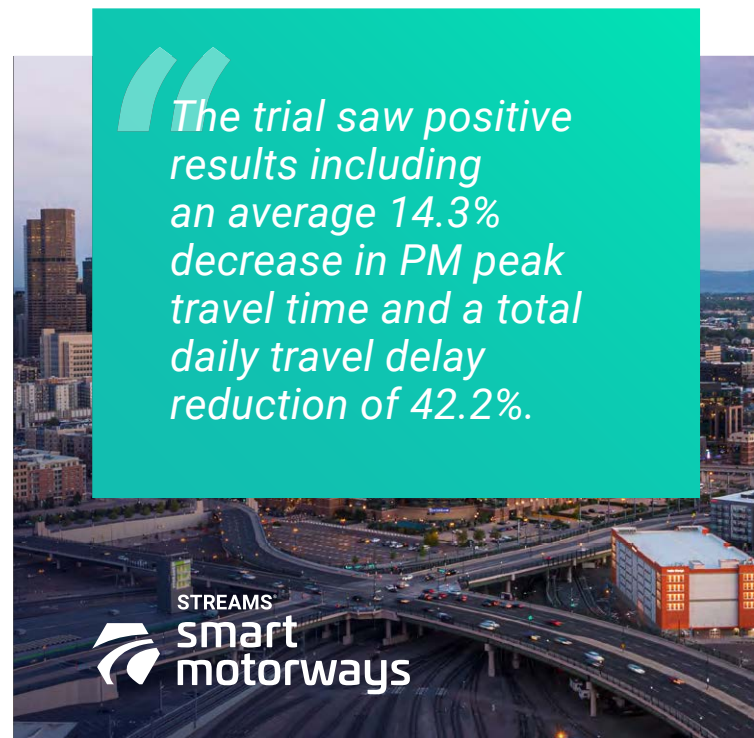
STREAMS Smart Motorways is a sophisticated suite of motorway management tools that is enabling road operators to tackle congestion and make people’s road journeys safer and more reliable.

During the year, Transmax made several improvements to the new STREAMS Smart Motorways dashboard to provide added value to customers. This included making several usability improvements including enhanced dashboard widgets and schematic support for multiple routes. This involved taking the opportunity to greatly improve our motorway productivity widget, presenting data over time according to speed and flow.

In addition, we made early progress on basic ramp override functionality in preparation for future deployments and worked on exciting new experimental features. This included a vehicle detector confidence report and a vehicle length report. While work on this is continuing, the vehicle detector confidence report allows customers to identify when a detector may be starting to have issues and

either require maintenance or fine-tuning. With the vehicle length report, it is possible to begin to understand the type of vehicles travelling along a freeway, regardless of the vehicle detector type in use.

During 2022-23, the Colorado Department of Transportation (CDOT) completed its operational trial of STREAMS Smart Motorways.



STREAMS DATA PLATFORM

The STREAMS Data Platform is a complete solution for ingesting, processing, analysing and presenting the data generated by STREAMS systems, processes and infrastructure. The data platform provides an essential capability in providing users with superior decision support and actionable insights concerning the transport network.

Progress during the year included agreeing on a timeline to retire STREAMS Business Intelligence (BI) for TMR and building a replacement for the National Performance Indicator (NIP) reports. In addition, Transmax commenced multiple architectural investigations to support data platform use cases including low-latency machine learning applications.

STREAMS CORE ITS CAPABILITIES

STREAMS Core ITS capabilities will allow the control and monitoring of a broad set of ITS devices across a road network. It will initially migrate functionality and devices from STREAMS Classic to the new STREAMS Next-Gen platform.



STREAMS Core ITS will ensure the capabilities expected in an ITS control system are still available during the transition, regardless of which system is performing the underlying function.

The transition to the new platform will provide STREAMS users with a more modern and intuitive user interface to support their workflows while allowing new features to be rapidly developed and deployed. STREAMS Core ITS capabilities will provide other STREAMS product teams with the ability to monitor and control devices.

Progress during the year included bringing across the first component of STREAMS Classic capability into STREAMS Next-Gen. This is the functionality required to monitor a Variable Message Sign (VMS) and allow an operator to manage the message that is displayed on the sign. In addition, we commenced the development of a modern

user interface to allow operators to view and manage these messages. This was the result of extensive user research and the working software recently underwent usability testing to ensure all operator workflows were easy to use and intuitive. This testing was well received by participants and gave Transmax valuable feedback on several improvements.

Other progress included the development of a System Bridge to manage the synchronisation of essential information between STREAMS Classic and STREAMS Next-Gen. This is a key component supporting the gradual transition of functionality from STREAMS Classic to STREAMS Next-Gen. In the case of VMS, while operators can directly control a sign in STREAMS Next-Gen, other VMS functionality (such as message schedules) remains in STREAMS Classic and can use the System Bridge to request a message on a sign that is controlled by STREAMS Next-Gen.

Customers highlights

Queensland

Department of Transport and Main Roads

STREAMS ENHANCEMENTS – SWARCO

While we build STREAMS Next-Gen for the future of transport management, Transmax remains committed to enhancing the existing STREAMS product and continuing to deliver excellent outcomes for customers during the development period.

During 2022-23, Transmax completed a range of enhancements to STREAMS aimed at further improving the capability of the STREAMS-Swarco interface. These enhancements supported the TMR with its increased use of the Swarco ITC-3 controller for traffic signal control.

TMR benefited from these enhancements through:

- ▶ **minimising the manual effort** required to change an intersection from TRAFF to Swarco in STREAMS
- ▶ **improving the level of control integration** between STREAMS and the Swarco controller, allowing the controller to better manage unserved demands under unusual conditions
- ▶ **reducing the impact on historical data** collection and storage and improving STREAMS users' ability to access better quality data from the Swarco controller. This also assists with investigating faults, evaluation of intersection performance and controller reporting purposes.

DRIVER FATIGUE MANAGEMENT SYSTEM

TMR's Driver Fatigue Management System (DFMS) seeks to reduce fatalities in high crash areas in North Queensland by implementing a solution to warn motorists they have been driving for too long.

Transmax supported TMR with the DFMS project on the Bruce Highway, which detects vehicles with potentially fatigued drivers based on travel times (ANPR) and provides

targeted virtual message sign messages to the vehicle.

Transmax was engaged to provide ITS systems configuration and support for systems connectivity between STREAMS and the TMR solution that processes vehicle data. The project was a success, with the system operational and the project concluding on 30 June.

KURANDA RANGE ITS PROJECT

The Kuranda Range is a single-lane, steep-grade, windy road. It is a highly important trade route and is built in a world heritage-listed rainforest. TMR is building an ITS system that is proposed to reduce crashes, improve safety, and reduce closures and stoppages on the road.

Travel time and reliability of the Kuranda Range Road are subject to significant community concern, with travel times often impacted by slow-moving vehicles and poor weather conditions. The road is also frequently impacted by unplanned closures (both full and partial road closures) as a result of crashes, severe weather events (resulting in landslides and tree falls) and vehicle breakdowns, with lengthy delays a common result.

TMR is installing ITS stations approximately every 400-500 metres, which include various ITS devices relevant to the location, such as cameras, detection loops, Variable Speed Limit (VSL) signs, and weather stations. The ITS is primarily a system to generate monitoring capability and alerts for traffic management centre operators when the local traffic management centre is running. They aim to improve situational awareness, identify crashes, manage or prevent incidents, improve safety, validate congestion and disseminate travel advice to motorists. The Kuranda Range has occasional overtaking lanes, but more commonly has many shoulders for slow vehicles to pull to one side. The road is approximately 11.8 km in length with a total elevation of 360m. The Kuranda range is not a continuous ascent with the grade of the road varying considerably in sections.

During the year, TMR engaged Transmax to assist with the integration and configuration of these devices to utilise their capabilities in managing this section of the road. The integration with STREAMS enhances the ability to view and respond to events and other incidents by operational staff. In addition, the integration with STREAMS allows for centralised monitoring of a large number of devices deployed in the field. Transmax's solution used STREAMS and STREAMS schematics to aid with monitoring and controlling the ITS to achieve TMR's objectives.

Western Australia

Main Roads Western Australia

MITCHELL SMART FREEWAY PROJECT

Using smart technology helps Main Roads Western Australia (MRWA) deliver more reliable journeys, a safer driving experience and reduced congestion while they make better use of existing road infrastructure. MRWA installed these new technologies on the Kwinana Freeway northbound and will soon bring them to other parts of the freeway network. MRWA's next Smart Freeway will run southbound along the Mitchell Freeway. MRWA will use a range of technologies to reduce congestion including installing 16 coordinated ramp signals.

The new smart freeway includes a combination of construction work, device installation, and software configuration in the ITS control system STREAMS.

Transmax was engaged by MRWA to support the configuration of both a non-production and production STREAMS system for the project. The non-production component provided MRWA with a schematic view of the Mitchell Freeway with predefined response plans, updates to the underlying transport network map layer, and a report that details the permissible frame combinations for the Lane Use Management Sign (LUMS) sites. This was used for testing purposes during the 2022-23 financial year and provided a template for the next stage of the project. In the 2023-24 financial year, Transmax will undertake the second stage of the project, involving the configuration of a production STREAMS system.



The new Mitchell Smart Freeway is expected to improve journey reliability and provide congestion relief to more than 180,000 motorists per day by safely reducing stop-start conditions at merge points.



Northern Territory

Department of Infrastructure, Planning and Logistics

HEAVY VEHICLE PRIORITY SOLUTION PILOT

The Northern Territory Department of Infrastructure, Planning and Logistics (NT DIPL) is interested in establishing a vehicle priority solution along a defined route during off-peak hours for heavy vehicles associated with the Darwin Port. By providing intersection priority, NT DIPL intends to encourage these heavy vehicle operators to traverse the traffic network during off-peak times along a specified route to reduce emissions, congestion, and damage to the road.

During the year, Transmax worked with DIPL to progress a Heavy Vehicle Priority solution. The ship lift facility DIPL is building will require approximately 6,000 heavy vehicle trips.

The pilot implementation is ongoing with a successful demonstration of Micro Connect's VPriority system integration with STREAMS in the test environment. Test runs were conducted with Vehicle Positioning (VePOS) devices fitted to a light vehicle running on the trial route and its location was accurately recorded by VPriority to inform STREAMS to use the emergency vehicle priority functionality used in Queensland to provide heavy vehicle prioritisation for NT DIPL.

The pilot is scheduled to go-live by the end of 2023 and is expected to deliver safety, environmental, productivity and other efficiencies and benefits.

FLOOD DATA INTEGRATION AND MONITORING

In 2020, the Northern Territory Department of Infrastructure, Planning and Logistics (DIPL) engaged Transmax to conduct a discovery to identify the current and future ITS requirements for the agency. Several potential integration projects were identified, with the aim for Transmax to deliver these to DIPL in subsequent years. One of the desired integrations was for weather and/or flood monitoring data from other government agencies to be made available within DIPL's STREAMS system.

Transmax was engaged by DIPL to evaluate integrating external data with their STREAMS system via an API from Water.nt.gov.au, which has an API available to poll flood monitoring devices managed by their agency. Transmax evaluated the API and identified data that could be integrated into STREAMS and displayed in a schematic. The outcome of this evaluation was that Transmax could support integration with the API to obtain the 'latest water level' at each nominated location.

DEPLOYMENT OF STREAMS 14.4

During 2022-23, Transmax undertook its first STREAMS deployment for DIPL. It was an important project for Transmax and the customer as it represented the first full AWS deployment of STREAMS for Transmax.



The work Transmax performed for DIPL for this integration included:

- ▶ **Data import**
- ▶ **Icon update**
- ▶ **Creation of a schematic and custom visuals**
- ▶ **Networking updates**
- ▶ **Development of an Operational Manual**

This integration work benefited DIPL by enhancing the ability of DIPL operational staff to view and respond to flood events and other incidents, increasing safety on their road network.

In addition, the integration allows for centralised monitoring of a large number of devices deployed in the field and, in the case of this integration, across multiple government agencies. In doing so, the situational awareness for traffic operators to respond to events or incidents is likely to improve during significant weather events, which may occur during the Northern Territory's wet seasons.

The learnings from this implementation will support Transmax with future deployments as customers move to AWS and for future deployments in AWS.

Victoria

Department of Transport and Planning

WEST GATE TUNNEL PROJECT

The Department of Transport and Planning (DTP) Victoria is undertaking a large-scale initiative to commission a significant road network through the West Gate Tunnel (WGT) project. The project aims to deliver faster, more efficient, safer, and more convenient road journeys for road users. To manage traffic operations through the entire West Gate Tunnel region, new ITS devices such as Lane Use Management Signs (LUMS), Ramp Metering Sites, Variable Speed Limit Signs (VSLs) and Vehicle Detectors (VD) will be commissioned and integrated into DTP's STREAMS production system.

The purpose of the West Gate Tunnel Centre to Centre (C2C) project is to deliver DTP's vision of being able to jointly manage and monitor the integrated systems and connected devices between the Department of Transport and Planning using STREAMS, and Transurban using the SIDERA system. In April 2023, the project completed joint integration testing with key stakeholders, which had been underway since 2022.



The project will move into the regression testing phase in 2023-24. This is expected to be completed in July 2023, allowing the project to move into deployment preparation activities and be ready for production deployment in November 2023.

International


Colorado Department of Transportation and WSP

Benefits realised by the Colorado Department of Transportation (CDOT) using **STREAMS Coordinated and Adaptive Ramp Metering**:

 **14.3%** average decrease in travel time for PM peak traffic periods

 **19%** REDUCTION at height of PM peak traffic periods

 Total daily travel delay **REDUCTION of 827 hours, 42.2%** decrease

 Average reduction in 95th percentile travel time of **5.4** minutes

 Increase the maximum flow of traffic through known bottleneck locations, making traffic flow more stable and resilient to breakdown

 **Improve SAFETY** by reducing the formation of bottlenecks, flow breakdown and the likelihood of rear-end and side-swipe crashes

SOURCE: SMART 25 Managed Motorways Pilot Demonstration – Performance Evaluation Report, Colorado Department of Transportation. The Smart 25 Managed Motorways Pilot Project in Colorado was delivered in partnership with CDOT, WSP, the Department of Transport and Planning Victoria and Transmax.

SMART 25 MANAGED MOTORWAYS PILOT PROGRAM

Transmax’s STREAMS Smart Motorways solution is a sophisticated suite of motorway management tools that is enabling road operators to tackle congestion and make people’s road journeys safer and more reliable.

The solution is a comprehensive suite of algorithms that prevent flow breakdown and accidents before they happen. It also provides tools to respond to incidents, if they occur, to get people moving again. The solution coordinates variable speed signs, ramp signals, dynamic message signs, lane control, and travel time signs that respond in real-time to whatever is happening on the motorway.

In 2022, STREAMS Smart Motorways was trialled by the Colorado Department of Transportation (CDOT) as part of a managed motorways Smart 25 pilot project along I-25 in the Denver metro area in partnership with Transmax, Department of Transport and Planning Victoria, and WSP. The pilot aimed to address recurring congestion and unreliability on this vital link between Denver’s central business district and the Southeast Denver Tech Center.

During the year, the operational trial was completed and CDOT released its report on the findings of the trial, which saw several positive outcomes achieved.

Our people

Our People

Overview

Transmax is all about its people, and we work as a team with common goals. Our company is driven forward by our people and our success is directly linked to our people's expertise, loyalty, entrepreneurial spirit, passion and dedication to achieving the best outcomes for our customers.

A commitment to excellence and innovation and a customer-focused approach to everything we do characterises our company culture. We support our employees to

deliver on their full potential with access to education assistance, and our remuneration is in line with the market.

Transmax has undergone significant transformational change over the past three years and we are always looking to improve our pathway to becoming an employer of choice and improve our cultural impact on employees and their day-to-day lives at Transmax.



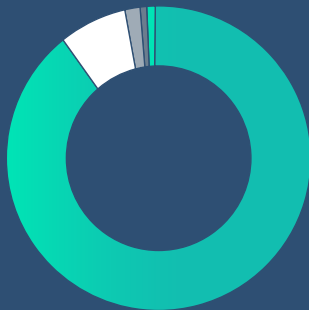
Breakdown of employees

As at 30 June 2023, Transmax employed a total of 175 people, representing a 21.52% positive growth on the previous year.

The increase was largely the result of planned and forecasted growth for STREAMS Next-Gen technologies within the Product Development group, however, there were also successful hires into our Operational Engineering & Services to further support our customers.

EMPLOYEE BREAKDOWN

2022-2023



- Full time
- Part time
- Contractors/casual
- Inactive (maternity or long service leave)
- Graduate/training



Workplace model

Transmax operates out of one site in Brisbane, Queensland where the majority of employees are based.

Transmax offers a hybrid working model where employees work remotely for some or most of the business week coupled with in-office days to support in-person engagement and collaboration. In addition, employees are offered more flexibility in remote working arrangements and the hours they choose to work.

	30 June 2022	30 June 2023
Full-time employees	131	160
Part-time employees	10	11
Contractors	2	2
Graduate/training	1	2
Inactive (maternity leave or long service leave)	1*	1*
Total	144	175

* included in full-time employees figure

Education and training

Transmax is committed to investing in our people and ensuring employees engage with learning and development opportunities to reach their full potential. This promotes a positive workplace and contributes to teams that are empowered to perform at their best. In 2022-23, Transmax employees spent 6,786 hours engaging in training, professional development and education opportunities.

Following the implementation of our new benefits policy, which included the

increased provision of education assistance and uncapped training possibilities to employees, Transmax has seen a significant increase in training requests from employees which covers a range of topics and disciplines.

Some examples include Product Leadership, Fast Thinking & Confident Speaking, Security Engineering, Cyber Security Essentials, New Manager Training and ITIL Foundations.

Health and wellbeing

Transmax is committed to the safety, health, and wellbeing of our staff during their tenure at Transmax and it will always be our highest priority.

The company acknowledges that an individual's mental health is vital to their ongoing wellbeing and developing their cognitive, emotional, and social health. Transmax offers employees access to an Employee Assistance Program (EAP), where employees can receive confidential advice around various situations or issues in life. All employees have access to the Transmax Mental Health Care Plan through our EAP provider.

In addition, the company offers all employees complimentary flu vaccinations each year, along with access to financial wellness programs.



Diversity

At Transmax, we appreciate the importance of creating an environment in which all of our employees feel valued, included and empowered. We recognise that each employee's unique experiences, perspectives and viewpoints are important to creating products that engage and inspire our customers.

We are committed to building a team of engaged and capable people and fostering inclusive leadership – embracing different cultures, ethnicities, genders and sexual orientations. We aim to create a workplace culture that inspires a culture of excellence,

fosters growth and advancement, attracts the best talent and creates a sense of pride in everything we do across our company.

In light of our commitment to improving diversity within our workplace, Transmax is forming a Diversity & Inclusion Council which will see our organisation actively challenge, continuously improve, recognise and celebrate a wider and more diverse range of global and local identities, observations, beliefs and day of significance for people. Transmax is a member of Diversity Council Australia, which supports our goal of becoming a nationally recognised Inclusive Employer. This council will focus on improving our workplace and cultural initiatives to continue to shape us into an Employer of Choice.

Transmax continued compliance with mandatory annual reporting to the Workplace Gender Equality Agency (WGEA), and there have been no flagged non-compliances, warnings or improvement notices issued from the Agency regarding our total workforce metrics, remuneration, policies or strategies in use at Transmax.



Safety

There were no (zero) reportable safety incidents in 2022-23.

Financial Statements

Transmax Pty Ltd
ABN 59 099 487 573

Financial Statements

FOR THE YEAR ENDED 30 JUNE 2023

TRANSMAX PTY LTD

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FOR THE YEAR ENDED 30 JUNE 2023

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TRANSMAX PTY LTD

DIRECTORS' REPORT

30 JUNE 2023

The directors present their report, together with the financial statements of Transmax for the year ended 30 June 2023.

Directors

Dennis Walsh (Interim Chair from 18 March 2023 and non-executive director appointed 2 December 2022)

Dennis Walsh was appointed to the Transmax Board as a non-executive director on 2 December 2022, and appointed Interim Chair on 18 March 2023. Mr Walsh is Chief Engineer of the Queensland Department of Transport and Main Roads. He oversees a range of technologies including Geospatial Technologies, Road Design and Hydraulics; Pavement, Materials and Geotechnical Engineering; Traffic Engineering; Structures; and Safer Roads Infrastructure.

Mr Walsh is a Chartered Professional Engineer, member of Engineers Australia, an honorary member of Institute of Public Works Engineers Australia. He has an involvement in a wide area of transport-related matters at a national level. He is currently a director of several entities including Australian New Car Assessment Program (ANCAP), Intelligent Transport Systems Australia, Centre for Connected and Automated Transport (CCAT) and Austroads Ltd.

Mr Walsh holds a Bachelor's Degree, Civil Engineering and a Master's Degree, Engineering Science, from Queensland University of Technology and has completed the Company Directors Course with the Australian Institute of Company Directors.

John Frazer (Non-executive director)

John Frazer was appointed as a non-executive director to the Board of Transmax on 11 February 2019. Mr. Frazer joined the Board with more than two decades of experience working for the Queensland Treasury Corporation. He has extensive experience in advising Ministers and the Government in matters relating to government-owned corporations and statutory bodies and brings high-level finance and strategic skills through working across a diverse range of businesses.

He is currently a director of several government-owned entities including Queensland Treasury Holding Pty; Dalrymple Bay Coal Terminal Holdings Pty Ltd; Brisbane Ports Holding Pty Ltd; Central Queensland Hospital, Network Infrastructure Company Pty Ltd, Queensland Airport Holdings (Mackay) Pty Ltd; and Queensland Airport Holdings (Cairns) Pty Ltd.

Mr Frazer holds a Bachelor of Commerce from the University of Queensland, is a Chartered Accountant, and has completed the Company Directors Course with the Australian Institute of Company Directors.

Naomi Seddon (Non-executive director appointed 13 February 2023)

Naomi Seddon was appointed as a non-executive director to the Board of Transmax on 13 February 2023. Mrs Seddon's legal career spans three countries over the last 19 years where she has not only worked with close to 2,000 different companies across many different markets and industries but is also one of the few lawyers in the world to hold legal qualifications from 3 different countries.

Mrs Seddon is a partner at global law firm, Littler Mendelson. She is currently a director of several entities including Megaport Limited, LM Legal Services Pty Ltd, InnovoEdge Inc, Endometriosis Australia and Surrogacy Australia.

Naomi holds a Bachelor of Law from Deakin University and a Master of Laws, Employment/Workplace Relations Law from Monash University.

TRANSMAX PTY LTD DIRECTORS' REPORT

30 JUNE 2023

Kathryn Giudes (Chair and non-executive director ceased on 17 March 2023)

Kathryn Giudes was appointed as a non-executive director and Chair to the Board of Transmax on 11 February 2019. Mrs. Giudes resigned as Chair and non-executive director on 17 March 2023.

Julie Mitchell (Non-executive director ceased on 1 November 2022)

Julie Mitchell was appointed as a non-executive director to the Board of Transmax on 11 February 2019. Ms. Mitchell resigned as a non-executive director on 1 November 2022.

Company Secretary

Megan Harwood (Appointed 19 January 2023)

Megan Harwood was appointed as Company Secretary on 19 January 2023.

Angelique Coffee-Heyneke (Appointed 10 May 2023)

Angelique Coffee-Heyneke was appointed as Company Secretary on 10 May 2023.

Lynette Sperling (Appointed 31 March 2020 and ceased on 20 March 2023)

Lynette Sperling was appointed as Company Secretary on 31 March 2020 and resigned as Company Secretary on 20 March 2023.

TRANSMAX PTY LTD
DIRECTORS' REPORT
30 JUNE 2023

Directors' meetings

The number of directors' meetings (including meetings of committees of directors) and the number of meetings attended by each of the directors of the company during the financial year are:

TABLE OF DIRECTORS' BOARD MEETINGS

Director	Board Meetings	
	No. of Meetings Attended	No. of Meetings Held*
Dennis Walsh - Interim Chair from 18 March 2023 (Appointed as non-executive director 2 December 2022)	7	7
Kathryn Giudes - (Ceased Chair and non-executive director 17 March 2023)	9	9
John Frazer	12	12
Naomi Seddon - (Appointed 13 February 2023)	4	4
Julie Mitchell - (Ceased 1 November 2022)	4	4

*Number of meetings held during the time the director held office during the year or was a member of a committee

TABLE OF DIRECTORS' SUB-COMMITTEE MEETINGS

Director	Risk and Audit Committee Meeting	
	No. of Meetings Attended	No. of Meetings Held*
John Frazer (Chair)	4	4
Dennis Walsh - (Appointed 2 December 2022)	2	2
Naomi Seddon - (Appointed 13 February 2023)	2	2
Kathryn Giudes - (Ceased 17 March 2023)	3	3
Julie Mitchell - (Ceased 1 November 2022)	1	1

*Number of meetings held during the time the director held office during the year or was a member of a committee

Corporate Governance Statement

Transmax Pty Ltd (the Company) was created because of the Queensland Government's recognition of the value created in its investment in the STREAMS® Intelligent Transport System. In order for the value to be preserved and enhanced, it was necessary to develop a broader customer base. The government recognised that achieving long-run sustainability of the STREAMS system would ensure ongoing provision of skilled jobs.

This statement outlines the main corporate governance practices that were in place throughout the financial year.

Corporate structure

Transmax Pty Ltd is a private company, limited by shares, incorporated, and operating in Queensland Australia. Transmax is 100% owned by the Queensland Department of Transport and Main Roads (TMR). The Director-General of TMR is the sole shareholder.

TRANSMAX PTY LTD

DIRECTORS' REPORT

30 JUNE 2023

Board of Directors

The Board is responsible for the overall corporate governance of the Company including determining its strategic direction, establishing goals for management and monitoring the achievement of these goals. Where possible the Board follows a Charter and a Corporate Governance Framework. This framework was previously developed based on the 10 Principles of the ASX Corporate Governance Council.

Composition of the Board

The Chair and directors are appointed by the shareholder. The following persons held the Office of Director of the Company during the financial year:

- Dennis Walsh – Interim Chair from 18 March 2023 (appointed as non-executive director 2 December 2022)
- John Frazer – Non-executive director
- Naomi Seddon – Non-executive director (appointed 13 February 2023)
- Kathryn Giudes – Chair - Non-executive director (ceased chair and non-executive director 17 March 2023)
- Julie Mitchell – Non-executive director (ceased 1 November 2022)

The directors provide a mix of strategic, financial, managerial, and technical skills. The directors meet regularly throughout the year.

Details relating to all directors active during the financial year are set out in the Directors' Report.

Risk & Audit Committee

This committee was established in September 2013 as the Operations, Risk and Audit Committee, then replaced as the Risk and Audit Committee in November 2015. The committee aims to provide guidance and oversight of:

- corporate governance
- internal control structures
- risk management
- internal and external audit functions.

Committee members include:

- John Frazer – Chair - Non-executive director
- Dennis Walsh – Non-executive director (appointed 2 December 2022)
- Naomi Seddon – Non-executive director (appointed 13 February 2023)
- Kathryn Giudes – Non-executive director (ceased 17 March 2023)
- Julie Mitchell – Non-executive director (ceased 1 November 2022)

The external auditors and other company officers are invited to these meetings at the discretion of the committee. The committee meets quarterly unless otherwise required. The committee members' attendance record is disclosed in the Table of Directors' Sub-Committee Meetings on page 42.

TRANSMAX PTY LTD

DIRECTORS' REPORT

30 JUNE 2023

Internal control framework

The Board acknowledges that it is responsible for the overall internal control framework but recognises that no cost-effective internal control system will preclude all errors and irregularities. To assist in discharging this responsibility, the Board has instigated a business planning and budget development process, resulting in an annual budget that is reviewed and approved by the directors. Monthly actual results are reported against budget and the Company's overall performance is monitored by the Board. As stated previously, the Risk & Audit Committee was established to assist this process.

The role of the shareholder

The Board of Directors aims to ensure that the shareholder of the Company, the Director-General of the Queensland Department of Transport and Main Roads, who is the shareholder on behalf of the State of Queensland, is informed of all major developments affecting the Company's state of affairs.

Independent professional advice and access to company information

Each director has the right of access to all relevant Company information and to the Company's executives and, subject to prior consultation with the Chair, may seek independent professional advice at the Company's expense. A copy of advice received by the director should be made available to all other members of the Board.

Directors' interests and benefits

No directors received or became entitled to receive any benefit as a result of a contract made by the Company with a director or with a firm of which a director is a member, or with an entity in which the director has a substantial financial interest. All directors' payments are included within the key management personnel disclosures note 22.

Indemnification and insurance of directors and officers

During the year Transmax Pty Ltd paid a premium of \$11,893.51 to insure the directors, secretary, and officers of the company. The 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, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities from conduct involving a wilful breach of duty by the officers or the improper use of their position or of information to gain advantage for themselves, 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 possibilities.

Directors' special responsibilities

Directors undertake many special responsibilities with respect to the Company other than the collective corporate responsibilities attributed to the Board of Directors as a whole, as outlined in the Company's Corporate Governance Manual. These include the involvement of directors in the Risk & Audit Committee.

TRANSMAX PTY LTD

DIRECTORS' REPORT

30 JUNE 2023

Principal activities

The principal activities of Transmax are the development, support, and distribution of the STREAMS® Intelligent Transport System (ITS) and related services. There have been no significant changes in the nature of those activities during the year.

Dividends

Dividends have not been declared or paid for the year ended 30 June 2023.

Significant changes to the state of affairs

In the opinion of the directors, there were no significant changes in the state of affairs that occurred during the financial year under review.

Review of operations

The loss after income tax for the financial year was \$5,307,558. (30 June 2022: profit of \$1,007,088).

General

Staff and contractor numbers have increased over the period, with a total full-time equivalent of 170 at 30 June 2023 (2022: 135).

Taxation

Transmax is subject to the National Taxation Equivalents Regime (NTER).

Events subsequent to financial position date

There are no events.

Likely developments

There are no likely developments to be disclosed.

Environmental regulation

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

TRANSMAX PTY LTD

DIRECTORS' REPORT

30 JUNE 2023

Going concern basis

This report is made in accordance with a resolution of the directors. The Department of Transport and Main Roads has provided a letter of financial support. In forming the opinion that there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due, the directors have reviewed the statement of comprehensive income, statement of financial position, and statement of cash flows presented in this document. These have been prepared on the basis that Transmax is a going concern.

Risk management

The Company, in carrying out its business, maintains a risk management philosophy that appropriately:

- protects the wellbeing of the Company's workforce, the wider community in which it operates; and
- manages threats that could adversely impact on the Company's ability to meet its corporate objectives, its growth in shareholder value and its stewardship of company assets.

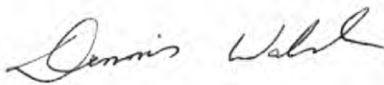
Proceedings on behalf of the company

There are no instances where a person has applied for leave of the court and or has brought or intervened in proceedings on behalf of the Company.

Auditor's independence declaration

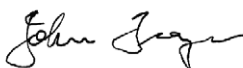
A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is included following the Directors' Report.

Signed in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.



.....
Dennis Walsh
Interim Chair - Non-executive director

21 September 2023
Date



.....
John Frazer
Non-executive director

21 September 2023
Date

AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of Transmax Pty Ltd

This auditor's independence declaration has been provided pursuant to s. 307C of the *Corporations Act 2001*.

Independence declaration

As lead auditor for the audit of Transmax Pty Ltd for the financial year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.



Vaughan Stemmett
as delegate of the Auditor-General

21 September 2023

Queensland Audit Office
Brisbane

TRANSMAX PTY LTD
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$	2022 \$
Revenue	2	30,622,054	28,730,129
Other income	3	126,856	51,761
Total revenue and other income		30,748,910	28,781,890
Employee benefit expenses	4	(22,971,388)	(17,262,224)
Supplies and services	5	(9,509,078)	(7,335,711)
Depreciation and amortisation charge	10/11/12	(1,872,040)	(2,121,491)
Impairment expense	12	(1,180,041)	(800,295)
Other expenses	6	(134,909)	(140,103)
Finance costs		(321,348)	(191,618)
Loss on disposal of assets	10	(6,084)	(20,920)
Profit/(loss) before tax for the year		(5,245,978)	909,528
Income tax (expense)/benefit	7(b)	(61,580)	97,560
Total profit/(loss) for the year		(5,307,558)	1,007,088
Other comprehensive income		-	-
Total comprehensive income/(expense) for the year attributable to owners of the Company		(5,307,558)	1,007,088

This statement is to be read in conjunction with the accompanying Notes and Significant Accounting Policies

TRANSMAX PTY LTD
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		17,450,728	12,623,460
Trade receivables	8	1,132,415	1,021,794
Contract assets	9	1,458,256	1,762,116
Prepayments		578,491	443,341
Inventories		462,620	239,426
Current tax assets	7(f)	61,223	273,271
TOTAL CURRENT ASSETS		21,143,733	16,363,408
NON-CURRENT ASSETS			
Deferred tax assets	7(d)	1,259,047	1,114,967
Property, plant & equipment	10	807,850	767,774
Right-of-use assets	11	11,023,064	12,057,015
Prepayments		20,840	24,790
Intangible assets	12	4,881,012	3,959,124
TOTAL NON-CURRENT ASSETS		17,991,813	17,923,670
TOTAL ASSETS		39,135,546	34,287,078
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	1,113,903	1,155,539
Accrued employee benefits	14	3,997,689	3,049,683
Provisions		269,683	437,236
Contract liabilities	15	37,359	317,304
Lease liability	11	684,691	920,197
TOTAL CURRENT LIABILITIES		6,103,325	5,879,959
NON CURRENT LIABILITIES			
Accrued employee benefits	14	267,129	191,749
Contract liabilities	15	-	17,752
Lease liability	11	11,558,284	11,950,135
Deferred tax liability	7(e)	1,215,539	948,656
TOTAL NON CURRENT LIABILITIES		13,040,952	13,108,292
TOTAL LIABILITIES		19,144,277	18,988,251
NET ASSETS		19,991,269	15,298,827
EQUITY			
Issued capital	16	15,601,062	5,601,062
Retained earnings	17	4,390,207	9,697,765
TOTAL EQUITY		19,991,269	15,298,827

This statement is to be read in conjunction with the accompanying Notes and Significant Accounting Policies

TRANSMAX PTY LTD
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Issued capital	Retained earnings	Total equity
	\$	\$	\$
Balance at 1 July 2022	5,601,062	9,697,765	15,298,827
Net profit/(loss) for period	-	(5,307,558)	(5,307,558)
Contributed equity	10,000,000	-	10,000,000
Balance at 30 June 2023	15,601,062	4,390,207	19,991,269

	Issued capital	Retained earnings	Total equity
	\$	\$	\$
Balance at 1 July 2021	5,601,062	8,690,677	14,291,739
Net profit/(loss) for period	-	1,007,088	1,007,088
Balance at 30 June 2022	5,601,062	9,697,765	15,298,827

This statement is to be read in conjunction with the accompanying Notes and Significant Accounting Policies

TRANSMAX PTY LTD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$	2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers (inclusive of GST)		34,634,836	32,621,857
Payments to suppliers and employees (inclusive of GST)		(36,258,535)	(27,677,962)
Interest received		88,818	8,106
Gain/(Loss) on FX denominated transactions		18,792	5,934
Income tax refunded / (paid)		273,271	(334,493)
Net cash (outflow) / inflow from operating activities	26	(1,242,818)	4,623,442
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments for property, plant and equipment		(499,428)	(550,156)
Payments for intangibles		(2,486,750)	(1,534,706)
Net cash (outflow) from investing activities		(2,986,178)	(2,084,862)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issue of shares		10,000,000	-
Repayment of lease liabilities		(943,736)	(966,002)
Net cash (outflow) / inflow from financing activities		9,056,264	(966,002)
Net increase in cash and cash equivalents		4,827,268	1,572,578
Cash and cash equivalents at the beginning of the financial year		12,623,460	11,050,882
Cash and cash equivalents at the end of the financial year		17,450,728	12,623,460

This statement is to be read in conjunction with the accompanying Notes and Significant Accounting Policies

TRANSMAX PTY LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

1 Summary of Significant Accounting Policies

The financial statements cover Transmax Pty Ltd as an individual entity.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of these financial statements. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Transmax Pty Ltd is a for-profit company limited by shares, incorporated and domiciled in Australia.

- i) **Historical Cost Convention**
The financial statements have been prepared on an accrual basis (except for the statement of cash flows which is prepared on a cash basis) and is based on historical costs unless otherwise stated.
- ii) **Comparatives**
Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

(b) Going Concern

The financial statements have been prepared on a going concern basis, which assumes Transmax will be able to pay its debts as and when they fall due. As at 30 June 2023, current assets exceeded current liabilities by \$15,040,408. In addition, the Department of Transport and Main Roads has provided a letter of financial support.

(c) Rounding of amounts

The financial report is presented in Australian Dollars and the company is of a kind referred to in ASIC Legislative Instrument 2016/191. Amounts in the financial statements and Directors' Report have been rounded to the nearest dollar.

(d) Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Estimates and assumptions with the most significant effect on the financial statements are outlined in the following notes:

- Plant and equipment – Note 1(i) and Note 10;
- Intangible assets – Note 1(j) and Note 12;
- Depreciation and amortisation – Note 1(i), Note 1(j), Note 10, Note 11 and Note 12;
- Accrued employee benefits – Note 1(p) and Note 14;
- Trade receivables – Note 1(k) and Note 8
- Revenue from contracts with customers - Note 1(g) and Note 2

TRANSMAX PTY LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

1 Summary of Significant Accounting Policies (continued)

(e) New, revised or amended Accounting Standards and Interpretations

No new accounting standards applicable for the first time in 2022-23 had a material impact on the company.

(f) Income tax

Income tax on the statement of comprehensive income for the year comprises current and deferred taxes. Income tax will be recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it will be recognised in the statement of changes in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at reporting date, and any adjustments to tax payable in respect of previous years.

Deferred income tax is provided in full using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

A deferred tax asset will be recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets will be reduced to the extent it is no longer probable that the related tax benefit will be realised.

The company is beneficially owned by the State of Queensland and has been subject to the National Taxation Equivalents Regime (NTER) from 1 July 2003. The liability to taxation under the NTER is calculated substantially on the basis of the *Income Tax Assessment Act 1936* (as amended) and the *Income Tax Assessment Act 1997* (ITAA). Accordingly, the company is exempt from Federal taxation pursuant to Section 24AM of the ITAA.

TRANSMAX PTY LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

1 Summary of Significant Accounting Policies (continued)

(g) Revenue

Transmax is a supplier of customised Intelligent Transport System (ITS) solutions through its ITS platform, STREAMS. Transmax works with its customers to develop solutions that meet customers' transport network management needs. Transmax offers customers systems engineering, software design and development, along with a range of consulting and support services throughout the entire ITS lifecycle.

STREAMS is a complete, integrated ITS solution supporting a comprehensive range of services and infrastructure, making it possible to run traffic signalling, incident response, motorway management and other traffic services from a single system.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which Transmax expects to be entitled in exchange for those goods or services.

Engineering and software services

Engineering and software services include revenues from software development, software assurance, technical support and consulting. These contracts are typically fixed price. Revenue is recognised over the period the performance obligation is satisfied, using the input method that best depicts the pattern of the transfer of control over time.

Equipment and third-party licence revenue

Revenue from the sale of equipment and third-party licences is recognised at a point in time when the control of the equipment and third-party licences is transferred to the customer, generally on delivery of the equipment and third-party licences.

Unearned revenue

Unearned revenue is made up of the following three components:

1. Time and material projects: When amounts billed to a customer are more than the retail hours worked, it is included in unearned revenue.
2. Fixed price projects: When the amounts billed to a customer is more than the earned value to date, the difference is taken to unearned revenue.
3. Unearned grant income: The value of grant income related to research and development expenses capitalised.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which Transmax has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before Transmax transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when Transmax performs under the contract.

TRANSMAX PTY LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

1 Summary of Significant Accounting Policies (continued)

(h) Cash and cash equivalents

For the purposes of the Statement of Financial Position and Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(i) Plant and Equipment

Acquisition of assets

Items of plant and equipment are initially recorded at their cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

Items of subsequent recognition

Plant and equipment are stated at cost less accumulated depreciation and impairment.

Depreciation

All assets have limited useful lives and are depreciated using the straight line method over their estimated useful lives.

Depreciation rate methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected prospectively in current and future periods only.

The depreciable amount of improvements to the leasehold building is allocated over the estimated useful life of the improvements or the unexpired period of the lease, whichever is shorter. The unexpired period of the lease includes any option period where the exercise of the option is probable. The residual value of all plant and equipment is zero.

For each class of depreciable plant and equipment the following periods are used as the estimated useful life:

<i>Class</i>	<i>Useful life</i>
Plant and Equipment	2-10 years
Leasehold improvements	7 years

TRANSMAX PTY LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

1 Summary of Significant Accounting Policies (continued)

(j) Intangible assets

Intangible assets are measured at cost less accumulated amortisation and impairment losses.

Intangible assets are tested annually for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment of \$1,180,041 has been recognised for 2023 (2022: \$800,295).

Trademarks

Transmax has trademarks in both Australia and internationally. The fees for these have been capitalised as management believe there is probable future economic benefit attributable to trademarks. The approved trademarks have been amortised throughout the year.

Internally-developed software

Expenditure on research phase of projects to develop new customised software is recognised as an expense as incurred.

Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided they meet the recognition requirements as per AASB 138 *Intangible Assets*.

The cost of an internally-generated intangible asset comprises all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management.

Work in progress intangibles

Work in progress intangibles include only those costs directly attributable to the development phase and are recognised following completion of technical feasibility. When the intangible asset is ready and in use it is transferred to internally developed software.

Amortisation

All intangible assets are amortised using the straight-line method over their useful lives. The residual value of all intangible assets is zero.

Amortisation rate methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected prospectively in current and future periods only.

For each class of intangible assets the following periods are used as the estimated useful life:

<i>Intangible asset</i>	<i>Useful life</i>
Trademarks	10 years
Internally - developed software	5-7 years
Intangibles - work in progress	Not amortised
Other intangibles - software	2 years

TRANSMAX PTY LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

1 Summary of Significant Accounting Policies (continued)

(k) Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days from the invoice date and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. Transmax holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Impairment of trade receivables and contract assets

Transmax applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

A provision matrix is used to assess the historical trend of its receivables to calculate historical loss rates, which are adjusted for forward-looking information. For 2022-23, no additional allowance has been recognised as the impact of this provision is immaterial.

(l) Inventories

Raw materials and stores, work in progress and finished goods are valued at the lower of cost and net realisable value. Costs are assigned to individual items of stock on the weighted average cost formula and include expenditure incurred in acquiring the inventories and bringing them to their existing condition and location.

(m) Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the company. Trade creditors are normally settled within 30 days.

TRANSMAX PTY LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

1 Summary of Significant Accounting Policies (continued)

(n) Leases

From 1 July 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by Transmax.

Assets and liabilities arising from a lease are initially measured on a present value basis.

Lease liabilities

Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed repayments), less any lease incentives receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the entity under residual value guarantees;
- The exercise price of a purchase option if the entity is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the entity exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases that relate to building premises, Transmax's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, Transmax uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received, making adjustments specific to the lease (e.g. term, country, currency and security).

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right of use assets

Right of use assets are measured at cost comprising the following:

- The amount of the initial measurement of the lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Restoration costs.

TRANSMAX PTY LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

1 Summary of Significant Accounting Policies (continued)

(o) Goods and services tax

Revenues, expenses, and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO, is included as a current asset or current liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO, are classified as operating cash flows.

(p) Employee benefits

Provision is made for the Transmax liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. These cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

(q) Contract asset

Contract asset for fixed price projects is calculated as revenue taken less billed to date. Revenue taken is calculated based on percentage of completion of the contract value. Cost to completion is reforecast monthly. Time and material project work in progress (WIP) is the retail value of the hours worked and not yet billed. Fixed price and time and material WIP is reviewed monthly for impairment. WIP includes a provision for potential under recovery.

TRANSMAX PTY LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
2 Revenue		
Engineering and software services revenue	29,329,541	25,250,955
Equipment and licence revenue	1,292,513	3,479,174
Total	<u>30,622,054</u>	<u>28,730,129</u>
3 Other income		
Interest income	88,818	8,106
Grant income	19,246	37,720
Foreign currency gain / (loss)	18,792	5,935
Total	<u>126,856</u>	<u>51,761</u>
4 Employee benefit expenses		
Wages and salaries	18,563,778	14,264,789
Superannuation	2,226,403	1,648,999
Payroll tax	1,220,443	891,060
Workers compensation	31,389	17,764
Fringe benefit tax	106,585	115,386
Contractor labour	238,062	16,250
Redundancy expenses	-	42,338
Movement of annual leave	308,296	145,091
Movement of long service leave	276,432	120,547
Total	<u>22,971,388</u>	<u>17,262,224</u>
Employees (full-time equivalent)	170	135

TRANSMAX PTY LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
5 Supplies and services		
Engineering and software services expenses	3,825,494	2,940,011
Equipment and third-party licence expenses	665,116	1,721,480
Administration expenses	2,203,923	1,257,885
IT expenses	1,750,130	782,161
Consultant expenses	891,999	437,863
Property and tenancy expenses	172,416	196,311
Total	<u>9,509,078</u>	<u>7,335,711</u>
6 Other expenses		
Accounting and tax fees	77,853	63,117
Audit fees*	57,056	76,986
Total	<u>134,909</u>	<u>140,103</u>

* Total audit fees quoted by the Queensland Audit Office relating to the 2022-23 financial statements are \$66,625. (2022: \$65,000)

TRANSMAX PTY LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
7 Income tax expense/(benefit)		
(a) Income tax expense/(benefit)		
Current tax expense	(61,222)	164,045
Deferred tax expense/(benefit) relating to origination and reversal of temporary differences	122,802	(261,605)
Total income tax expense/(benefit) attributable to profit	<u>61,580</u>	<u>(97,560)</u>
(b) Numerical reconciliation of income tax expense/(benefit) to prima facie tax payable		
Profit/(loss) from continuing operations before income tax expense	(5,245,979)	909,528
Tax at the statutory rate of 25% (2022: 25%)	<u>(1,311,495)</u>	<u>227,382</u>
Research and development expenditure	(4,811)	(9,431)
Research and development tax offset	-	(429,839)
Non-deductible expenses	6,122	435
Impairment expense	276,052	-
Deferred tax asset not recognised on tax losses	774,898	-
Adjustment to tax rate on opening deferred tax balances	-	11,093
Tax adjustments for prior periods	320,814	102,800
Income tax expense/(benefit)	<u>61,580</u>	<u>(97,560)</u>
(c) Deferred tax equivalent expense/(benefit) included in income tax equivalent expense comprises:		
Deferred tax assets opening balance	1,114,967	1,073,623
Increase/(decrease) in deferred tax assets	144,080	82,637
Adjustment relating to prior year	-	(41,293)
Deferred tax assets at 30 June	<u>1,259,047</u>	<u>1,114,967</u>
Deferred tax liability opening balance	948,656	785,150
Increase/(decrease) in deferred tax liability	(112,100)	(190,037)
Adjustment relating to prior year	378,983	353,543
Deferred tax liability at 30 June	<u>1,215,539</u>	<u>948,656</u>

TRANSMAX PTY LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
7 Income tax expense/(benefit) (continued)		
(d) Proof of deferred tax assets		
Revenue received in advance	12,287	94,105
Trademarks	14,874	14,866
Employee benefits	810,417	640,573
Accrued expenses & provisions	104,197	150,354
Lease timing adjustments	304,978	203,329
Other timing adjustments	12,294	11,740
Net deferred tax assets at 30 June	1,259,047	1,114,967
(e) Proof of deferred tax liabilities		
Property, plant and equipment	186,720	173,829
Work in progress	364,587	440,552
Intellectual property	519,609	244,046
Prepayments	144,623	90,229
Net deferred tax liabilities at 30 June	1,215,539	948,656
(f) Reconciliation of current tax liability/(asset)		
Opening balance	(273,271)	280,944
Refunds/(payment) in the current year relating to the prior year	273,271	(280,944)
Current year instalments	-	(53,549)
Under/(Over) provision for tax in prior year	(61,223)	(280,944)
Provision for tax current year	-	61,222
Closing balance	(61,223)	(273,271)

TRANSMAX PTY LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

		2023	2022
		\$	\$
8	Trade receivables		
	Trade receivables	1,132,415	1,021,794
	Total	1,132,415	1,021,794
9	Contract assets		
	Time and material projects	762,821	129,324
	Fixed price projects	695,435	1,632,792
	Total	1,458,256	1,762,116
10	Property, plant & equipment		
	Plant and equipment		
	At Cost	2,984,168	2,858,585
	Less: accumulated depreciation	(2,176,318)	(2,090,811)
	Total property, plant & equipment	807,850	767,774
	<i>Reconciliation</i>		
	<i>The reconciliation of the carrying amount for plant and equipment is set out below:</i>		
	Opening net book amount	767,774	661,596
	Additions	499,428	550,156
	Loss on disposal of assets	(6,084)	(22,990)
	Depreciation charge	(453,268)	(420,988)
	Closing net book amount	807,850	767,774

TRANSMAX PTY LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
11 Leases		
Right of use assets - buildings		
Opening balance at 1 July	12,057,015	5,588,394
Additions	-	7,434,987
Depreciation charge	(1,033,951)	(966,366)
Closing balance at 30 June	<u>11,023,064</u>	<u>12,057,015</u>
Lease liabilities		
Current	684,691	920,197
Non-current	11,558,284	11,950,135
Total	<u>12,242,975</u>	<u>12,870,332</u>
Amounts recognised in profit or loss		
Interest expense on lease liabilities	316,379	187,473
Lease repayments	627,357	778,529
Total cash outflow for leases	<u>943,736</u>	<u>966,002</u>
Maturity analysis of future lease payments outstanding at the reporting date		
Future lease payments (undiscounted)		
Less than 1 year	984,467	943,736
Between 1 and 5 years	4,372,310	4,195,710
Over 5 years	8,809,999	9,971,066
Total future lease payments	<u>14,166,776</u>	<u>15,110,512</u>

TRANSMAX PTY LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

12 Intangible assets	Trademarks	Other intangibles	Internally developed software	Work in progress	Total
	2023	2023	2023	2023	2023
	\$	\$	\$	\$	\$
At Cost	71,442	59,300	5,218,750	4,444,561	9,794,053
Less: Accumulated amortisation	(59,495)	(59,300)	(4,794,246)	-	(4,913,041)
	11,947	-	424,504	4,444,561	4,881,012
Reconciliation					
Opening Balance	19,091	-	878,012	3,062,021	3,959,124
Additions	-	-	-	2,486,750	2,486,750
Loss on disposal of assets	-	-	-	-	-
Transfers - Work in progress	-	-	-	-	-
Impairment expense	-	-	(75,831)	(1,104,210)	(1,180,041)
Amortisation charge	(7,144)	-	(377,677)	-	(384,821)
Closing Balance	11,947	-	424,504	4,444,561	4,881,012

TRANSMAX PTY LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

12 Intangible assets	Trademarks	Other intangibles	Internally developed software	Work in progress	Total
	2022	2022	2022	2022	2022
	\$	\$	\$	\$	\$
At Cost	71,442	59,300	5,343,648	3,062,021	8,536,411
Less: Accumulated amortisation	(52,351)	(59,300)	(4,465,636)	-	(4,577,287)
	19,091	-	878,012	3,062,021	3,959,124
Reconciliation					
Opening Balance	26,235	-	2,405,300	1,527,315	3,958,850
Additions	-	-	-	1,534,706	1,534,706
Loss on disposal of assets	-	-	-	-	-
Transfers - Work in progress	-	-	-	-	-
Impairment expense	-	-	(800,295)	-	(800,295)
Amortisation charge	(7,144)	-	(726,993)	-	(734,137)
Closing Balance	19,091	-	878,012	3,062,021	3,959,124

TRANSMAX PTY LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
13 Trade and other payables		
Trade payables	770,072	933,946
Accrued expenses	148,135	100,295
GST payable	195,696	121,298
Total	<u>1,113,903</u>	<u>1,155,539</u>
14 Accrued employee benefits		
CURRENT		
Accrued annual leave & long service leave	2,974,542	2,370,544
Wages and salaries	1,023,147	679,139
Total	<u>3,997,689</u>	<u>3,049,683</u>
NON CURRENT		
Accrued long service leave	267,129	191,749
Total	<u>267,129</u>	<u>191,749</u>
15 Contract liabilities		
CURRENT		
Unearned income	37,359	317,304
Total	<u>37,359</u>	<u>317,304</u>
NON CURRENT		
Unearned income	-	17,752
Total	<u>-</u>	<u>17,752</u>
16 Contributed equity		
Ordinary shares - issued and fully paid	15,601,061	5,601,061
Special (control) shares - issued fully paid	1	1
Total	<u>15,601,062</u>	<u>5,601,062</u>
17 Retained profits		
Retained profits at the beginning of the financial year	9,697,765	8,690,677
Net profit/(loss)	(5,307,558)	1,007,088
Retained profits at the end of the financial year	<u>4,390,207</u>	<u>9,697,765</u>

TRANSMAX PTY LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

18 Financial risk management

(a) Risk management of objectives and policies

The Company is exposed to various risks in relation to financial instruments. The main types of risks are credit risk and interest rate risk. The Company's management, in close cooperation with the Board of Directors, focuses to ensure the short to medium-term cash flows are secured by minimising the exposure to financially risky activities. The most significant financial risks applicable to the Company are described below.

(b) Credit risk exposure

Credit risk exposure represents the extent of credit related losses that the entity may be subject to on amounts to be exchanged under trade debtors and loans and advances from financial assets.

The maximum exposure to credit risk at balance date in relation to each class of recognised financial assets is the carrying amount of those assets net of any allowance for impairments as indicated in the statement of financial position.

(c) Interest rate risk

	2023	2022
	\$	\$
Cash at bank	17,450,728	12,623,460
Interest rate	0.20%-4.10%	0.01%-0.33%

(d) Fair value measurements

Financial assets and liabilities are as follows:

- trade and other receivables
- cash and cash equivalents
- trade and other payables

The carrying amounts of these financial assets and liabilities are considered to be a reasonable approximation of fair value.

(e) Liquidity risk

Liquidity risk refers to the ability of an entity to meet its obligations associated with financial liabilities. Transmax Pty Ltd manages liquidity risk by continuous monitoring of cashflow.

The Company reduces the exposure to liquidity risk by ensuring the company has sufficient funds available to meet employee and supplier obligations at all times. This is achieved by ensuring that minimum levels of cash are held within the various bank accounts so as to match the expected duration of the various employee and supplier liabilities.

TRANSMAX PTY LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

19 Contingent liabilities and contingent assets

In the opinion of the Directors, the Company did not have any contingent assets or liabilities at 30 June 2023 (30 June 2022: Nil)

20 Commitments

Capital Commitments

At 30 June 2023 the Company had no capital commitments. (30 June 2022: \$47,763)

21 Economic dependency

The Company is dependent on Queensland Department of Transport and Main Roads for the majority of its revenue used for operations. At the date of this report, the Company has no reason to believe the dependence is at risk or likely to change significantly.

22 Key management personnel disclosures

	2023	2022
	\$	\$
John Frazer, Naomi Seddon and Kathryn Giudes were paid as non-executive directors of Transmax. Nikki Allder was paid as CEO of Transmax until 24 February 2023. Lynette Sperling was paid as interim CEO of Transmax from 13 February 2023 to date.		
Key management personnel compensation		
Short-term employee benefits	483,581	453,265
Post-employment benefits	30,833	34,663
Termination benefits	655	-
Total	515,069	487,928

23 Subsequent events

There have been no events subsequent to the financial position date.

24 Company details

The business address and registered office of Transmax Pty Ltd is:
Level 5, 143 Coronation Drive, Milton, QLD, 4064, Australia

TRANSMAX PTY LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

25 Transactions with related parties

As at 30 June 2023, financial statement items included the following amounts in relation to Queensland Department of Transport and Main Roads (the parent entity):

	2023	2022
	\$	\$
Sales and purchases transactions		
Sale of goods and services (exclusive of GST)	21,041,497	21,391,016
Outstanding balances arising from sales/purchases of goods and services		
Amounts receivable from related parties	166,235	6,460
Equity		
Contributed equity	15,601,062	5,601,062

Naomi Seddon is a Director of Megaport Pty Ltd and Megaport Pty Ltd provides a network link service to Transmax. During the financial year ending 30 June 2023 the financial statements include payments to Megaport Pty Ltd as a supplier totalling \$13,332 inclusive of GST. Of this total, \$4,884 were transactions that continued following her appointment as a Director for Transmax on 13 February 2023.

TRANSMAX PTY LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

26 Reconciliation of profit/(loss) after income tax to net cash from/(used in) operating activities

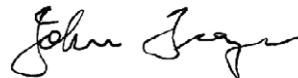
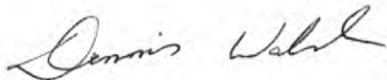
	2023	2022
	\$	\$
Profit/(loss) after income tax benefit for the year	(5,307,558)	1,007,088
Add adjustments for:		
- depreciation charge	1,487,219	1,387,354
- amortisation charge	384,821	734,137
- finance costs	316,379	187,473
- other (gains)/losses	6,084	22,990
- impairment expense	1,180,041	800,295
	<hr/>	<hr/>
	(1,933,014)	4,139,337
Change in assets and liabilities		
- (increase)/decrease in work in progress	303,860	(561,852)
- (increase)/decrease in prepayments	(131,200)	(65,903)
- (increase)/decrease in trade and other receivables	(110,623)	2,374,928
- (increase)/decrease in inventories	(223,193)	(137,504)
- (increase)/decrease in deferred tax assets	(144,081)	(41,344)
- (increase)/decrease in current tax asset	212,048	(554,215)
- increase/(decrease) in trade and other payables	(283,587)	(164,490)
- increase/(decrease) in accrued employee benefits	1,023,386	504,287
- increase/(decrease) in deferred tax liabilities	266,883	163,506
- increase/(decrease) in GST liabilities	74,399	(364,216)
- increase/(decrease) in unearned revenue	(297,696)	(669,092)
	<hr/>	<hr/>
Net cash provided / (used in) operating activities	(1,242,818)	4,623,442

TRANSMAX PTY LTD
DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2023

In the opinion of the directors of Transmax Pty Ltd:

- (a) The financial statements and notes set out on pages 48 to 72 are in accordance with the *Corporations Act 2001*, including:
- (i) complying with Australian Accounting Standards, the *Corporations Regulations 2001*, and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the company's financial position as at 30 June 2023 and of its performance, for the financial year ended on that date, and
- (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.

Signed in accordance with a resolution of directors made pursuant to section 295(2)(a) of the *Corporations Act 2001*.



.....
Dennis Walsh
Interim Chair - Non-executive director

.....
John Frazer
Non-executive director

Date: 21 September 2023

Date: 21 September 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of Transmax Pty Ltd

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Transmax Pty Ltd

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2023, and its financial performance and cash flows for the year then ended
- b) complies with the *Corporations Act 2001*, the *Corporations Regulations 2001* and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the directors' declaration.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am 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 my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*. I am also independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001*.

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

Other information

Other information comprises financial and non-financial information (other than the audited financial report). At the date of this auditor's report, the available other information in the annual report for the year ended 30 June 2023 was the director's report.

Those charged with governance are responsible for the other information.

My opinion on the financial report does not cover the other information and accordingly I do not express any form or assurance conclusion thereon.

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

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

Responsibilities of the company for the financial report

The company's directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Corporations Act 2001*, the *Corporations Regulations 2001* and Australian Accounting Standards, and for such internal control as the company's directors determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The company's directors are also responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating 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


My 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 my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for forming an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of material accounting policy information used and the reasonableness of accounting estimates and related disclosures made by the company.

- Conclude on the appropriateness of the company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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



Vaughan Stemmett
as delegate of the Auditor-General

21 September 2023

Queensland Audit Office
Brisbane



☎ + 61 7 3355 8700

✉ info@transmax.com.au

Transmax Pty Ltd
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